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Much Ado About Nothing: Employee Benefits Provisions of the One Big Beautiful Bill Act

On July 4, 2025, President Trump signed the One Big Beautiful Bill Act (OBBB) into law. Although the original House version of the bill provided for extensive health care changes and pharmacy benefit manager (PBM) reforms, the final OBBB contains only a few provisions that affect employee benefit plans. Nonetheless, the OBBB offers a few useful options for benefit plan sponsors.

High-Deductible Health Plan (HDHP) Enhancements

1. *Telehealth relief for HDHPs made permanent.* The CARES Act of 2020 created a temporary safe-harbor allowing HDHPs to provide telehealth services to participants before their annual deductibles were met, without jeopardizing HSA contribution eligibility. The relief was further extended by the Consolidated Appropriations Act of 2024, but only through December 31, 2024. The OBBB makes the relief for HDHP telehealth services permanent and retroactive to January 1, 2024, closing the compliance gap with the prior relief. As a result, employers that offer HDHPs should consider taking action to amend their plans to permit first-dollar telehealth benefits.
2. *Fees for direct primary care service arrangements are HSA eligible.* The OBBB creates an exception from the HDHP first-dollar rules for the payment of monthly fees for "direct primary care service" arrangements (DPCs). DPCs typically involve patients paying monthly membership fees to primary-care-providers covering office visits, preventive care, and routine labs. Effective January 1, 2026, the OBBB permits HDHP participants to use their HSAs to pay these monthly DPC fees. The exception for DPC fees is limited to $150 per month for an individual participant or $300 per month for families, and these limits are indexed for inflation annually

after 2026. Employers that offer HDHPs should consider amending their plans to accommodate DPC fees for the 2026 plan year.

Increased Dependent Care Flexible Spending Account (FSA) Limits

Effective for tax years beginning in 2026, the annual dependent care FSA limit is increased to $7,500 per individual or married couple ($3,750 for married couples filing separately). The increased limit is not indexed for inflation for years after 2026.

Tax-Deferred Savings Accounts for Children – "Trump Accounts"

Effective January 1, 2026, taxpayers may establish new tax-advantaged "Trump accounts" for the benefit of children under the age of 18. The accounts operate as IRAs for tax purposes, with a few special limitations on contributions and withdrawals. The annual contribution limit is $5,000. Employers may establish a plan to make up to $2,500 in excludable annual contributions to their employees' Trump accounts. The OBBB also creates a pilot program in which the U.S. Department of Treasury is directed to contribute $1,000 to Trump Accounts established for U.S. citizens born between January 1, 2025, and January 1, 2029. Employers that wish to offer Trump account contributions for employees will first need to adopt a written plan setting out the amount of contributions and incorporating the applicable participation and nondiscrimination rules.

This blog was drafted by Daniel Lacomis, an attorney in the Spencer Fane Denver, Colorado office. For more information, visit www.spencerfane.com.

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