

Vol. 69, Issue 51

Thursday, December 18, 2025

## GUEST COLUMN: Compliance FYI: IRS Announces Health FSA Limits for 2026

By M3 Insurance, WHA's Premier Partner

### Compliance, Employee Benefits



On Oct. 9, 2025, the Internal Revenue Service (IRS) released Revenue Procedure 2025-32, which officially increased the maximum Health Flexible Spending Account (FSA) contribution limit to \$3,400 for calendar year 2026. The allowable amount of carry-over for FSA plans that have adopted a carry-over provision has been increased to \$680 effective for the 2026 calendar year.

#### Contribution limits effective January 1, 2026 are:

Type	2025	2026
Health FSA	\$3,300	\$3,400
Dependent Care	\$5,000	\$7,500
Transportation (Parking)	\$325/month	\$340/month
Transportation (Transit)	\$325/month	\$340/month

### Yes/And: Our Take

**Yes**, FSA limits are increasing, **and** that doesn't mean every organization needs to raise them. Organizations who want to raise their FSA limit should contact their M3 Client Executive, or the administrator of their Flexible Spending Account plan, to determine how to move forward.

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#### EDUCATION EVENTS

Jan. 14, 2026

Caring for Wisconsin's Caregivers Well-Being First Champion Challenge for Credentialing Kickoff

**Jan. 28, 2026**

2026 WHA Health Care Leadership Academy

**Feb. 25, 2026**

2026 Advocacy Day