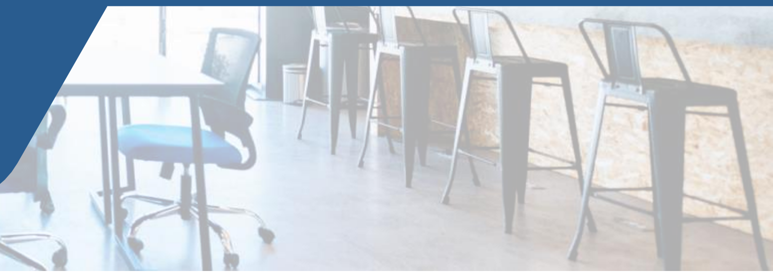
# THE LATEST IN EMPLOYEE BENEFITS: COMPREHENSIVE CHANGES FOR EMPLOYERS AND EMPLOYEES

August 2025

Changes for Employee Benefits



**With the passage of the One Big Beautiful Bill Act on July 4, 2025, employers and HR leaders are poised for shifts in benefit design and compliance.**

Employers will see several changes to their health and welfare benefits due to comprehensive new tax and spending legislation. This includes notable improvements to Health Savings Accounts (HSAs), Dependent Care Flexible Spending Arrangements (FSAs), and employer-provided student loan payments, as well as the introduction of some new fringe benefit choices.

These updates introduce significant changes to employee benefits.  These changes are part of a comprehensive legislative package enacted on July 4, 2025 and will require employers and employees to adjust their understanding and utilization of benefit programs.  Some of the most notable provisions are:

- **Health Savings Accounts (HSAs)** can now cover Direct Primary Care (DPC) fees, up to $150/month for individuals and $300/month for families.
- The **telehealth exception for high-deductible health plans (HDHPs)** is now permanent, ensuring continued access to virtual care.  Employees with HDHPs will have first-dollar coverage of most telehealth services, before meeting their HDHP deductible.
- The **dependent care FSA limit** has increased from $5,000 to $7,500 ($3,750 for married filing separately), a boost for working parents.
- **Bronze and catastrophic ACA exchange plans** are now HSA-qualified.
- The **tax exclusion for employer-sponsored health insurance** remains intact, a win for traditional group benefits.
- **Permanent exclusion for student loan assistance** allows for a tax exclusion of up to $5,250 per year for employer payments of student loans and offers long-term support for employees managing student debt.
- **New tax-advantaged accounts for children** (a.k.a. “Trump Accounts”) are individual retirement accounts (IRAs) for children under 18 with an annual contribution cap of $5,000.  These accounts allow for employers to contribute up to $2,500 per employee.  Additionally, children born between January 1, 2025, and December 31, 2028, are eligible to receive a one-time $1,000 government contribution.

These changes are important as they significantly impact the employee benefits landscape.   They also enhance access to care, reduce wait times, and provide greater flexibility, cost savings, and options for both employers and employees. By leveraging these updates, organizations can elevate employee well-being while remaining tax-compliant and strategically competitive.