



Navigating OBBBA

Key Employee Benefit Provisions from the One Big Beautiful Bill Act

On Friday, July 4, 2025, President Trump signed the One Big Beautiful Bill Act (OBBBA) into law, addressing many of his domestic policy goals. Importantly, this legislation does not change or eliminate the tax exclusion for employer-sponsored health insurance.

Following are some key updates from OBBBA that directly impact employer-sponsored plans. Click on any item for more information:

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01

Telehealth and Direct Primary Care Permitted Before HDHP Deductible

Certain coverage types will no longer disqualify individuals enrolled in high-deductible health plans (HDHPs) from contributing to or receiving contributions to a Health Savings Account (HSA).

Telehealth:

- Beginning with plan years after December 31, 2024, HDHPs can offer telehealth and remote care services at no or reduced cost without affecting HSA eligibility.
- This change applies retroactively. Employers who provided telehealth services at reduced or no cost in 2025 won't need to adjust tax treatments for HSA contributions made earlier this year.

Direct Primary Care (DPC):

- Beginning January 1, 2026, HDHP participants can have DPC coverage and remain eligible for HSA contributions.
- DPC arrangements must:
 - Offer only primary care services by primary care practitioners.
 - Charge monthly fees no greater than \$150 for individuals and \$300 for families, adjusted annually for inflation.
- Excluded from primary care definition:
 - Procedures requiring anesthesia.
 - Prescription drugs (excluding vaccines).
 - Lab services not commonly provided in ambulatory primary care settings.
- Participants can use HSAs to pay DPC fees within the established monthly limits.



02

Increase in Dependent Care Assistance Program (DCAP) Limits

- Starting in tax years after December 31, 2025, the reimbursement limit for DCAPs increases from \$5,000 to \$7,500 annually (\$3,750 for married individuals filing separately).
- The limit remains unindexed for inflation and subject to nondiscrimination testing.
- Employers should consider potential impacts on nondiscrimination testing if highly compensated employees disproportionately utilize this increased limit.



03

Permanent Changes to Qualified Education Assistance Plans

- Employers may provide up to \$5,250 annually towards employee educational assistance, excluding these amounts from an employee's taxable income.
- Educational assistance covers employee education expenses including qualified education loan principal and interest payments.
- The student loan provision, previously expiring at the end of 2025, is now permanent.
- The \$5,250 cap will also be adjusted annually for inflation moving forward.



04

Establishment of Trump Accounts and Employer Contributions

- Effective for tax years after December 31, 2025, a new savings account for minors called “Trump Accounts” may be established.
- Subject to various rules, including:
 - Established exclusively for the benefit of individuals under age 18.
 - Annual contribution limit of \$5,000 (indexed for inflation).
 - Funds generally cannot be distributed until beneficiary turns 18.
- Employers may contribute up to \$2,500 annually (indexed for inflation) to an employee’s or an employee’s dependent’s Trump Account on a tax favored basis.
 - Requires a separate, written plan document and must comply with nondiscrimination rules similar to DCAPs.



05

Employer Next Steps

Employers should review the relevant benefit-related provisions of OBBBA and consider:

- Offering free or reduced-cost telehealth or remote care services in HDHP/HSA plans.
- Implementing a DPC arrangement alongside an HDHP/HSA plan.
- Increasing the DCAP limit to \$7,500 beginning in 2026.
- Leveraging other tax-favored programs, such as:
 - Qualified education assistance programs, now permanently covering student loan repayments.
 - Contributions to employee or dependent Trump Accounts for future investments.

For the complete bill text, visit

<https://www.congress.gov/bill/119th-congress/house-bill/1/text>

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