CRC BENEFITS

One Big, Beautiful Bill
What Agents Need to Know About the OBBBA

If you've been in the benefits world for more than five minutes, you know one thing for sure, change is constant. And on July 4, we got a big one. A really big one.

The One Big, Beautiful Bill Act (OBBBA) is now law. Officially known as H.R. 1, it's a wide-reaching tax and benefits package that touches a little bit of everything. From HSAs and telehealth to new savings accounts for kids, it's a lot. It's not political, even though the headlines may make it seem that way. What it really is… is important.

If you're a broker or advisor supporting clients during renewal season and into Q4, this is one of those things you need to have on your radar. Some of it takes effect in 2026, but smart planning starts now.

ORIGIN

Here's how it happened.

Congress moved fast. The House passed their version in May. The Senate made revisions in June. By early July, both sides had signed off, and the bill was on the President's desk. Signed on the Fourth of July, no less.

The final version includes tax reforms, benefit plan updates, and a few curveballs. You don't have to love the name. You do need to understand what's inside.

ORIGIN

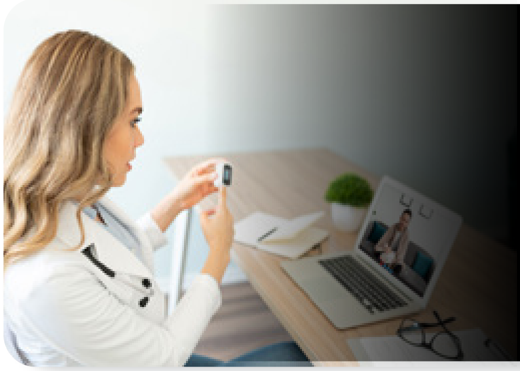
Let's walk through the key changes and what they might mean for your clients.

PERMANENT TELEHEALTH RELIEF FOR HDHPS

This one's been a long time coming.

During the pandemic, HDHPs were allowed to cover telehealth visits before the deductible was met. It was temporary relief, and we've all been waiting to see what would happen next. The OBBBA makes it permanent.[1]

Starting with 2025 plan years, HDHPs can keep offering pre-deductible telehealth without losing HSA compatibility. That's a win for plan flexibility and virtual care access.1



Telehealth coverage can stay pre-deductible without jeopardizing HSA eligibility.

EXPANDED HSA ELIGIBILITY AND USE

This is where things really start to shift.
Beginning January 1, 2026.[1]

- People with direct primary care (DPC) memberships can contribute to an HSA as long as their fees stay under $150 per month for an individual or $300 for a family.
- Those DPC fees can now be paid directly from HSA funds.
- Bronze and catastrophic ACA plans will officially count as HDHPs, making them HSA-friendly.
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This opens the door to more HSA participation in the individual market and gives employers more room to think creatively about plan design.

Direct Primary Care is now HSA-compatible if fees stay below $150 per month.

HIGHER DEPENDENT CARE FSA LIMITS

Another change worth noting. For the first time in a long time, the dependent care FSA contribution limit is going up.[1]

Starting in 2026, the cap will increase to:

- $7,500 for individuals or married couples filing jointly
- $3,750 for married individuals filing separately

No inflation adjustment is included, but this is still a meaningful increase. It could be a great talking point with working families or employers looking to strengthen their benefits package.

NEW "TRUMP ACCOUNTS" FOR KIDS

Yes, the name is real. But don't get distracted by it.

These are new tax-advantaged accounts for children under 18. Think of them like IRAs for minors with a few interesting twists:[1]

- $5,000 max contribution per child, indexed after 2027
- $1,000 federal contribution for children born between 2025–2028
- $2,500 in annual employer contributions allowed
- Plan document, nondiscrimination testing, and employee notices required

If your clients have young workforces or family-friendly cultures, these could become a future benefit add-on. There's a lot still to be clarified, but it's one to keep an eye on.

New tax-advantaged savings accounts for kids are set to launch in 2026.

ACA AND MEDICAID SHIFTS

A few things are changing in the individual and Medicaid space:[1]

- The 90-day grace period for verifying tax credit eligibility on the exchange is gone. Now it's verify first, credit later.
- Enhanced tax credits for people above 400% of the federal poverty level will expire at the end of this year.
- Bronze and catastrophic plans now officially count as HDHPs for HSA purposes.
- Medicaid recipients in the expansion population will need to meet an 80-hour per month work requirement, with more frequent eligibility redeterminations.
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If you work with individual clients or small groups using exchange plans, this could affect plan selection strategies. And it's worth tracking Medicaid access and eligibility in affected states.

TAX TWEAKS TO KNOW

While the bill does include a few unrelated tax changes, most of the updates that matter for brokers are squarely focused on healthcare, benefits strategy, and employer planning.

One healthcare-related tax update worth noting: The employer tax credit for paid family and medical leave has been extended and expanded.[1] Now, even state- or locally mandated leave programs can count toward eligibility for the credit. Clients should talk to their CPA to see how this might impact their filing.

BIG ACA EMPLOYER MANDATE UPDATE

A recent federal court ruling says the IRS can't assess ACA employer mandate penalties unless HHS first sends a notice through an ACA exchange.

Right now, the IRS handles most of the notification and penalty process. If this ruling holds, enforcement would need to shift. It's under appeal, so nothing is final but brokers working with large employers should watch this closely.

WHY THIS MATTERS TO BROKERS

When major legislation like this drops, it's easy to tune it out. There's jargon. There's complexity. There's political noise. But underneath it all, there are real-world changes that impact your clients.

If you advise on HDHPs, FSAs, ACA plans, or just want to bring something new to your next renewal meeting, this bill gives you a lot to work with.

- Telehealth flexibility? Check.
- Expanded HSA compatibility? Check.
- A reason to revisit dependent care or paid leave strategy? Absolutely.

And if nothing else, this is a chance to show your value. Clients are overwhelmed with information. You're the one who can translate what matters.

Understanding the OBBBA is just the start. CRC Benefits helps you turn knowledge into strategy.

BOTTOM LINE

AThe OBBBA is complex, but you don't have to figure it out alone. This is your heads-up that change is coming, but also a reminder that your CRC Benefits team is here to help you stay ready.

As we move into Q4 and look ahead to 2026, staying informed is one of the most valuable things you can do for your clients. If you have questions, want help digging into the details, or just need someone to bounce ideas off of, we're here.

Reach out to us anytime. We'll walk you through it.

.CONTRIBUTORS

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END NOTES

1. Source: H.R. 1, 119th Congress (2025), One Big Beautiful Bill Act, available at https://www.congress.gov/bill/119th-congress/house-bill/1