

The Open Enrollment Playbook

A section-a-page checklist for the benefits decisions most people rush

Every autumn your employer hands you a window of a few weeks to change life, disability, health, and retirement elections. Whatever you pick stays in place for a year. Most people re-tick last year's boxes in ten minutes and move on, and the gaps only show up when something goes wrong.

This playbook is one page per decision, each with the numbers that matter and a checklist you can work through with your spouse or partner before the deadline.

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Figures reflect IRS limits published as of October 8, 2026. Where 2027 limits were not yet released, 2026 figures are used and marked as pending. Version 1.2, revised October 2026.

Set up the evening

Treat enrollment like a tax return, not a software update. Ninety minutes, both adults, everything on the table.

Oct-Nov

when most windows open

2-3 weeks

how long they stay open

12 months

how long choices lock

GATHER FIRST

- ☐ Last year's benefits confirmation and a recent pay stub
- ☐ Your spouse's enrollment guide too; their FSA and coverage choices change what you can do on yours
- ☐ Every policy you hold outside work: term life, disability, umbrella, and the coverage amounts
- ☐ Twelve months of spending, even rough, so premium money has an identified source
- ☐ A list of every account with a beneficiary form and who is named
- ☐ Anything coming in 2027: a baby, a house, a teenager driving, a possible job change or move

THE DECISIONS YOU WILL MAKE

Medical, dental, vision. HSA, health FSA, and dependent care FSA funding. Basic and supplemental life. Spouse and child life. Basic and voluntary AD&D. Short and long-term disability. Group legal. Employee stock purchase. Identity protection. 401(k) contribution rate and bucket. New benefits such as Trump Account contributions. College savings in a 529. Each has a page here.

COMMON MISTAKE: letting the match set your savings rate

Contributing exactly enough to capture the employer match feels efficient. It is usually a third of what a comfortable retirement needs. Decide the savings rate from the goal, not from the match formula.

NEW THIS YEAR: benefits to ask HR about

Trump Account contributions: employers may add up to \$2,500 a year per employee, tax-free, split across your children's accounts. That money likely counts toward each child's \$5,000 yearly cap, so family room can shrink to \$2,500; final IRS rules are pending. Also ask about tax-free student loan repayment (up to \$5,250 a year) and a 401(k) match on student loan payments: you keep paying the loan, certify the payments to the plan, and the employer deposits a match as if you had deferred from pay. All three are optional for employers.

WORTH KNOWING: where the premium money comes from

Add up the subscriptions, food delivery, and impulse buys from last year. Almost every household finds enough to fund supplemental life, disability buy-up, and a legal plan without noticing the difference.

Health plan and HSA

Pick the plan on total expected cost, not the premium. If the high-deductible plan wins, fund the HSA.

\$4,500

2027 HSA cap, self-only

\$9,000

2027 HSA cap, family coverage

+\$1,000

catch-up, each person 55+

CHECKLIST

- ☐ Estimate next year's care (visits, prescriptions, any planned procedure) and total premium plus out-of-pocket under each plan
- ☐ Pick the high-deductible plan only if you could pay the full deductible from savings tomorrow
- ☐ Confirm the plan is HSA-qualified for 2027: deductible at least \$1,750 self / \$3,500 family, and out-of-pocket maximum no more than \$8,700 / \$17,400
- ☐ Check your spouse's elections. A general-purpose health FSA on their side makes you HSA-ineligible; they should pick a limited-purpose (dental and vision) FSA instead
- ☐ Fund it through payroll up to the cap, counting employer money; payroll skips FICA tax, direct deposits do not
- ☐ Once the balance covers one deductible, move the rest into a low-cost index fund inside the HSA
- ☐ Save receipts. Reimbursing yourself years later is allowed and lets the account keep compounding

COMMON MISTAKE: reading the HSA family limit as a tax-filing limit

Coverage type sets the limit, not how you file. One spouse on a self-only HDHP: \$4,500. Each spouse on their own self-only HDHP: \$4,500 each, in separate HSAs. Either spouse on family coverage: one shared \$9,000.

THE CATCH: what can go wrong with an HSA

You pay the full deductible before the plan pays, so a bad year costs more. Non-medical withdrawals before 65 are taxed plus a 20% penalty. Invested balances can fall. California and New Jersey tax HSAs at the state level. A non-spouse heir owes income tax on the whole balance, so spend it down or leave it to your spouse.

NEW THIS YEAR: HSA rules widened in 2026

Bronze and catastrophic marketplace plans now qualify, a direct primary care membership no longer blocks contributions, and telehealth before the deductible is permanently allowed.

WORTH KNOWING: over 55, and the Medicare cutoff

Each \$1,000 catch-up belongs to the person, so a couple wanting both needs two separate HSAs. Enrolling in any part of Medicare, including premium-free Part A, ends HSA contributions. Part A taken after 65 is backdated up to six months, so stop contributing six months before you sign up.

FSAs: health and dependent care

Flexible spending accounts save tax on money you were going to spend anyway. Unlike an HSA, what you do not spend can disappear.

\$3,400

health FSA, 2026 (2027 pending)

\$680

max carryover, if the plan allows one

\$7,500

dependent care FSA per household

CHECKLIST

- ☐ Fund the health FSA only for costs you can predict: prescriptions, glasses, dental work, a scheduled procedure
- ☐ Find out which safety net your plan has: a carryover of up to \$680, a 2.5-month grace period, or neither. It is never both
- ☐ Covered by an HSA (or a spouse's)? Choose the limited-purpose FSA, not the general one
- ☐ Paying for daycare, preschool, before- or after-school care, or summer day camp for a child under 13? Fund the dependent care FSA, up to \$7,500 per household (\$3,750 if married filing separately)
- ☐ Compare it with the Child and Dependent Care Credit. The same dollars cannot count twice; at higher incomes the FSA usually saves more
- ☐ Note the claim deadline (the run-out period) and keep itemized receipts; card swipes are often rejected without one
- ☐ Changing jobs mid-year? Spend the health FSA before your last day

THE CATCH: use it or lose it

Health FSA money left after the deadline is forfeited to your employer, and leaving your job usually ends the account the same day. The dependent care FSA pays you back only as money is deducted from your pay, so expect to front daycare costs early in the year, and it rarely has a carryover. Over-fund either one and the tax you saved turns into money you lost.

WORTH KNOWING: why the health FSA can be a bargain

Your full annual health FSA election is available from the first day of the plan year, even though it comes out of pay gradually. A large January expense can be covered before most of it has been deducted.

Life insurance

Employer basic life at one or two times salary is a token. The supplemental election is where the real protection is bought, and at work it is often cheaper than the open market for people in their 30s and 40s.

1-2x

salary, typical basic life

up to 8-10x

salary, typical supplemental ceiling

10-12x

income, a common coverage target

CHECKLIST

- ☐ Size the need: mortgage payoff plus income replacement until the youngest child is independent, minus what you already have saved
- ☐ Elect supplemental life in the first window you are eligible; that is when the guaranteed-issue amount (no health questions) is largest
- ☐ Read the guaranteed-issue limit in your plan. Anything above it, and most later increases, need a health questionnaire or exam
- ☐ Add spouse life if their income or unpaid work would need replacing; add child life only if the premium is trivial
- ☐ Note the rate table is age-banded and rises every five years; recheck the cost each enrollment
- ☐ Carry a separate term policy outside work. Group coverage ends or becomes expensive when you leave, and a layoff is the worst time to be shopping
- ☐ If anyone pitches whole life or indexed universal life, ask for the guaranteed cash surrender value at years 1, 5, and 10, in writing

COMMON MISTAKE: assuming you can add coverage later without underwriting

Group life is exam-free only at initial enrollment and only up to the guaranteed-issue amount. Waiting until you feel like you need more usually means a medical questionnaire, and a health change in between can make you uninsurable at group rates.

THE CATCH: why whole life and IUL rarely beat term

Premiums often run 10 or more times a term policy with the same death benefit. Most early premiums pay commissions and costs, so cash value stays low for years, and surrendering in the first 10 to 15 years usually means a loss. Policy loans charge interest and shrink the death benefit, and if a policy with a loan lapses, the gain becomes taxable income. Indexed universal life adds caps on returns and insurance costs that rise with age, which can force much higher premiums later.

WORTH KNOWING: where permanent insurance does fit

A lifelong dependent such as a child with special needs, an estate large enough to owe estate tax, or a business buy-sell agreement. For most families the answer is level-premium term for 20 or 30 years, investing the difference.

Disability and AD&D

Your ability to earn is the largest asset you own. Disability coverage protects it. AD&D is a narrow add-on that pays only for accidents.

~25%

of today's 20-year-olds will be disabled before 67 (SSA)

60%

of pay, typical LTD benefit

90-180 days

typical wait before LTD pays

CHECKLIST

- ☐ Confirm long-term disability (LTD) is in place and read three numbers: benefit percentage, monthly cap, and elimination period
- ☐ If the plan allows paying the LTD premium with after-tax dollars, choose it; the benefit is then tax-free when you are living on it
- ☐ Check the definition. 'Own occupation' pays if you cannot do your job; 'any occupation' pays only if you cannot do any job
- ☐ Take the buy-up tier if one is offered; the incremental premium is small relative to the benefit
- ☐ Know whether short-term disability is employer-paid or elective, and whether it bridges to the LTD start date
- ☐ Treat basic AD&D as a free extra. Buy voluntary AD&D only after life and disability are fully sized

COMMON MISTAKE: counting AD&D as life insurance

AD&D pays for accidental death or loss of limb or sight. Illness, the most common cause of death, is excluded. Size life insurance as though AD&D did not exist.

WORTH KNOWING: the 60% cap is on gross pay

A 60% LTD benefit on a capped salary, taxed if the premium was pre-tax, can land at 40% of take-home. Run the number before deciding whether the buy-up or an individual policy is needed.

401(k): how much and which bucket

The contribution rate matters more than every other choice on this page combined. Set it from the goal, then choose pre-tax, Roth, or a split.

\$24,500

2026 employee limit (2027 pending)

+\$8,000

catch-up 50+; \$11,250 at ages 60-63

\$72,000

2026 total cap, employee + employer + after-tax

\$7,500

2026 IRA limit; +\$1,100 at 50+

CHECKLIST

- ☐ Set the percentage so you reach the annual limit in December, not mid-year; some plans stop matching once you hit the cap early
- ☐ Diary late October: the IRS publishes 2027 limits between late October and mid-November. Raise your election in January
- ☐ Pre-tax if you expect a lower bracket in retirement; Roth if higher or if you want tax diversification; a split is a reasonable hedge
- ☐ Aged 50+ and earned over \$150,000 in FICA wages from this employer in 2025? Your 2026 catch-up must be Roth. Final rules fully apply in 2027, and the 2027 threshold comes out with the new limits
- ☐ If the plan has no Roth option, affected high earners cannot make catch-up contributions at all; ask HR which applies
- ☐ Ask HR whether the plan allows after-tax contributions with in-plan Roth conversion (the mega backdoor Roth)
- ☐ Over the Roth IRA income limit? A backdoor Roth IRA works cleanly only if you hold no pre-tax IRA balances on December 31
- ☐ Choose one broad index fund or a target-date fund with a low expense ratio and stop tinkering

COMMON MISTAKE: misreading the \$72,000 figure

\$72,000 is the 2026 ceiling for your deferral, the employer match, and any after-tax money combined. Age-based catch-ups sit on top of it, so the real ceiling is \$80,000 at 50+ and \$83,250 at ages 60-63. After-tax room is \$72,000 minus your \$24,500 minus the match; catch-ups do not reduce it. On a \$150,000 salary with a 6% match that is roughly \$38,500, not \$72,000.

WORTH KNOWING: planning to retire abroad

Roth withdrawals are US-tax-free when qualified, but the country you retire in may not recognize Roth status and could tax the growth. India, for example, does not. If a permanent move is in the plan, get cross-border tax advice before choosing the bucket.

ESPP, RSUs, and options

Equity pay is real money that arrives concentrated in the one company that already signs your paycheck. Capture the discount, then diversify without sentiment.

up to 15%

ESPP discount ceiling under IRS rules

\$25,000

annual ESPP purchase cap, grant-date value

10%

of net worth, a sensible ceiling for employer stock

CHECKLIST

- ☐ Enroll in the ESPP at the highest deduction your cash flow tolerates; a discount plus prompt sale is close to a guaranteed return
- ☐ Know the tax: selling within 2 years of the offering date or 1 year of purchase is a disqualifying disposition, and the full discount is taxed as ordinary income on your W-2, not as a capital gain
- ☐ Check the cost basis on your 1099-B; brokers often leave out the discount you were already taxed on, which double-counts it unless you adjust Form 8949
- ☐ Check for a lookback provision; it applies the discount to the lower of start or end price and is worth more in a rising market
- ☐ RSUs are taxed as wages when they vest. Selling on vest day adds almost no tax and removes single-stock risk
- ☐ Default RSU withholding is often 22%; if your marginal rate is higher, set the difference aside or adjust your W-4
- ☐ For ISOs, model the alternative minimum tax before any large exercise; a paper gain can create a real tax bill
- ☐ Write a target for employer stock as a share of net worth and rebalance to it every year

COMMON MISTAKE: holding because you believe in the company

You already believe in it with your salary, your bonus, and your career. Adding your savings to the same bet turns a bad year at work into a bad year everywhere.

THE CATCH: you can lose money and still owe the tax

RSUs are taxed at their value on the vest date. Hold them, watch the price fall, and the tax is still owed on the higher number. The 22% default withholding (37% above \$1 million of supplemental pay) can leave a bill in April. With an ESPP, a quick sale makes the full discount ordinary income on your W-2; if the stock then drops below your purchase price, you owe that tax anyway and the loss is a capital loss that offsets only \$3,000 of wages a year. Selling at a loss within 30 days of a new ESPP purchase or RSU vest is a wash sale, which delays the loss. Unvested shares are forfeited when you leave.

WORTH KNOWING: the discount is a maximum, not a promise

15% is the most a qualified ESPP may offer. Plenty of plans give 5% or 10%, and some have no lookback. Read the plan summary before assuming.

Legal plan and the four documents

A will, a financial power of attorney, a medical power of attorney, and a living will. Every adult needs them; most do not have them. The group legal plan is the cheapest way to get them drafted.

\$15-25

per month, typical group legal plan

4

documents to finish this year

1 year

enroll, complete the work, then reassess

CHECKLIST

- ☐ Enroll for 2027, book the attorney in January, and have the four documents signed by March
- ☐ Confirm what is included: wills and powers of attorney nearly always; living trusts often cost extra or are excluded
- ☐ Name a guardian for minor children in the will. This is the line parents most often leave blank
- ☐ Choose a financial agent who is organized and reachable, not simply the closest relative
- ☐ Store signed originals where your agent can get them, and give copies to your spouse and the named agents
- ☐ Use the plan for the extras it usually covers: traffic matters, tenant issues, document review

COMMON MISTAKE: expecting the plan to be free

Group legal is a paid voluntary benefit deducted from payroll. The attorney's work is covered once enrolled. It is still excellent value; just budget for the premium.

WORTH KNOWING: cross-border families

If you own property or expect an inheritance in another country, ask the attorney whether a US will is recognized there or whether a second, jurisdiction-specific will is needed. Two uncoordinated wills can revoke each other.

Beneficiaries

Retirement accounts, life insurance, and HSAs pass by the beneficiary form, not by the will. An outdated form overrides everything else you have written down.

5

account types to check: 401(k), IRA, HSA, life, pension

2

levels: primary and contingent

annually

and after every life event

CHECKLIST

- ☐ Pull the current beneficiary on every 401(k), IRA, HSA, group and individual life policy, and any pension
- ☐ Add a contingent beneficiary everywhere. If the primary dies with you and no contingent is named, the asset may go through probate
- ☐ Update after marriage, divorce, a birth, a death, or an adoption. Divorce does not automatically remove an ex-spouse from every form
- ☐ For any beneficiary under 18, name a trust or a UTMA custodian on the form, not the child (see below)
- ☐ Match percentages to intent and make sure they total 100%
- ☐ Keep a dated printout of every confirmation in the same folder as the will

COMMON MISTAKE: assuming the will handles it

A will directs only assets that have no beneficiary designation and no joint owner. For most households that is a small share of net worth. The forms do the heavy lifting.

COMMON MISTAKE: naming a minor child directly

A 401(k), IRA, or life policy cannot pay a child directly. The money skips probate, but without a trust or custodian on the form a court usually appoints and supervises a guardian of the funds, and the child can get the whole balance outright at 18. Name a trust or a custodian under your state's UTMA, and ask each plan which it accepts.

WORTH KNOWING: the spousal rule on 401(k)s

Federal law makes a spouse the default 401(k) beneficiary; naming anyone else requires the spouse's written consent, witnessed by a notary or a plan representative. IRAs have no such rule, so an old IRA form can quietly name someone you no longer intend.

Fraud defenses

Voice cloning and AI-written phishing have removed the tells people used to rely on. The defenses are unglamorous and mostly free.

3

bureaus to freeze: Equifax, Experian, TransUnion

\$0

cost of a credit freeze

1 toggle

outbound transfer lock at your brokerage

CHECKLIST

- ☐ Enroll in the employer identity protection benefit if it includes restoration services and insurance, not monitoring alone
- ☐ Freeze credit at all three bureaus for every adult and each child (child files are a favorite target), plus ChexSystems, which banks check before opening checking and savings accounts
- ☐ Turn on the outbound money-transfer lock at every brokerage and retirement custodian that offers one
- ☐ Unique passwords in a manager, app-based two-factor on every financial login, no SMS codes where you can avoid them
- ☐ Agree a family code word for any urgent request for money by phone or video
- ☐ Set real-time alerts on bank and card accounts so fraud is caught in minutes, not at month-end

COMMON MISTAKE: monitoring without freezing

Monitoring tells you after a new account has been opened in your name. A freeze prevents it. Do both, but if you only do one, freeze.

WORTH KNOWING: how the transfer lock works

With the lock on, no money leaves the account until you unlock it through a separately verified step. A scammer holding your password and your one-time code still cannot move funds. It costs nothing and takes two minutes to enable.

Investing simply, plus an umbrella

Two habits that do more for long-term wealth than any product: a portfolio you can explain in one sentence, and liability cover for the lawsuit you are not expecting.

3 or fewer

funds most households need

\$1-2M

typical umbrella coverage

\$200-400

per year, typical umbrella premium

CHECKLIST

- ☐ Consolidate to a few broad, low-cost index funds. No leveraged ETFs, no options, no day trading, nothing you cannot explain to your spouse in one sentence
- ☐ Write a one-page map of every account, where the login lives, and who to call. Walk the other adult through it once a year
- ☐ Buy an umbrella policy if you own a home, have meaningful savings, or just added a teen driver
- ☐ Raise auto and home liability limits first; umbrella carriers require minimums (often \$250k/\$500k auto) before writing the policy
- ☐ Bundle the umbrella with your existing auto or home carrier; it is usually cheapest there
- ☐ Rebalance once a year on a fixed date and otherwise leave it alone

COMMON MISTAKE: complexity mistaken for sophistication

Studies of retail traders in options and leveraged products show most lose money, and the losses cluster in the years families can least afford them. Boring is the strategy, not the absence of one.

WORTH KNOWING: the teen-driver trigger

Adding a 16-year-old to your auto policy multiplies your liability exposure overnight. A serious at-fault accident can produce a judgment well above standard auto limits, and your savings and future wages are what a plaintiff's attorney goes after. The umbrella is what stands between them.

Kids' college: the 529

Growth is tax-free for education, and most states add an income tax deduction. The deduction is the reason to start now, not later.

\$4,000

Virginia deduction per account per year (other states vary)

\$20,000

K-12 tuition per year, from 2026

\$35,000

lifetime 529-to-Roth IRA rollover

CHECKLIST

- ☐ Check your state's plan first. Most states with an income tax give a deduction, and most only for their own plan
- ☐ In Virginia (Invest529): deduct up to \$4,000 per account per year, carry any excess forward without limit, or deduct it all at once if the owner is 70 or older
- ☐ Only the account owner gets the deduction, so open one account per child; grandparents can own their own accounts and deduct too
- ☐ Ask HR whether payroll deduction or an employer contribution to a 529 is offered
- ☐ Qualified uses now include college costs, K-12 tuition up to \$20,000 a year, apprenticeships, and recognized credential programs
- ☐ Choose an age-based portfolio that shifts to safer funds as enrollment nears, and automate a monthly contribution

THE CATCH: when a 529 costs you

Money withdrawn for anything else pays income tax plus a 10% penalty on the earnings, and your state can claw back deductions you already took. Investments can fall right before tuition is due. The menu is limited to the plan's funds, and most states give no deduction for another state's plan. A parent-owned 529 counts modestly against financial aid, at up to about 5.6% of its value.

WORTH KNOWING: leftover money is not stuck

Change the beneficiary to a sibling, cousin, or yourself, or roll up to \$35,000 over a lifetime into the child's Roth IRA. The rollover needs a 529 open for 15 years, uses only contributions older than 5 years, counts toward that year's IRA limit, and requires the child to have earned income.

The master checklist

Print this page. Tick every line before the enrollment window closes.

ON THE ENROLLMENT FORM

- ☐ Health plan chosen on total cost; HSA funded to the cap if the high-deductible plan won
- ☐ Spouse's FSA checked so it does not block your HSA (limited-purpose if needed)
- ☐ Health FSA sized to predictable costs; dependent care FSA set if you pay for childcare (up to \$7,500)
- ☐ Supplemental life elected at or above the guaranteed-issue amount; spouse life decided
- ☐ LTD confirmed, after-tax premium if offered, buy-up taken
- ☐ 401(k) rate set to reach the annual cap by December; pre-tax vs Roth decided; Roth catch-up rule checked; mega backdoor asked about
- ☐ ESPP enrolled at the highest sustainable deduction
- ☐ Group legal plan enrolled for 2027
- ☐ Identity protection enrolled if it includes restoration
- ☐ HR asked about Trump Account contributions and student loan benefits

OUTSIDE THE FORM, BEFORE YEAR-END

- ☐ Term life outside work sized at 10-12x income
- ☐ 529 opened for each child and the state deduction claimed
- ☐ Beneficiaries confirmed on every account, contingents added, printouts filed
- ☐ Credit frozen at all three bureaus, plus ChexSystems, for every family member
- ☐ Transfer lock enabled at every brokerage and retirement custodian
- ☐ Umbrella policy bound if you have assets or a young driver
- ☐ Will, both powers of attorney, and living will signed and stored
- ☐ Employer stock trimmed to your written ceiling
- ☐ Spouse or partner walked through the one-page account map

WORTH KNOWING: dates to put in your calendar now

Mid-to-late October 2026: the IRS releases the 2027 health FSA limit and tax brackets. Late October to mid-November 2026: the 2027 401(k), IRA, and catch-up limits, plus the 2027 Roth catch-up wage threshold. Update your 401(k) election in the first January pay period so you are not leaving room unused.

Sources: IRS Rev. Proc. 2026-24 (2027 HSA, HDHP, and HRA limits); IRS Notice 2025-67 (2026 retirement plan limits); IRS Rev. Proc. 2025-32 (2026 health FSA limits); Treasury final regulations on Roth catch-up contributions (2025); One Big Beautiful Bill Act, Pub. L. 119-21 (dependent care FSA, HSA expansions, Trump Accounts, student loan repayment); Invest529 (Virginia deduction rules); Social Security Administration disability statistics. Prepared September 2026, revised October 2026. Educational only; not financial, tax, legal, or insurance advice.