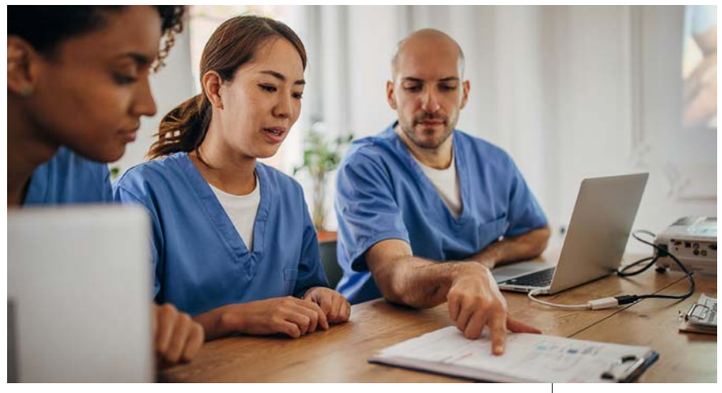
6 Financial Changes Coming in 2027

As new rules take hold, ensure your practice's budget and benefits package are ready.

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GUEST COMMENTARY



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Just when you've gotten everything organized, updated your retirement plan, finished the budget, and explained the benefits package to your team, another year comes along. And with it, another round of financial changes and questions. How much can we save? Which rules have changed? What should we offer employees? Can the practice afford that equipment purchase?

Several changes deserve a place in your 2027 planning. Here are the top six.

1 Tell Your Team About the Saver's Match

This 2027 development could matter more to your client service representatives than to your highest-paid associate. The "Saver's Match" replaces the Saver's Credit for qualifying retirement account contributions. Eligible workers can receive a federal match of up to 50% of their first $2,000 contributed, for a maximum of $1,000 per person.

Consider an eligible employee who saves $100 a month and qualifies for the full match. That's $1,200 contributed and a potential $600 federal addition. For someone just getting started, that could provide meaningful encouragement to begin or increase retirement contributions.

To qualify for the Saver's Match, the maximum income is $35,500 for single filers and $71,000 for married filing jointly. The Saver's Match can be deposited into your work 401(k) or into a personal IRA.

Be clear about timing. Contributions for 2027 establish eligibility; employees claim the match when filing their 2027 federal returns in 2028. The money generally goes into a qualifying retirement account, so employees shouldn't expect an immediate paycheck bonus. Ask your 401(k) plan adviser to explain the benefit at a staff meeting and help employees determine if they qualify.

2 Reconsider Student Loan Assistance

If you've wanted to help employees with education debt, the rules now offer more room for long-term planning.

The 2025 tax law made the exclusion for employer payments toward qualified student loans permanent. Through a qualifying educational assistance program, an employer can provide up to $5,250 in education and student-loan benefits tax-free to an employee in 2026. Inflation adjustments begin in 2027; confirm the published amount before setting your benefit.

You don't have to offer the maximum. A practice paying $200 a month toward an eligible employee's loans would provide $2,400 annually. Multiply that by the expected number of participants, and you have a starting point for the budget.

A written plan is required, so properly document the program. We'd ask employees whether this benefit would help them before committing, as their answers might change your priorities.

3 Update Your Health Savings Account Numbers

Health savings account (HSA) limits for 2027 are $4,500 for self-only coverage and $9,000 for family coverage.

Individuals age 55 or older can contribute another $1,000. Employer contributions count toward the annual limit, and eligibility rules apply.

Suppose an employee is eligible all year for the $4,500 self-only limit, and the practice contributes $1,000. That leaves $3,500 for the employee before any eligible catch-up contribution.

During open enrollment, consider reviewing the insurance coverage and HSA funding together. A lower premium might look attractive, but employees also need to understand their deductible and what they'd have available to pay a medical bill. Confirm that the coverage qualifies for HSA contributions.

4 Bring Your Tax Plan Into 2027

The 2025 tax law made the qualified business income deduction permanent. Eligible owners of pass-through businesses may deduct up to 20% of qualifying income, subject to limitations. Veterinary services fall within the specified service business rules, so higher taxable income can reduce or eliminate the benefit.

The law also restored 100% bonus depreciation for qualifying property acquired after January 19, 2025. That can affect the timing and tax treatment of a 2027 equipment purchase.

A tax deduction doesn't make the equipment free, nor does it ensure the purchase makes good business sense. Before buying a $40,000 ultrasound unit, estimate how often you'll use it, the revenue it could produce, and the training and financing costs. Then have your accountant model the deduction, state tax treatment, and effect on cash flow. Confirm when the equipment must be placed in service. The purchase should make business sense before the tax savings enter the conversation.

20%

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5 Give Your Retirement Contributions a Fresh Look

An automatic contribution is a wonderful habit. But it can also become a number you haven't revisited in years.

For 2027, the IRA limit is $8,000, plus $1,100 for those age 50 or older. The regular 401(k) employee deferral limit is $25,500. For employees over age 50, the upper contribution limit increases to $34,000 — and to $37,250 for those age 60 to 63.

If your goal is to reach your 401(k) maximum contribution, divide our annual retirement plan savings goal by your number of paychecks and update your elections. Owners and employees turning 60 through 63 should be aware of the larger catch-up contribution available through eligible workplace plans.

You can max out your IRA and your 401(k) plan. Ask your adviser to check IRA income restrictions. Being allowed to contribute and being allowed to deduct that contribution are different questions.

6 Check the Roth Catch-Up Details

Some higher earners already encountered a change in 2026: Their workplace retirement plan catch-up contributions must be Roth, meaning after-tax.

To determine who will be affected by the Roth catch-up rule in 2027, reference 2026 W-2 wages. Anyone who made more than $155,000 in 2026 will need to make catch-up contributions to a Roth. An affected employee who previously made pre-tax catch-up contributions may see lower take-home pay while saving the same amount. You may want to explain this new rule before the employee asks why their paycheck changed.

It may be beneficial to request a joint review with your payroll contact and your retirement plan adviser. Confirm who's affected, how contributions will be processed, and who will inform employees. Ensure your payroll system has captured this information correctly at the beginning of the year to avoid problems later. ■

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START PLANNING

Inertia is the enemy of success, so it's wise to pause before a new year to reflect and plan. It's your responsibility to comply with the law, but it's also an opportunity to take advantage of the available options. Start your planning here:

- Put the payroll review, benefits decisions, and tax projection on the calendar as recurring events.
- Meet with your financial adviser, tax consultant, and benefits consultant to decide what makes sense for you.
- Give employees a plain-English explanation of what affects them.
- Check the beneficiary designations on your retirement accounts and life insurance policies.
- Get a big tax refund every spring? Consider changing your W-2 withholding.