

2025 Cost of living adjustments (COLA)

HEALTH & WELFARE

Annual benefit plan limits

Benefits & contributions	2024 limit	2025 limit
Flexible spending accounts (FSA)		
Employee health FSA pretax contribution (plan year limit)	\$3,200	\$3,300
Dependent care FSA household contribution (calendar year limit)	\$5,000	\$5,000
Health FSA carryover (plan year limit)	\$640	\$660
Health savings accounts (HSA)		
High deductible plan minimum deductible		
Single coverage	\$1,600	\$1,650
Family coverage	\$3,200	\$3,300
High deductible plan out-of-pocket max.		
Single coverage	\$8,050	\$8,300
Family coverage	\$16,100	\$16,600
Annual contribution maximum		
Single coverage	\$4,150	\$4,300
Family coverage	\$8,300	\$8,550
Catch-up contributions	\$1,000	\$1,000
Qualified transportation fringe benefit exclusion		
Transit passes and vanpooling	\$315/month	\$325/month
Qualified parking	\$315/month	\$325/month
Out-of-pocket max. for essential health benefits		
In-network (non-grandfathered plans only)	Self only: \$9,450 Family: \$18,900 ¹	Self only: \$9,200 Family: \$18,400 ¹

Benefits & contributions	2024 limit	2025 limit
Employer ACA pay or play limits		
Penalty for failure to offer minimum essential coverage to 95% of ACA FTEs	\$2,970 ²	\$2,900 ²
Penalty for coverage that is not affordable or minimum value	\$4,460 ²	\$4,350 ²
Affordability threshold	8.39% ³	9.02% ³
Federal poverty level safe harbor maximum monthly employee contribution	\$101.94	\$113.20
Health reimbursement arrangements (HRA)		
Qualified small employer HRA		
Single coverage	\$6,150	\$6,350
Family coverage	\$12,450	\$12,800
Excepted benefit HRA	\$2,100	\$2,150
Healthcare reform fees		
	<u>Fees due in 2024</u>	<u>Fees due in 2025</u>
Patient Centered Outcomes Research Institute (PCORI) fee	\$3.00 for plan years ending Jan. 1 2023 to Sept. 30, 2023. \$3.22 for plan years ending Oct. 1, 2023 to Dec. 31, 2023.	\$3.22 for plan years ending Jan. 1, 2024 to Sept. 30, 2024. \$3.47 for plan years ending Oct. 1, 2024 to Dec. 31, 2024.

1 Must embed the single OOP limit if plan is not grandfathered.

2 These are the annualized amounts; however, the penalties are calculated on a monthly basis.

3 Employee cost for self-only coverage as a percentage of household income. Affordability safe harbor for employer mandate is instead employee cost for self-only coverage as a percentage of W2 pay, mainland poverty level, or hourly rate of pay.

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RETIREMENT

Annual benefit plan

Benefits & contributions	2024 limit	2025 limit
Elective deferrals to 401(k), 403(b) and 457(b) plans	\$23,000	\$23,500
SIMPLE retirement account salary deferrals	\$16,000	\$16,500
Catch-up contributions to:		
401(k), 403(b) and 457(b) plans ¹	\$7,500	\$7,500
- Individuals aged 60 through 63	-	\$11,250 ¹
SIMPLE retirement accounts	\$3,500	\$3,500
- individuals aged 50+ for certain SIMPLE plans	-	\$3,850
- individuals aged 60 through 63	-	\$5,250
Max. defined contribution plan annual contribution	\$69,000	\$70,000
Max. annual benefit from defined benefit pensions plans	\$275,000	\$280,000
Max. annual compensation taken into account	\$345,000	\$350,000
Lookback year compensation limit for highly compensated employees	\$155,000 ²	\$160,000 ³
Deductible amount for individual making qualified retirement contributions to an IRA §219(b)(5)(A)	\$7,000	\$7,000
Dollar limit for key employees for top-heavy purposes	\$220,000	\$230,000
Social Security taxable wage base	\$168,600	\$176,100

Medicare cost sharing

[View our Medicare Fact Sheet](#)

Surprise Billing: Independent Dispute Resolution

	2024	2025 ⁴
Administrative fee per party, per dispute	\$115	\$115
Arbiter fee range per party: single dispute	\$200-\$840	\$200-\$840
Batched dispute with less than 26 lines	\$268-\$1,173	\$268-\$1,173
For each increment of 25 line items beginning with the 26th line item	\$75-250	\$75-250

¹ Additional rules may apply to 457(b) plans.

² For 2025 determinations based on 2024 compensation.

³ for 2026 determinations based on 2025 compensation.

⁴ Subject to changes through notice and comment rulemaking.

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