

EMPLOYEE BENEFITS ANNUAL LIMITS

IRS LIMITS ON HEALTH SAVINGS ACCOUNTS (HSAs) AND HIGH DEDUCTIBLE HEALTH PLANS (HDHPs)

	2025	2024	2023
HSA maximum contribution*			
Single	\$4,300	\$4,150	\$3,850
Family	\$8,550	\$8,300	\$7,750
HSA catch-up contribution (age 55 and older)*	\$1,000	\$1,000	\$1,000
Minimum HDHP deductible			
Single	\$1,650	\$1,600	\$1,500
Family**	\$3,300	\$3,200	\$3,000
HDHP out-of-pocket (OOP) maximum			
Single	\$8,300	\$8,050	\$7,500
Family***	\$16,600	\$16,100	\$15,000

See www.irs.gov for more information.

*For calendar year beginning in year indicated, regardless of plan year start date.

**An embedded individual deductible can be no less than the minimum family deductible.

***Must include an embedded individual (Single) OOP maximum not greater than the non-HDHP Single OOP maximum.

IRS LIMITS ON NON-HDHP OUT-OF-POCKET (OOP) EXPENSES

	2025	2024	2023
Non-HDHP OOP maximum*			
Single	\$9,200	\$9,450	\$9,100
Family**	\$18,400	\$18,900	\$18,200

*Applies exclusively to in-network covered essential health benefits. This includes participant cost-sharing for medical expenses subject to the CAA, 2021 surprise medical billing in-network cost-sharing requirements, even when incurred out-of-network.

**Must include an embedded individual (single) OOP maximum not greater than the non-HDHP single OOP maximum.

IRS LIMITS ON HEALTH FLEXIBLE SPENDING ACCOUNTS (HEALTH FSAs)

	2025	2024	2023
Maximum health FSA salary reduction*	\$3,300	\$3,200	\$3,050
Maximum health FSA carryover*	\$660	\$640	\$610

*For health FSA plan year beginning in year indicated. If an employee participates in multiple health FSAs (e.g., general-purpose and limited-purpose health FSAs) within the same controlled group during the same plan year, the health FSAs must be aggregated when applying the maximum salary reduction and carryover amounts.

IRS LIMITS ON HEALTH REIMBURSEMENT ARRANGEMENTS (HRAs)

	2025	2024	2023
Excepted Benefit HRA (EBHRA)			
Maximum annual EBHRA reimbursement*	\$2,150	\$2,100	\$1,950
Qualified Small Employer HRA (QSEHRA)			
Maximum annual QSEHRA reimbursement**			
Single	\$6,350	\$6,150	\$5,850
Family	\$12,800	\$12,450	\$11,800

*For EBHRA plan year beginning in year indicated.

**If a QSEHRA is offered on a non-calendar year basis, the maximum annual reimbursement is prorated based on the number of months in each portion of the two applicable calendar years. Alternatively, employers can use the maximum annual reimbursement for the calendar year in which the plan year begins for the entire plan year.

EMPLOYER MANDATE

	2025	2024	2023
Penalty A, annual (per full-time employee*)	\$2,900	\$2,970	\$2,880
Penalty B, annual (per employee receiving premium tax credit)	\$4,350	\$4,460	\$4,320
Affordability threshold	9.02%	8.39%	9.12%

*Minus the first 30 full-time employees.

IRS LIMITS ON QUALIFIED TRANSPORTATION PLAN BENEFITS

	2025	2024	2023
Maximum monthly reimbursement*			
Transit and vanpooling**	\$325	\$315	\$300
Parking**	\$325	\$315	\$300

*Employer contributions toward transportation benefits (transit and parking) are not deductible as a business expense (per 2017 tax reform).

**Limits for transit/vanpooling and parking are mutually exclusive (i.e., an employee may have both benefits up to the respective limits).

IRS LIMITS ON RETIREMENT BENEFITS AND COMPENSATION

	2025	2024	2023
401(k) and 403(b) plan elective deferrals	\$23,500	\$23,000	\$22,500
Catch-up contributions (age 50 and older)	\$7,500*	\$7,500	\$7,500
Annual compensation limit	\$350,000	\$345,000	\$330,000
Highly compensated employee threshold**	\$160,000	\$155,000	\$150,000
Key employee compensation threshold**	\$230,000	\$220,000	\$215,000
Defined contribution plan limit under Section 415	\$70,000	\$69,000	\$66,000
Defined benefit plan limit under Section 415	\$280,000	\$275,000	\$265,000
SIMPLE employee contribution limit	\$16,500	\$16,000	\$15,500

See www.irs.gov for more information.

*New effective 1/1/2025: individuals who attain age 60, 61, 62, or 63 in 2025 can make catch-up contributions up to \$11,250 in 2025.

**In general, compensation means total compensation from the employer, including bonuses or commissions as well as contributions made through a 401(k) plan (or similar retirement plan) or through a cafeteria plan or qualified transportation benefit plan.

SOCIAL SECURITY LIMITS AND MEDICARE DEDUCTIBLES

	2025	2024	2023
Social Security taxable wage base	\$176,100	\$168,600	\$160,200
Social Security earnings limit:			
Prior to the year an individual reaches full retirement age (FRA)*	\$23,400	\$22,320	\$21,240
Beginning the year an individual reaches FRA	\$62,160	\$59,520	\$56,520
Beginning the month an individual reaches FRA	No limit	No limit	No limit
Medicare Part A deductible**	\$1,676	\$1,632	\$1,600
Medicare Part B deductible	\$257	\$240	\$226

*In 1983, Congress passed a law that gradually increases the FRA from 65 by a few months for every birth year for people born in 1938 and later until it reaches a maximum of 67 for people born in 1960 and thereafter. For detailed year-by-year information about FRA for years of birth 1938 through 1960, see www.ssa.gov/benefits/retirement/planner/agereduction.html

**Deductible per benefit period for a hospital stay of one to 60 days only. See www.medicare.gov and www.ssa.gov for more information.

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