

Law & Policy Group

2025 quick benefit facts

Retirement plan limits

	2025	2024	2023
Qualified retirement plan limits			
401(k), 403(b) and eligible 457(e) elective deferrals	\$23,500	\$23,000	\$22,500
Catch-up contributions (age ≥ 50) [*]			
For employees ages 60-63	\$11,250	\$7,500	\$7,500
For all other employees	\$7,500	\$7,500	\$7,500
Compensation limit	\$350,000	\$345,000	\$330,000
415 defined contribution annual limit	\$70,000	\$69,000	\$66,000
415 defined benefit maximum annuity	\$280,000	\$275,000	\$265,000
Highly compensated threshold [†]	\$160,000	\$155,000	\$150,000
Traditional IRA limits			
IRA maximum deductible amount	\$7,000	\$7,000	\$6,500
IRA catch-up contributions (age ≥ 50)	\$1,000	\$1,000	\$1,000
PBGC premiums for single-employer plans			
Flat rate per participant	\$106	\$101	\$96
Variable rate per \$1,000 of unfunded vested benefits	\$52	\$52	\$52
Per-participant variable-rate cap	\$717	\$686	\$652
Social Security			
Taxable wage base	\$176,100	\$168,600	\$160,200
Cost-of-living adjustment	2.5%	3.2%	8.7%

^{*} Different catch-up limits apply to SIMPLE plans

[†] The HCE limit shown for a year is applied to compensation for that plan year to determine if an employee is an HCE for the following plan year, e.g., an employee with 2025 plan year compensation greater than \$160,000 may be an HCE for the 2026 plan year.

Retirement plan limits

After applying statutory rounding rules, most key qualified plan retirement limits will increase in 2025. Only the catch-up contribution limit will stay the same.

IRA limits

Both the 2025 IRA maximum deductible contribution limit and catch-up contribution limit will stay the same for 2025 due to the Internal Revenue Code's rounding rules.

PBGC premiums

The 2025 single-employer flat-rate premium and per-participant variable-rate premium cap equal the 2024 amounts adjusted for one year's wage inflation. The variable-rate premium is not subject to indexing after 2023.

Health and fringe benefit limits

	2025	2024	2023
Tax-free qualified transportation fringe benefits			
Monthly qualified parking, transit passes or commuter highway vehicle	\$325	\$315	\$300
Health flexible spending arrangement (FSA) and excepted-benefit health reimbursement arrangement (HRA) limits			
Health FSA salary reduction contribution	\$3,300	\$3,200	\$3,050
Health FSA carryover	\$660	\$640	\$610
Excepted-benefit HRA employer contribution	\$2,150	\$2,100	\$1,950
Health savings account (HSA) and high-deductible health plan (HDHP) limits			
Self-only coverage			
Tax-deductible/tax-free HSA contribution	\$4,300	\$4,150	\$3,850
HDHP minimum annual deductible	\$1,650	\$1,600	\$1,500
HDHP out-of-pocket maximum	\$8,300	\$8,050	\$7,500
Family coverage			
Tax-deductible/tax-free HSA contribution	\$8,550	\$8,300	\$7,750
HDHP minimum annual deductible	\$3,300	\$3,200	\$3,000
HDHP out-of-pocket maximum	\$16,600	\$16,100	\$15,000
HSA catch-up contributions (age ≥ 55)*	\$1,000	\$1,000	\$1,000
ACA nongrandfathered group health plan out-of-pocket maximums			
Self-only coverage (and embedded individual maximum in family coverage)	\$9,200	\$9,450	\$9,100
Family coverage	\$18,400	\$18,900	\$18,200
ACA play-or-pay assessments			
Not offering coverage	\$2,900	\$2,970	\$2,880
Offering coverage lacking minimum value or affordability	\$4,350	\$4,460	\$4,320
ACA monthly employee contribution limit for play-or-pay FPL affordability safe harbor (48 contiguous states and Washington, DC)			
Calendar-year plans	\$113.20	\$101.94	\$103.28
Noncalendar-year plans	\$117.64	\$105.29	\$110.81
ACA affordability percentages for employer coverage			
Top % of income for lowest-cost self-only coverage with minimum value	9.02%	8.39%	9.12%

ACA play-or-pay assessments

Employers that don't offer minimum essential health coverage to most ACA full-time employees face paying one of two ACA monthly assessments. The table shows annual amounts.

ACA monthly employee contribution limit for play-or-pay federal-poverty-line (FPL) affordability safe harbor

Adjusted amounts for the ACA's play-or-pay FPL safe harbor apply on a plan-year, not calendar-year, basis. Noncalendar-year plans use the 2024 level of \$104.29 per month to determine FPL affordability until their 2025 plan years start.

ACA affordability percentages for employer coverage

To receive subsidized public exchange coverage, an individual's cost for the employer's lowest-cost, self-only coverage with minimum value can't exceed an indexed percentage of household income. The three affordability safe harbors (W-2, rate of pay or FPL) have the same indexing formula.

* The HSA catch-up contribution limit is not adjusted annually.