

COMPLIANCE OVERVIEW

Employee Benefit Plan Limits for 2025

Many employee benefits are subject to **annual dollar limits** that are adjusted for inflation by the IRS each year. The following commonly offered employee benefits are subject to these limits:

- High deductible health plans (HDHPs) and health savings accounts (HSAs);
- Health flexible spending accounts (FSAs);
- 401(k) plans; and
- Transportation fringe benefit plans.

The IRS typically announces the dollar limits that will apply for the next calendar year before the beginning of that year. This gives employers time to update their plan designs and make sure their plan administration is consistent with the new limits.

This Compliance Overview includes a chart of the inflation-adjusted limits for 2025. It also includes the 2024 limits for comparison purposes. **Most of these limits increase for 2025.** Note that there are some benefit limits that are not indexed for inflation, such as the dependent care FSA limit and the catch-up contribution limit for HSAs.

LINKS AND RESOURCES

- [IRS Revenue Procedure 2024-25](#): 2025 limits for HSAs and HDHPs
- [IRS Notice 2024-80](#): 2025 limits for retirement plans
- [IRS Revenue Procedure 2024-40](#): 2025 limits for health FSAs, adoption assistance and transportation fringe benefits

Increased Limits

- HSA contributions;
- HDHP limits for minimum deductibles and out-of-pocket maximums;
- Health FSA pre-tax contribution limit;
- Health FSA carryover limit;
- Monthly limits for transportation fringe benefit plans;
- Employees' elective deferrals to 401(k) plans, pre-tax and Roth; and
- Tax exclusion for adoption assistance benefits.

Unchanged Limits

The following limits stay the same from year to year because they are not indexed for inflation:

- Tax exclusion for dependent care FSA benefits; and
- Catch-up contributions to an HSA.

Provided to you by [Franconia Insurance & Financial Services](#)

COMPLIANCE OVERVIEW



Limit	2024	2025	Change
HSA Contribution Limit			
Self-only	\$4,150	\$4,300	Up \$150
Family	\$8,300	\$8,550	Up \$250
Catch-up contributions*	\$1,000	\$1,000	No change
HDHP Minimum Deductible			
Self-only	\$1,600	\$1,650	Up \$50
Family	\$3,200	\$3,300	Up \$100
HDHP Out-of-Pocket Maximum			
Self-only	\$8,050	\$8,300	Up \$250
Family	\$16,100	\$16,600	Up \$500
Health FSA			
Limit on employees' pre-tax contributions	\$3,200	\$3,300	Up \$100
Carryover limit	\$640	\$660	Up \$20
Dependent Care FSA*			
Tax exclusion	\$5,000 (\$2,500 if married and filing taxes separately)	\$5,000 (\$2,500 if married and filing taxes separately)	No change
Transportation Fringe Benefits (Monthly Limits)			
Transit pass and vanpooling (combined)	\$315	\$325	Up \$10
Parking	\$315	\$325	Up \$10
401(k) Contributions			
Employee elective deferrals	\$23,000	\$23,500	Up \$500
Catch-up contributions	\$7,500	\$7,500 (\$11,250 for employees ages 60-63)	No change (except a higher limit applies for employees ages 60-63 starting in 2025)
Limit on total contributions	\$69,000	\$70,000	Up \$1,000
Adoption Assistance Benefits			
Tax exclusion	\$16,810	\$17,280	Up \$470

*Limits that are not adjusted for inflation