

CLIENT ALERT

IRS Releases 2025 HSA Contribution Limits and HDHP Deductible and Out-of-Pocket Limits

May 9, 2024

In [Rev. Proc. 2024-25](#), the IRS released the inflation adjusted amounts for 2025 relevant to Health Savings Accounts (HSAs) and high deductible health plans (HDHPs). The table below summarizes those adjustments and other applicable limits.

| | 2024 | 2023 | Change |
|---|--|--|-------------------------------------|
| Annual HSA Contribution Limit (employer and employee) | Self-only: \$4,300 Family: \$8,550 | Self-only: \$4,150 Family: \$8,300 | Self-only: +\$150 Family: +\$250 |
| HSA catch-up contributions (age 55 or older) | \$1,000 | \$1,000 | No change |
| Minimum Annual HDHP Deductible | Self-only: \$1,650 Family: \$3,300 | Self-only: \$1,600 Family: \$3,200 | Self-only: +\$50 Family: +\$100 |
| Maximum Out-of-Pocket for HDHP (deductibles, co-payment & other amounts except premiums) | Self-only: \$8,300 Family: \$16,600 | Self-only: \$8,050 Family: \$16,100 | Self-only: +\$250 Family: +\$500 |

Out-of-Pocket Limits Applicable to Non-Grandfathered Plans

The ACA's out-of-pocket limits for in-network essential health benefits have also been announced and have decreased for 2025.

| | 2024 | 2023 | Change |
|----------------------------------|--|--|-------------------------------------|
| ACA Maximum Out-of-Pocket | Self-only: \$9,200 Family: \$18,400 | Self-only: \$9,450 Family: \$18,900 | Self-only: +\$250 Family: +\$500 |

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Note that all non-grandfathered group health plans must contain an embedded individual out-of-pocket limit within family coverage if the family out-of-pocket limit is above \$9,200 (2025 plan years) or \$9,450 (2024 plan years). Exceptions to the ACA's out-of-pocket limit rule have been available for certain non-grandfathered small group plans eligible for transition relief (referred to as "Grandmothered" plans) since policy years renewed on or after January 1, 2014. Each year, CMS has extended this transition relief for any Grandmothered plans that have been continually renewed since on or after January 1, 2014. However, in its [March 23, 2022 Insurance Standards Bulletin](#), CMS announced that the limited nonenforcement policy will remain in effect until CMS announces that such coverage must come into compliance with relevant requirements. Thus, we will no longer see annual transition relief announced.

Next Steps for Employers

As employers prepare for the 2025 plan year, they should keep in mind the following rules and ensure that any plan materials and participant communications reflect the new limits:

- HSA-qualified family HDHPs cannot have an embedded individual deductible that is lower than the minimum family deductible of \$3,300.
- The out-of-pocket maximum for family coverage for an HSA-qualified HDHP cannot be higher than \$16,600.

All non-grandfathered plans (whether HDHP or non-HDHP) must cap out-of-pocket spending at \$9,200 for any covered person. A family plan with an out-of-pocket maximum in excess of \$9,200 can satisfy this rule by embedding an individual out-of-pocket maximum in the plan that is no higher than \$9,200. This means that for the 2025 plan year, an HDHP subject to the ACA out-of-pocket limit rules may have a \$8,300 (self-only) / \$16,600 (family) out-of-pocket limit (and be HSA-compliant) so long as there is an embedded individual out-of-pocket limit in the family tier no greater than \$9,200 (so that it is also ACA-compliant).

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