

COMPLIANCE OVERVIEW



2025 Year-end Checklist for Employee Benefit Plans



Although the end of the year is a busy time, employers should continue to prioritize compliance requirements for their employee benefit plans. There are several benefits-related tasks that employers should make sure are completed by the end of 2025, such as:

- Submitting a gag clause attestation for their health plans (or confirming that the plan’s health insurance issuer or third-party administrator submits the attestation);
- Amending plan documents for discretionary changes made for 2025;
- Confirming annual notices have been provided, such as the Children’s Health Insurance Program (CHIP) notice; and
- Performing any necessary nondiscrimination testing.

In addition, employers should take steps to prepare for next year. For applicable large employers (ALEs), this includes making sure that health coverage will be affordable for full-time employees. Employers should also update employee benefit plan limits and revise employee communications, such as Summary Plan Descriptions (SPDs), for 2026 changes.

This Compliance Overview contains a year-end compliance checklist for employee benefit plans.

Year-end Checklist (2025)

Complete (or N/A)	Requirement
	Submit gag clause attestation by Dec. 31, 2025. Health plans and health insurance issuers must annually submit an attestation of compliance with the federal prohibition on gag clauses. The attestation is due by Dec. 31, 2025 . Employers with fully insured health plans do not need to provide the attestation if the issuer of the plan submits the attestation. Self-insured employers can enter into written agreements with their third-party administrators to provide the attestation, but the legal responsibility remains with the health plan.
	Confirm annual notices have been provided, including CHIP and WHCRA notices. Many health plan notices are required to be provided at certain times during the year; for example, Medicare Part D creditable coverage notices must be provided before Oct. 15 each year. However, certain annual notices can be provided at any time during the year, such as the annual CHIP notice or WHCRA notice for health plans.
	Amend plan documents for changes made in 2025. In general, employers that make discretionary changes to the design of their employee benefit plans for plan years beginning in 2025 should update their official plan documents, if necessary, to include the changes by the end of the year.
	Remind employees about what happens to unused funds in their health flexible spending account (FSAs), health reimbursement arrangements (HRAs) and dependent care FSAs at the end of the year. Encourage employees to use their unspent balances in these accounts, especially if unused funds are forfeited at the end of 2025. Also, remind employees about the deadlines for submitting claims for the year, including any runout period, as well as any grace periods for using unspent funds or permissible carryovers. If a health FSA or

Complete (or N/A)	Requirement
	HRA allows unused funds to be carried over to the following year, remind employees about any caps on carryover amounts.
	Complete nondiscrimination testing. Complete annual nondiscrimination testing for employee benefit plans that are subject to these testing requirements, including Section 125 cafeteria plans, self-insured health plans, health FSAs, dependent care FSAs, HRAs, group term life insurance and retirement plans.
	Ensure your health plan coverage will meet the Affordable Care Act's (ACA) affordability requirement for 2026 (ALEs only). ALEs must offer affordable, minimum-value health coverage to their full-time employees to avoid penalties under the ACA. Health plan coverage is considered affordable if the employee's required contribution does not exceed 9.5% of the employee's household income for the year (as adjusted each year). For plan years beginning in 2026, the adjusted affordability percentage is 9.96%. The affordability test applies only to the portion of the annual premiums for self-only coverage and does not include any additional cost for family coverage. Also, if an employer offers multiple health coverage options, the affordability test applies to the lowest-cost option that provides minimum value.
	Update employee benefit limits for 2026. Update benefit election and payroll systems for the 2026 plan limits and communicate the new limits to employees. Benefit limits that change for 2026 include the following: <u>HSA contribution limits</u> Self-only high deductible health plan (HDHP) coverage - \$4,400 (up from \$4,300) Family HDHP coverage - \$8,750 (up from \$8,550) Catch-up contribution limit (\$1,000) remains the same <u>Health FSA limits</u> Employee contribution limit - \$3,400 (up from \$3,300) Carryover limit - \$680 (up from \$660) <u>HDHP minimum deductible</u> Self-only HDHP coverage - \$1,700 (up from \$1,650) Family HDHP coverage - \$3,400 (up from \$3,300) <u>HDHP out-of-pocket maximums</u> Self-only HDHP coverage - \$8,500 (up from \$8,300) Family HDHP coverage - \$17,000 (up from \$16,600) <u>401(k), 403(b) and 457(b) employee contribution limit</u> \$24,500 (up from \$23,500) The catch-up contribution limit for employees ages 50 and over increases to \$8,000 (up from \$7,500). However, participants ages 60-63 have a higher catch-up contribution limit of \$11,250 (unchanged from 2025). <u>Qualified transportation fringe benefits (monthly limits)</u> Transit pass and vanpooling - \$340 (up from \$325) Parking - \$340 (up from \$325) <u>Dependent care FSA</u> The contribution limit increases to \$7,500, or \$3,750 if married and filing taxes separately (up from \$5,000 and \$2,500, respectively). <u>Excepted benefit HRA</u> The limit on employer contributions increases to \$2,200 (up from \$2,150).
	Revise employee communications, including SPDs, for 2026 benefit changes. Communicate any benefit plan changes for the plan year beginning in 2026 to employees through an updated SPD or a Summary of Material Modifications.
	Prepare for ACA reporting for coverage provided in 2025 (if applicable). Employers subject to ACA reporting include employers with self-insured health plans and ALEs with either fully

Complete (or N/A)	Requirement
	insured or self-insured health plans. Employers subject to this reporting must electronically file certain forms with the IRS by March 31, 2026. ALEs file Forms 1095-C and 1094-C, while non-ALEs with self-insured plans file Forms 1095-B and 1094-B with the IRS. Virtually all employers that are subject to ACA reporting must file their returns electronically. Paper filing is only available to the smallest employers (i.e., those who file fewer than 10 information returns with the IRS for the year). The paper filing deadline for ACA reporting is March 2, 2026. In addition, employers subject to ACA reporting must inform employees about the availability of their individual coverage statements and provide them upon request. Employers must post a clear, conspicuous and reasonably accessible notice on their websites by March 2, 2026, stating that employees may receive a copy of their individual coverage statement (Form 1095-C or 1095-B) upon request. This notice must remain posted through Oct. 15, 2026. In general, requests must be fulfilled within 30 days after the date of the request. Instead of posting the notice and providing individual coverage statements upon request only, ALEs may automatically furnish statements to employees by March 2, 2026.

LINKS AND RESOURCES

- Gag clause attestation [instructions and user manual](#)
- [Model notices](#) for group health plans, including the Women’s Health and Cancer Rights Act (WHCRA) notice
- [Model CHIP notice](#)

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