



IRS Announces 2025 Increases to Flex Benefit Contribution Limits

The IRS has announced the 2025 contribution maximums for Flexible Spending Account (FSA) plans in the newly released [Revenue Procedure 2024-40](#). Contribution limits will all increase in 2025, except for Dependent Care FSAs which remain the same at \$5,000 per year.

Health Flexible Spending Account

The Health FSA, which provides employees the ability to set aside money on a pre-tax basis to pay for eligible medical, dental, and vision expenses will have an increase to its contribution maximum from \$3,200 to \$3,300 for 2025. The new contribution limit will also apply to the Limited Purpose FSA which reimburses eligible dental and vision expenses. Limited Purpose FSA limits will also increase from \$3,200 to \$3,300 for 2025.

Carryover Limit

The FSA Carryover limit provides employers the option to transfer a maximum amount of remaining FSA balances at a plan year's end to carryover for use during the next plan year. This is available with Healthcare and Limited Purpose FSAs only. The carryover limits for this account will increase from \$640 to \$660 for 2025.

Commuter Benefits

Commuter Benefits help employees pay for certain parking, mass transit, and/or vanpooling expenses with pre-tax dollars. The contribution limits for this account will increase from \$315 to \$325 for 2025.

Adoption Assistance

The Adoption Assistance FSA helps employees pay eligible adoption expenses such as agency fees and court costs by contributing to the account with pre-tax money from their paycheck. The contribution limits for this account will increase from \$16,810 to \$17,280 for 2025.

2024 and 2025 Contribution Amounts		
Benefit	2024	2025
Health FSA	\$3,200/year	\$3,300/year
FSA Carryover Limit	\$640/year	\$660/year
Limited Purpose FSA	\$3,200/year	\$3,300/year
Dependent Care FSA	\$5,000/year	\$5,000/year
Parking/Transportation	\$315/month	\$325/month
Adoption Assistance	\$16,810/year	\$17,280/year

