



# National Compliance Update

## USI EMPLOYEE BENEFITS

January 23, 2025

## DOL Penalties Increase for 2025

The Department of Labor (“DOL”) has published the annual adjustments for 2025 that increase certain penalties applicable to employee benefit plans.

### ANNUAL PENALTY ADJUSTMENTS FOR 2025

The following updated penalties are applicable to health and welfare plans subject to ERISA.

| Description   | 2024 Penalty (OLD)  | 2025 Penalty (NEW)  |
|---|---|---|
| Failure to file <b>Form 5500</b>  | Up to \$2,670 per day                                     | Up to \$2,739 per day                                     |
| Failure of a <b>MEWA</b> to file reports (i.e., M-1)                              | Up to \$1,942 per day                                     | Up to \$1,992 per day                                     |
| Failure to provide <b>CHIP Notice</b>   | Up to \$141 per day per employee                          | Up to \$145 per day per employee                          |
| Failure to disclose CHIP/Medicaid coordination to the State                       | \$141 per day per violation (per participant/beneficiary) | \$145 per day per violation (per participant/beneficiary) |
| Failure to provide <b>SBCs</b>  | Up to \$1,406 per failure                                 | Up to \$1,443 per failure                                 |
| Failure to furnish <b>plan documents</b> (including SPDs/SMMs) to DOL on request  | \$190 per day<br>\$1,906 cap per request                  | \$195 per day<br>\$1,956 cap per request                  |
| <b>Genetic information</b> failures   | \$141 per day (per participant/beneficiary)               | \$145 per day (per participant/beneficiary)               |
| <i>De minimis</i> failures to meet genetic information requirements               | \$3,550 minimum   | \$3,642 minimum   |
| Failure to meet genetic information requirements – not <i>de minimis</i> failures | \$21,310 minimum  | \$21,864 minimum  |
| Cap on unintentional failures to meet genetic information requirements            | \$710,310 maximum   | \$728,764 maximum   |

This summary is intended to convey general information and is not an exhaustive analysis. This information is subject to change as guidance develops. USI does not provide legal or tax advice. For advice specific to your situation, please consult an attorney or other professional.

## EMPLOYER ACTION

Private employers, including non-profits, should ensure employees receive required notices timely (SBC, CHIP, SPD, etc.) to prevent civil penalty assessments. In addition, employers should ensure Form 5500s are properly and timely filed, if applicable. Finally, employers facing document requests from EBSA should ensure documents are provided timely, as requested.

## FURTHER INFORMATION

For additional information, visit:

- Department of Labor Federal Civil Penalties Inflation Adjustment Act Annual Adjustments for 2025, posted in the Federal Register, Vol. 90, No. 6, January 10, 2025, <https://www.govinfo.gov/content/pkg/FR-2025-01-10/pdf/2024-31602.pdf>

**USI** [usi.com/locations](https://usi.com/locations)

This summary is intended to convey general information and is not an exhaustive analysis. This information is subject to change as guidance develops. USI does not provide legal or tax advice. For advice specific to your situation, please consult an attorney or other professional.

These materials are produced by USI Insurance Services for educational purposes only. Certain information contained in these materials is considered proprietary information created by USI. Such information shall not be used in any way, directly or indirectly, detrimental to USI and/or their affiliates.

Neither USI nor any of its respective representatives or advisors has made or makes any representation or warranty, expressed or implied, as to the accuracy or completeness of these materials. Neither USI nor their respective representatives or advisors shall have any liability resulting from the use of these materials or any errors or omission therein. These materials provide general information for the use of our clients, potential clients, or that of our clients' legal and tax advisors.

IRS Circular 230 Disclosure: USI Insurance Services and its affiliates do not provide tax advice. Accordingly, any discussion of U.S. tax matters contained herein (including any attachments) is not intended or written to be used, and cannot be used, in connection with the promotion, marketing or recommendation by anyone unaffiliated with USI of any of the matters addressed herein or for the purpose of avoiding U.S. tax-related penalties.

© 2025 USI Insurance Services. All Rights Reserved.