

HR Brief

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Telehealth Exception Has Expired for Calendar-year HDHP/HSA Plans

In response to the COVID-19 pandemic, the U.S. Congress enacted legislation that temporarily allowed high deductible health plans (HDHPs) to provide benefits for telehealth services before plan deductibles were met. This relief became effective in 2020 and was repeatedly extended. It currently applies to plan years beginning before Jan. 1, 2025. This means the relief ended on Dec. 31, 2024, for HDHPs with the calendar year as their plan year.

As background, to be eligible for health savings account (HSA) contributions, individuals cannot be covered by a health plan that provides benefits, except preventive care benefits, before the minimum HDHP deductible is satisfied for the year. Generally, individuals who are covered by telehealth programs that provide free or reduced-cost medical benefits are not eligible for HSA contributions. However, due to the pandemic-related relief, HDHPs have been able to waive the deductible for telehealth services without

jeopardizing individuals' HSA eligibility.

Starting in 2025, providing telemedicine benefits other than just preventive care at no cost (or low cost) to participants makes them ineligible for HSA contributions. There has been bipartisan support to extend telemedicine relief for HDHPs either permanently or temporarily; however, Congress failed to extend this relief at the end of 2024. It remains to be seen if Congress will revive this relief in 2025.

Action Steps

Employers with HDHPs should review their health plan's coverage of telehealth services to determine if changes should be made for the plan year beginning in 2025. For plan years beginning in 2025, the minimum HDHP deductible is \$1,650 for self-only coverage and \$3,300 for family coverage. Any changes to telehealth coverage should be communicated to plan participants through an updated summary plan description or a summary of material modifications.

DOL Increases Civil Penalty Amounts for 2025

The Department of Labor (DOL) has [released](#) its 2024 inflation-adjusted civil monetary penalties that may be assessed on employers for violations of a wide range of federal laws, including:

- The Fair Labor Standards Act (FLSA);
- The Employee Retirement Income Security Act (ERISA);
- The Family and Medical Leave Act (FMLA); and
- The Occupational Safety and Health Act (OSH Act).

To maintain their deterrent effect, the DOL is required to adjust these penalties for inflation no later than Jan. 15 of each year.

Key penalty increases include the following:

- The maximum penalty for violations of federal minimum wage or overtime requirements increases from \$2,451 to \$2,515 per violation.
- The maximum penalty for failing to file a Form 5500 for an employee benefit

plan increases from \$2,670 to \$2,739 per day.

- The maximum penalty for violations of the poster requirement under the FMLA increases from \$211 to \$216 per offense.

The increased amounts apply to civil penalties that are assessed after Jan. 15, 2025 (for violations occurring after Nov. 2, 2015).

Employer Takeaways

To minimize potential liability, employers should review their compliance with laws enforced by the DOL.

Employers should become familiar with the new penalty amounts and review their pay practices, benefit plan administration and safety protocols to ensure compliance with federal requirements.

Employers may review the updated penalty amounts [here](#).

Contact us today for more resources.