

DOL Issues 2025 Adjusted Penalty Amounts

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Department of Labor Federal Civil Penalties Inflation Adjustment Act Annual Adjustments for 2025, 29 CFR Part 2575, 90 Fed. Reg. __ (Jan. 10, 2025)

Available at

<https://www.federalregister.gov/documents/2025/01/10/2024-31602/federal-civil-penalties-inflation-adjustment-act-annual-adjustments-for-2025>

The DOL has announced the 2025 annual adjustments to the civil monetary penalties for a wide range of benefit-related violations. As background, legislation enacted in 2015 requires annual adjustments to certain penalty amounts by January 15 of each year. The 2025 adjustments are effective for penalties assessed after January 15, 2025. Here are highlights:

- *Form 5500*. The maximum penalty for failing to file Form 5500 (which must be filed annually for most ERISA plans) increases from \$2,670 to \$2,739 per day that the filing is late.
- *Summary of Benefits and Coverage (SBC)*. The maximum penalty for failing to provide the SBC increases from \$1,406 to \$1,443 per failure.
- *Other Group Health Plan Penalties*. Violations of the Genetic Information Nondiscrimination Act (GINA), such as establishing eligibility rules based on genetic information or requesting genetic information for underwriting purposes, and failures relating to disclosures regarding the availability of Medicaid or children's health insurance program (CHIP) assistance, may result in penalties of \$145 per participant per day, up from \$141.
- *401(k) Plan Disclosure, Recordkeeping, and Reporting*. For plans with automatic contribution arrangements, penalties for failure to provide the required ERISA § 514(e) preemption notice to participants increase from \$2,112 to \$2,167 per day. Penalties for failing to provide blackout notices (required in advance of certain periods during which participants may not change their investments or take loans or distributions) or notices of diversification rights increase from \$169 to \$173 per day. The maximum penalty for failure to comply with the ERISA § 209(b) recordkeeping and reporting requirements increases from \$37 to \$38 per employee.
- *Multiple Employer Welfare Arrangement (MEWA) Filing*. Penalties for failure to meet applicable filing requirements, which include annual Form M-1 filings and filings upon origination, increase from \$1,942 to \$1,992 per day.

Adjustments have also been made to other benefit-related DOL penalties, such as for failure to provide certain information requested by the DOL.

EBIA Comment: These penalties cover a wide range of benefit plan compliance failures. The DOL has discretion to impose lower penalties in some instances—such as under programs designed to encourage Form 5500 filing—so not all violations will result in the maximum permitted penalty. For more information, see EBIA's ERISA Compliance manual at Sections XIX.G ("Form M-1 Obligations for MEWAs and Participating Employers"), XXII.D ("Consequences of Form 5500 Noncompliance"), XXVI.E ("Summary of Benefits and Coverage (SBC)"), and XXXVII.H ("Civil Penalty Assessments"). See also EBIA's 401(k)

Plans manual at Sections VIII.D.2 (“Automatic Contribution Arrangement (ACA): Specific Preemption”), XXVI.K (“Blackout Notice Requirements”), and XXXI.G (“Penalties for Form 5500 Noncompliance”); EBIA’s HIPAA Portability, Privacy & Security manual at Sections V.D (“HIPAA Enforcement by the DOL”), V.F (“Penalties for Violation of Genetic Information Nondiscrimination Act”), and X.F.3 (“Additional Notice and Disclosure Relating to State Premium Assistance Subsidy”); EBIA’s Health Care Reform manual at Section XVI.I (“Consequences of Failing to Provide the SBC”); EBIA’s Group Health Plan Mandates manual at Section XXII.F.1 (“GINA Title I Enforcement”); and EBIA’s Self-Insured Health Plans manual at Sections XXIX.B (“Annual Form 5500 Reporting”) and XXIX.D (“Other Reporting Requirements”).

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