

2025 Federal Poverty Guidelines Announced

The Department of Health & Human Services (“HHS”) recently announced the 2025 federal poverty guidelines which, among other things, establish the federal poverty line (“FPL”) affordability safe harbor for purposes of the Affordable Care Act (“ACA”) employer mandate.

For plan years beginning February 1, 2025 or later, the 2025 FPL safe harbor is \$117.63/month in the lower 48 states and DC, \$146.95/month for Alaska, and \$135.22/month for Hawaii.

As a reminder, a plan can use poverty guidelines in effect 6 months before the first day of the plan year for purposes of using the FPL affordability safe harbor.

Because the 2025 guidelines were announced after the start of the calendar year, plans with plan years beginning on January 1, 2025 use \$113.20/month for the lower 48 states and DC (\$141.38/month for Alaska and \$130.11/month for Hawaii), which is 9.02% of the 2024 applicable federal poverty guidelines.

■ Background

Large employers may be subject to the employer mandate penalty under the ACA if they do not offer affordable, minimum value coverage to all full-time employees, and at least one full-time employee receives a subsidy in the Marketplace.

A large employer’s offer of coverage will be considered “affordable” under the FPL safe harbor if the employee’s required monthly contribution for the lowest cost self-only coverage that provides minimum value does not exceed 9.5% (as indexed) of a monthly amount determined as the FPL for a single individual for the applicable calendar year, divided by 12. For 2025, this amount is 9.02%.

2025 FPL Affordability Safe Harbor

For FPL affordability safe harbor purposes, the applicable FPL is the FPL for the state in which the employee is employed. The 2025 FPL is \$15,650 for a single individual in every state (and Washington D.C.) except Alaska or Hawaii. Thus, if the employee’s required monthly contribution for the lowest cost self-only coverage that provides minimum value is \$117.63 (9.02% of \$15,650/12, rounded down) or less, the employer’s offer of coverage meets the FPL affordability safe harbor for a plan year beginning February 1, 2025 or later in the lower 48 states and DC.



FPL Guidelines

The following are the 2025 HHS poverty guidelines:

2025 Poverty Guidelines for the 48 Contiguous States and DC		2025 Poverty Guidelines for Alaska		2025 Poverty Guidelines for Hawaii	
Persons in family/household	Poverty guideline	Persons in family/household	Poverty guideline	Persons in family/household	Poverty guideline
1	\$15,650	1	\$19,550	1	\$17,990
2	\$21,150	2	\$26,430	2	\$24,320
3	\$26,650	3	\$33,310	3	\$30,650
4	\$32,150	4	\$40,190	4	\$36,980
5	\$37,650	5	\$47,070	5	\$43,310
6	\$43,150	6	\$53,950	6	\$49,640
7	\$48,650	7	\$60,830	7	\$55,970
8	\$54,150	8	\$67,710	8	\$62,300
For families/households with more than 8 persons, add \$5,500 for each additional person.		For families/households with more than 8 persons, add \$6,880 for each additional person.		For families/households with more than 8 persons, add \$6,880 for each additional person.	