



Changes Coming to Federal Benefits in 2025

Changes Coming to Your Federal Benefits in 2025

What's changing, what's not, and what it means for your take-home pay in the new year

Changes Coming to Federal Benefits in 2025

Welcome

- » Our audience today
- » Q&A – the ProFeds Support Team standing by
- » Handouts – available for download
- » Recorded – how to get the replay
- » Stay until the end!

Changes Coming to Federal Benefits in 2025

Your ProFeds Presenter



Chris Kowalik

- » ProFeds Founder
- » Developer of the FedImpact Retirement Workshop
- » Host of the FedImpact Podcast

Support Team

- » Standing by for your questions

Agenda

- » **EXPECTATIONS:** What we know for sure is changing (and what stays the same)
- » **UNCERTAINTY:** What lurks ahead for federal workers with the new administration
- » **BOTTOM LINE:** How your take-home pay will be affected in 2025

What this webinar will NOT cover



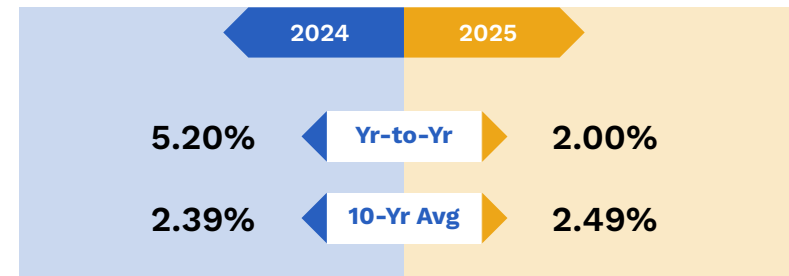
Annual Pay Raise

Highlights

- » The pay raise increase for January 2025 is not official
- » Some lawmakers are pushing for a higher pay raise for federal employees
- » No new locality pay areas were added for 2025

PROJECTED FIGURES

Pay Raises (with Locality) for Current Employees



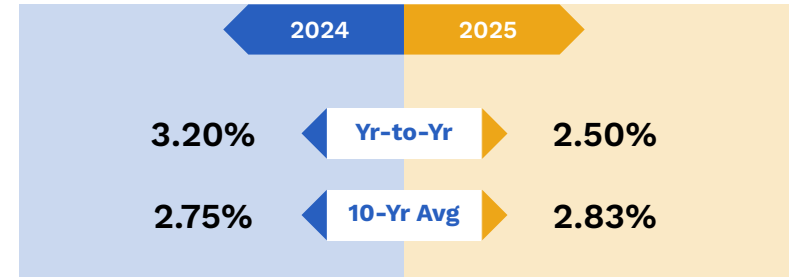


Cost of Living Adjustments

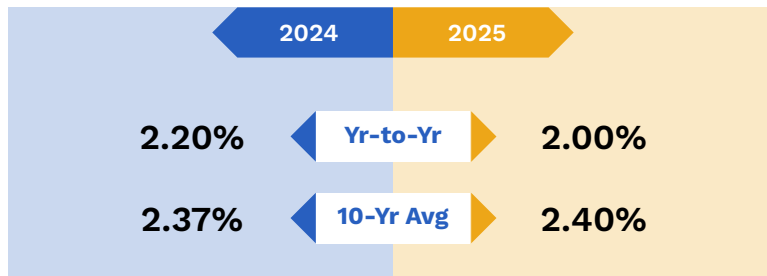
Highlights

- » Paid only to retirees (not employees)
- » Determined by the Consumer Price Index (CPI-W)
- » CPI-W is directly tied to inflation

Cost of Living Adjustments for CSRS Retirees



Cost of Living Adjustments for FERS Retirees

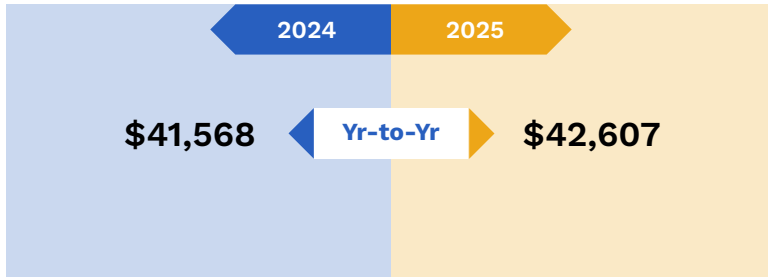


Basic Employee Death Benefit

Highlights

- » If a FERS employee dies while still working, their spouse will receive a one-time, lump-sum death benefit
- » This amount changes each year with inflation (CPI-W)

FERS Basic Employee Death Benefit (Lump-Sum)

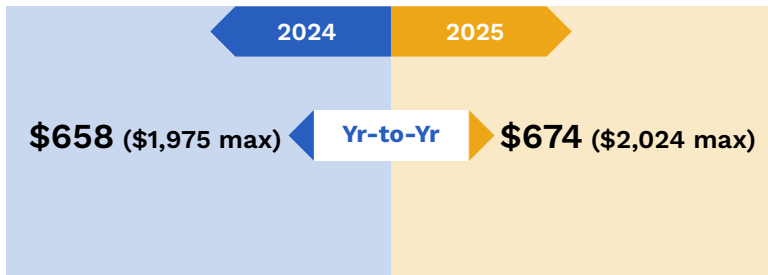


Children's Survivor Benefits (CSRS/FERS)

Highlights

- » An unmarried, dependent child (under age 18, or 22 if a full-time student) will receive a monthly benefit if their federal parent dies
 - CSRS/FERS & Working/Retired
- » NOTE: This is VERY different from Spousal Survivor Benefits

Children's Survivor Benefits (Monthly)



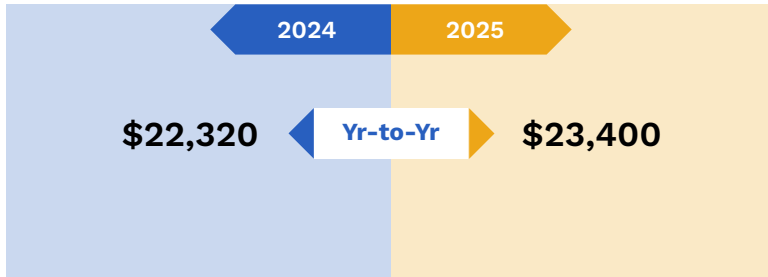
Special Retirement Supplement

Highlights

- » This is a benefit paid to most FERS retirees who retire prior to age 62
- » If a recipient has a job earning “too much” money, this benefit can be reduced or eliminated (called the “earnings test”)

Changes Coming to Federal Benefits in 2025

Special Retirement Supplement Earnings Test (Annual)



Changes Coming to Federal Benefits in 2025



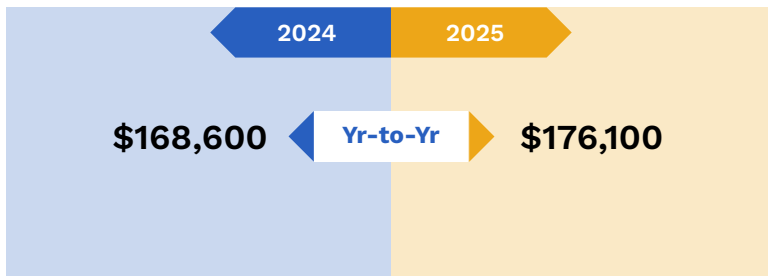
Social Security

Highlights

- » Most federal workers pay 6.2% of their pay into SS and can receive benefits at age 62
- » The SS payment changes each year based on CPI-W
- » If a recipient has a job earning “too much” money, this benefit can be reduced or eliminated (called the “earnings test”)

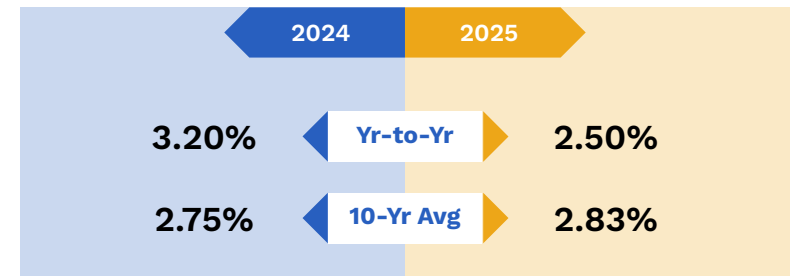
Changes Coming to Federal Benefits in 2025

Social Security Maximum Taxable Wages (Annual)

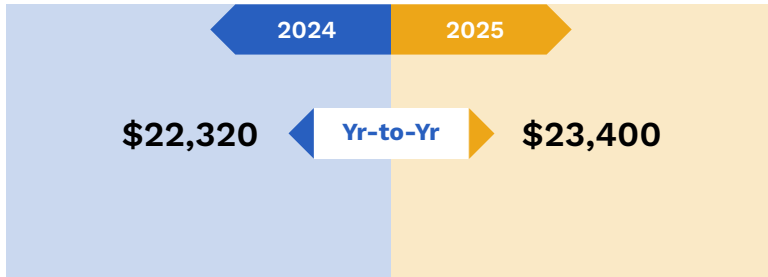


Changes Coming to Federal Benefits in 2025

Social Security Cost of Living Adjustments



Social Security Earnings Test (Annual)



Highlights

- » No changes have been made to the FEGLI program for 2025

Federal Employee Group Life Insurance

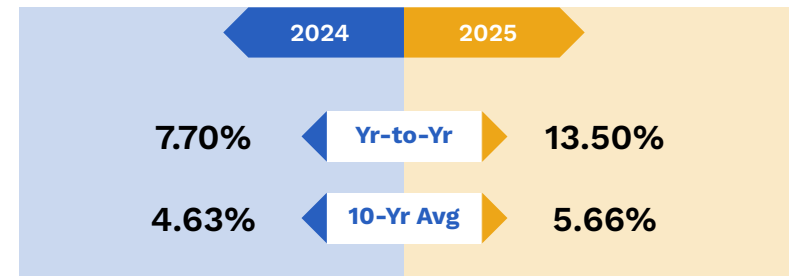


FEHB Premiums

Highlights

- » FEHB premiums change each year
- » Employees and retirees pay the same premiums
- » The government pays roughly 72% of the overall premium

FEHB Premium Increases (Average Across All Carriers)



Changes Coming to Federal Benefits in 2025



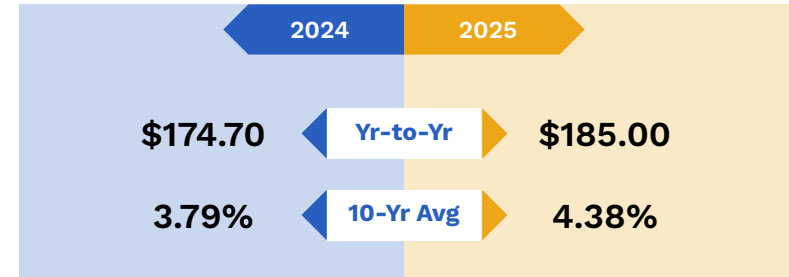
Medicare Part B Premiums

Highlights

- » The base Part B premium changes each year
- » Enrollees may pay higher premiums depending on their Modified Adjusted Gross Income

Changes Coming to Federal Benefits in 2025

Base Medicare Part B Premiums (Monthly)



Changes Coming to Federal Benefits in 2025



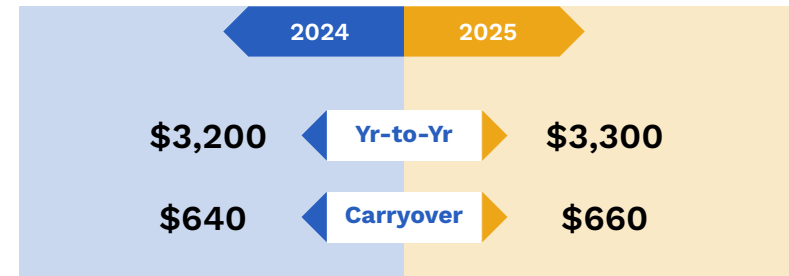
Flexible Spending Accounts

Highlights

- » An FSA allows an employee to set aside pre-tax money to pay for certain expenses
 - Health Care (HCFSA)
 - Limited Expense (LEXFSA)
 - Dependent Care (DCFSA)

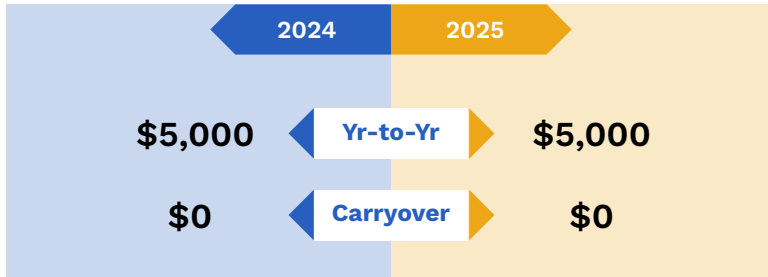
Changes Coming to Federal Benefits in 2025

Health Care / Limited Expense FSA Limits (Annual)



Changes Coming to Federal Benefits in 2025

Dependent Care FSA Limits (Annual)



Changes Coming to Federal Benefits in 2025



Federal Long-Term Care Insurance Program

Highlights

- » Since December 2022, the FLCIP has been suspended by OPM
- » During this suspension, new applications will not be accepted
- » The FLCIP is suspended until at least December 2026

Changes Coming to Federal Benefits in 2025



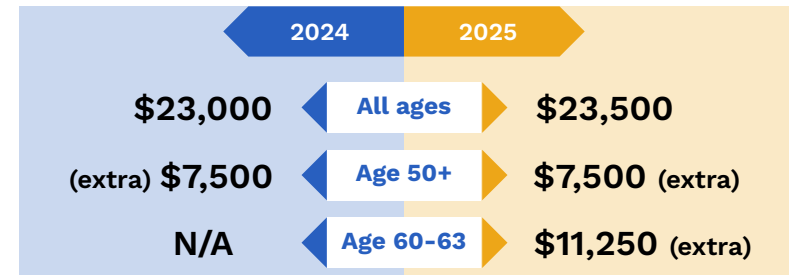
Thrift Savings Plan

Highlights

- » The L 2070 was recently created, and the L 2025 will transition into the L Income fund in July
- » Starting in 2025, employees turning age 60-63 are now allowed to contribute more to the TSP

Changes Coming to Federal Benefits in 2025

TSP Contribution Limits (Annual)



Changes Coming to Federal Benefits in 2025

Some Final Thoughts

- » You have some amazing benefits that change frequently
- » The effect these changes have on each employee will be (or feel) different
- » Take a look at the changes that are relevant to you to determine how much your take-home pay changes
- » Many federal workers are concerned about the security of their jobs and their ultimate retirement from federal service, so the more you know, the better prepared you will be!

Changes Coming to Federal Benefits in 2025



DISCOVER HOW TO BE THE HERO IN YOUR OWN RETIREMENT STORY

"The workshops you delivered prioritized me personally. I enjoyed the presentation as well as the class participation and interaction."
U.S. Office of Personnel Management



"The most information I have ever received and heard in my ENTIRE military and federal years."
L.B., Department of Defense



Retire with confidence.

- » Attend a workshop:
 - In-person training
 - No cost to attend
 - Covers all of the federal benefit topics and decisions to be made
 - One-on-one help available
- » See all the details at: FedImpact.com/Attend

Changes Coming to Federal Benefits in 2025

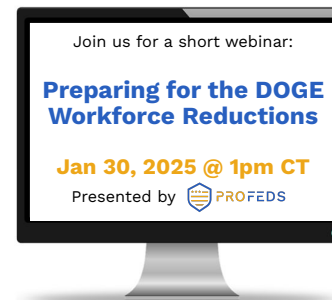
Handouts and Replay



- » Handouts
 - Download
 - Emailed
- » Replay
 - Link will be emailed to all registered participants

Changes Coming to Federal Benefits in 2025

Next Webinar



- » Next webinar topic!
 - **Preparing for the DOGE Workforce Reductions**
How to control your response by knowing your options in advance
- » Sign-up at: FedImpact.com/Webinar

Thank you for joining us

Stay tuned for benefits
and news updates



FIND A WORKSHOP

FedImpact.com/Attend

NEXT WEBINAR

FedImpact.com/Webinar

FOLLOW US ON SOCIAL

@FedImpact

