



**Late Year Employer Surprise:**

**Changes to 2024 ACA Employer Reporting Requirements**

On December 17, 2024, the House Ways and Means Committee and the Senate Finance Committee presented two bills – the Paperwork Burden Reduction Act (HR 3797) and the Employer Reporting Improvement Act (HR 3801) – to President Biden, which he signed into law on December 23, 2024. Both laws modify provisions under the Patient Protection and Affordable Care Act (the “ACA”) related to the 1095-B and 1095-C tax forms. Below are some highlights of the acts.

These changes go into effect for the 2024 reporting forms due at the start of 2025.

**1. Employers no longer need to send 1095-B/1095-C forms to covered individuals**

The passage of the Paperwork Reduction Act amends the ACA by no longer requiring employers to send 1095-B/1095-C forms to the covered individuals under their plan. Now, those forms must only be sent when requested by the covered individual.

To take advantage of this new requirement, employers must:

- A. Provide Notice of Availability:** Provide employees with clear, conspicuous, and accessible notice that they may request a copy of the Form 1095-B/1095-C; and
- B. Provide Upon Request:** If the employee requests a copy, the employer must provide a copy by January 31 or 30 days after the date of the request, whichever is later



Guidance on the contents of the notice requirement have not been released, nor has a model notice been provided. Employers are advised to create their own notice meeting the clear, conspicuous and accessible requirements.

**2. If an individual's Tax Identification (Social Security) Number not available**

The Employer Reporting Improvement Act now allows for an individual's date of birth to be substituted if the individual's Tax Identification Number (Social Security Number) is not available.

**3. Electronic furnishing available for 1095-B and 1095-C forms to individuals**

The Act also amends the ACA to allow employers to offer 1095-B and 1095-C tax forms to individuals electronically.

**4. 226-J letters**

Significant changes were also made regarding IRS issued 226-J letters. The IRS issues 226-J letters to employers when it inquires as to whether an employer owes a penalty because an ACA full-time employee purchases coverage on the state marketplace and receives a tax credit to offset their premium costs. The Employer Reporting Improvement Act now requires that the IRS give employers at least 90 days to respond to 226-J letters that issue a proposed employer shared responsibility payment. Previously, employers only had 30 days to respond.

Finally, the Act establishes a six-year statute of limitations for collecting these payments. Statute of limitation applies for Forms 1095-B and 1095-C due after Dec. 31, 2024.

Aside from the changes specified in these bills, **all other ACA reporting requirements will remain the same.**



**REMINDER**

**The 1094-B/1094-C and 1095-B/1095-C forms must be submitted to the IRS by February 28, 2025, if filed by paper and March 31, 2025, if filed electronically.**

Benecon will continue to monitor this requirement and provide any additional updates as they become available.