



New ACA Reporting Rules

Congress recently provided some welcome relief for Applicable Large Employers (ALEs) and other filing entities subject to the Affordable Care Act (ACA)'s reporting rules. The Paperwork Burden Reduction Act and the Employer Reporting Improvement Act were enacted on December 23, 2024. These Acts reduce the reporting burden on ALEs and offer new reporting flexibility.

2024 Reporting (Due in 2025)

For 2024 (and future years), ALEs may notify employees of the availability of Forms 1095-B (typically provided by group health plans) and 1095-C (typically provided by employers) (collectively, the Forms) instead of mailing copies of the applicable Forms, subject to specific notice requirements. For 2024, ALEs were required to post the required notice of availability by January 31, 2025, to avoid providing individual Forms. Employers who chose not to take advantage of this new alternative, must provide the individual Forms by March 3, 2025. Regardless of whether they took advantage of this new rule, ALEs must still provide a copy of the Forms to individuals upon request. For the remainder of 2025, the applicable Form must be provided within 30 days after receipt of the request.

This change is consistent with the ongoing evolution of the employee notice requirements related to ACA reporting, and you can read our prior blogs about these changes [here](#). While the IRS has allowed ALEs to meet reporting obligations in a similar manner with respect to Form 1095-B (but only in certain limited circumstances with respect to Form 1095-C) in recent years, the application of the new legislation to both Forms 1095-B and 1095-C is a welcome change that will allow for more efficient reporting for 2024 and prospectively.

In future years, ALEs must continue to post the notice of availability no later than January 31 of the year following the year of reporting if the ALE wants to avoid sending copies of the statements to individuals.

IRS Submission Due Date is Still March 31, 2025

Employers are still required to file the required Forms with the IRS by March 31, 2025, if filing electronically. The filing threshold for mandatory electronic reporting applies to employers filing 10 or more individual returns. Employers that are still eligible to file paper forms must file those forms no later than February 28, 2025.

New Statute of Limitations and Additional Reporting Flexibility

Congress also provided additional relief related to ALE reporting obligations under the ACA, including:

- *TIN Reporting Flexibility* – allows some additional reporting flexibility when required taxpayer identification numbers (TINS) are not available to the ALE;
- *Electronic Delivery* – permits e-delivery of Forms to individuals; and
- *Statute of Limitations on Penalty Assessments* – limits the period in which the IRS may assess certain penalties to the end of the six-year period beginning on the due date for the filing (or if later, the date the return was filed).

What To Do Now

In light of these changes, Employers should consider a number of action steps, including:

- Updating their document request processes to ensure they are prepared to provide individuals with the appropriate Forms within 30 days of receiving a request;
- Confirming that the employer complies with the electronic disclosure requirements; and
- Consulting with counsel regarding the potential impact of the TIN reporting relief and the new statute of limitations.

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