

ACA Reporting – Big Changes This Year

ACA Reporting season is right around the corner and there are some **BIG CHANGES** this year when it comes to required **Electronic Reporting!** Keep reading for more details.

The Affordable Care Act (ACA) requires specific reporting under Sections 6055 and 6056 of the IRS Code. Under these rules certain employers must provide information to the IRS and Individuals regarding the health plan coverage that they offer. In this blog we'll take a high level look at when an employer is responsible for reporting and when that reporting is due in 2024.

Who Needs to Complete ACA Reporting?

Applicable Large Employers (ALEs), those who averaged at least 50 full-time equivalent employees (FTE) during the previous calendar year, need to complete ACA reporting for the current year. ALE status is calculated on a controlled-group basis, so employers with less than 50 FTE may also need to comply with these requirements if they are part of a group of companies with common ownership that meet the threshold. Your tax advisor can determine if you are part of a controlled group.

Small employers who are not ALEs but have self-insured or level-funded medical plans must also comply with ACA reporting.

Who Completes Which Form?

The employer's size and type of insurance plan determine which forms they are responsible for filing with the IRS and distributing to their plan participants. Small Employers that sponsor self-insured plans (including level-funded plans) are subject to Section 6055, which require self-insured plans to complete Forms 1094/1095-B. Forms 1094-B and 1095-B must be filed with the IRS, and a copy of Form 1095-B must be distributed to all covered individuals. The 1094 acts as a transmittal document to the IRS that accompanies the 1095 forms, providing a summary of the information across the group of returns.

Small Employer (1-49 FTE)

	Section 6055 Transmittal Form 1094-B	Section 6055 Employee Statements 1095-B	Section 6056 Transmittal Form 1094-C	Section 6056 Employee Statements 1095-C
Small Group (Fully Insured)	Carrier Files	Carrier Files and distributes to participants	N/A	N/A
Small Group (Self-Insured / Level Funded)	Employer Files	Employer Files and distributes to participants*	N/A	N/A
Small Group (No Health Plan)	N/A	N/A	N/A	N/A

*Employers can forgo distributing Form 1095-B to individuals as long as they post a notice on their website advising that the document is available upon request and then fulfill any such request within 30 days.

ALEs with fully insured plans are subject to Section 6056 and must complete forms 1094/1095-C, except they do not need to complete Part III of form 1095-C. ALEs with self-insured plans (including level-funded plans) are subject to both Sections 6055 and 6056 reporting. Self-insured ALEs must therefore complete Forms 1094/1095-C, including Part III of Form 1095-C. Self-insured ALEs do not have to complete Forms 1094-B and 1095-B as long as Part III of Form 1095-C is filled out.

Large Employers / ALE (≥50 FTE)

	Section 6055 Transmittal Form 1094-B	Section 6055 Employee Statements 1095-B	Section 6056 Transmittal Form 1094-C	Section 6056 Employee Statements 1095-C
ALE Group (Fully Insured)	Carrier Files	Carrier Files and distributes to participants	Employer Files	Employer Files and distributes (Parts I and II)
ALE Group (Self Insured / Level Funded)	N/A	N/A	Employer Files	Employer Files and distributes (Parts I, II, and III)
ALE Group (No Health Plan)	N/A	N/A	Employer Files	Employer Files and distributes (Parts I and II)

What are the Filing and Distribution Deadlines for 2023 Reporting Due in 2024?

February 28, 2024	Paper Forms filed with the IRS	Can ONLY file up to 10 Aggregate Returns on paper
March 1, 2024 (Extended from January 1, 2024)	Individual Statements must be furnished to participants	These are the 1095 forms
April 1, 2024	Electronic Forms must be filed with the IRS	These are both the 1094/1095 forms.

IMPORTANT UPDATE – Electronic Reporting:

In prior years, employers could file their ACA reporting forms with the IRS by paper if they were filing fewer than 250 ACA forms. Beginning in 2024 for 2023 filings, employers filing 10 or more returns in the aggregate must file electronically. This ends the option to file by paper for virtually all employers unless a hardship waiver is granted. The 10 or more requirement applies in the **aggregate number of all company forms** including W2 and 1099s.

Currently, electronic filing is done using the IRS ACA Information Returns (AIR) Program. The IRS does provide guidance on electronic reporting. However, the guidance is generally very technical and intended for software developers and other entities that plan on providing electronic reporting services. Employers who must file electronically are encouraged to engage an ACA reporting vendor to complete the electronic filing via the IRS AIR Program.

Electronic Filing Waiver Requests

Employers may request a waiver from the required electronic filing of returns if it can prove the electronic filing will create an undue hardship, or is contradictory to religious beliefs. Requests for waivers should be submitted at least 45 days prior to the due date of the returns, but no later than the due date of the returns. Waivers are requested utilizing [Form 8508 Application for a Waiver from Electronic Filing of Information Returns](#). If the waiver is granted the employer must submit its paper forms by **February 28, 2024**, subject to a potential 30-day extension of time via [Form 8809](#).

Failure to file electronically when required may result in a penalty of up to \$310 per return (adjusted each year).

For More Information

ACA Reporting can be very complex; however, Silberman Group is here to assist! If you have further questions please don't hesitate to reach out to us.

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