

## **2023 Affordable Care Act Reporting Reminders and Deadlines**

Now that a new year has begun, the deadlines by which employers must comply with the Affordable Care Act's (ACA) 1094/1095 reporting requirements for the 2023 calendar year are fast approaching. As a reminder, any employer that qualifies as an Applicable Large Employer (ALE) for 2023 because they averaged at least fifty full-time and full-time equivalent employees during the 2022 calendar year needs to furnish Forms 1095-C to recipients and e-File those forms, along with a Form 1094-C, to the IRS. Additionally, any employer that didn't qualify as an ALE for 2023 but that sponsored a level-funded or self-insured medical plan last year needs to send Forms 1095-B to their subscribers and ensure that those forms, plus the Form 1094-B, are e-Filed with the IRS this year.

In the sections below, we've outlined a few items of note and updates that employers should keep in mind for this year's filing:

### **Federal ACA Reporting Deadlines**

Last year, the IRS finalized a 30-day automatic extension to the statutory January 31<sup>st</sup> distribution deadline for Forms 1095-B, meaning that the deadline to furnish applicable 2023 forms to their recipients is now **March 1, 2024**. No additional extensions are available to this deadline.

The deadline for e-Filing 2023 Form 1094-B/C and Forms 1095-B/C with the IRS is slightly different this year. These forms are usually due to the IRS on March 31<sup>st</sup>, but because the 31<sup>st</sup> falls on a Sunday, all 2023 ACA forms must be e-Filed with the IRS by **April 1, 2024**.

### **Mandatory e-Filing for Virtually All Employers**

At the beginning of 2023, the IRS adjusted its electronic form filing threshold, significantly impacting the ACA filings due this year. Previously, employers with fewer than 250 Forms 1094/1095 could paper mail those documents to the IRS if they so chose. For 2023 ACA filings and beyond, businesses that file ten or more common form series in aggregate (including Forms W-2, 1094/1095, 1099, and beyond) must instead submit all of those forms electronically. For example, if an employer issues five 2023 Forms W-2, four 2023 Forms 1095-B, and one 2023 Form 1094-B, all forms must be e-Filed.

Practically speaking, this means that nearly every employer who needs to submit Forms 1094/1095 to the IRS should prepare to either file them electronically or contract with a vendor to do so on their behalf.

### **Good Faith Compliance Relief No Longer Available**

The good faith transition relief that formerly shielded employers from penalties for incorrect and/or incomplete ACA filings is no longer in place. Employers must successfully e-File complete, accurate 2023 ACA filings by April 1, 2024 to avoid exposure to the IRS's information return penalties. It may also



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become more difficult for employers to avoid ACA employer mandate penalties based on incorrect filings, even further reinforcing the importance of submitting accurate, timely filings.

### **State-Mandated ACA Filings**

California, Rhode Island, New Jersey, and Washington, D.C. have now enacted ACA-esque regulations requiring employers of all sizes to submit coverage information for individuals who resided in these states and were enrolled in employer-sponsored coverage. Most of these states will accept duplicates of Forms 1095 B/C e-Filed with the IRS. Still, New Jersey requires coverage information for employees, spouses, and dependents, even if the employer sponsors a fully insured medical plan. Employers that provided coverage to residents of these states in 2023 should either be prepared to report the required coverage information to the applicable states, ensure that the ACA reporting vendor they have contracted with will do so on their behalf, or, in the case of fully insured groups, confirm that their carrier will be completing these submissions for them.