

ACA Reporting - Form Requirement Changes

Paperwork Burden Reduction Act

Congress quietly passed the Paperwork Burden Reduction Act (H.R.3797 <https://www.congress.gov/bill/118th-congress/house-bill/3797>), signed into law on December 23, 2024. The act includes changes to employer requirements for furnishing Affordable Care Act forms 1095-B and 1095-C. Currently, employers must provide a copy of this information to covered individuals by January 31 of each year (or later if extensions are provided).

To alleviate the burden on employers, the Paperwork Burden Reduction Act amends the requirement surrounding employee copies, which are only to be enforced if requested by the employee. If requested, employers must provide the form by January 31 or 30 days from the date of the request.

Note: Employers must provide notice to employees of their option to make the request prior to making this change. Further guidance on the notice language and requirements is expected from the Department of Treasury.

State Level ACA Reporting Unchanged

While the Paperwork Burden Reduction Act impacts employers' federal ACA requirements, the existing state level requirements remain unchanged. Employers should note that they must still furnish Form 1095-C for all covered employees in states with ACA requirements. States that have their own ACA Reporting mandates are: California, Massachusetts, New Jersey, Rhode Island, and Washington, D.C.

How Can Paychex Help?

ACA filings are processed each year through our ESR department. Paychex will continue to file the 1094C and 1095C with the IRS as this requirement has not changed. Should you have any questions, please contact your dedicated service representative to discuss your account.