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Client Alert Applies To: Self-Funded, Fully-Funded, and Large Group

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IRS Releases Final Forms and Instructions for 2023 ACA Reporting

The IRS has released final 2023 ACA reporting forms and instructions. For applicable large employers (i.e., ALEs – employers with 50 or more full-time or full-time equivalent employees), the relevant forms are Forms 1094-C and 1095-C. Draft versions of the forms and instructions were released earlier this year. No major substantive changes to either the forms or instructions were made for 2023.

The 2023 instructions note the new (and drastically lowered) electronic filing threshold; for 2023 reporting, employers filing 10 or more returns must file electronically (the original threshold was 250). Employers can request a hardship exception to the electronic filing requirement, but the IRS encourages electronic filing for all entities. Information on electronic filing procedures can be found in IRS Publications 5164 and 5165.

Copies of the Form 1095-C must be distributed to employees within 30 days of January 31, 2024. Because 2024 is a leap year, the deadline for distribution is March 1, 2024. Electronic 2023 IRS returns generally must be filed by March 31 of the relevant year. However, since March 31, 2024, is a Sunday, electronic returns will be due on the next business day, which is April 1, 2024.

Employers should familiarize themselves with the forms and instructions. Reporting entities that do not use a vendor but rather perform their own electronic reporting can find more information on the IRS' ACA Information Returns webpage.

<https://www.irs.gov/e-file-providers/affordable-care-act-information-returns-air>.

The 2023 Form 1095-C and instructions can be found here:

<https://www.irs.gov/pub/irs-pdf/f1095c.pdf> and <https://www.irs.gov/pub/irs-pdf/i109495c.pdf>

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