



# Client Alert

Applies To: Self-Funded, Fully-Funded, Large Group

DECEMBER 20, 2024

## Recent Legislation Provides Some ACA Reporting Relief

Last week, Congress passed the Paperwork Reduction Act and the Employer Reporting Improvement Act, both of which provide some relief (however minor) in connection with employer ACA reporting requirements. President Biden is expected to sign both acts.

### Paperwork Reduction Act (PRA)

The PRA amends the ACA to provide that employers no longer need to send a copy of Form 1095-C to employees. Previously, employers had to both file Forms 1095-C (with the accompanying Form 1094-C) and send a copy of the form to each employee. Under the PRA, the employer need only send a copy of the Form 1095-C to employees upon request. If requested, the employer must provide a copy of the form to the employee by January 31 or within 30 days of the request. Employers must also inform employees of their right to request a form.

### Employer Reporting Improvement Act (ERIA)

The ERIA allows employers to substitute an individual's date of birth for the taxpayer identification number (TIN) if the TIN is not available. In addition, the ERIA allows employers to provide (where requested) Forms 1095-C electronically.

Finally, the ERIA requires that the IRS give applicable large employers at least 90 days to respond to 226-J letters (Form 226-J letters are used to notify the employer of a proposed ACA shared responsibility penalty). All other ACA reporting obligations remain the same. Although minor, these two acts provide some reporting relief and should be welcomed by employers. Once signed by the president, the legislation will apply to reporting for the 2024 calendar year.

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