

# Compliance Alert: ACA Reporting Update

## 2022 1095-C Delivery Extension

**Due date to deliver forms to employees:** The IRS has announced a semi-permanent automatic extension for employers and insurers to deliver 2021 forms 1095-C and 1095-B to employees. The deadline for Applicable Large Employers (ALE's) to deliver 2021 1095-C forms to employees has been extended by 30 days from January 31, 2022 to **March 2, 2022**.

The 30-day extension is now expected to renew every year, or at least as long as the federal individual coverage mandate penalty continues to be reduced to zero. Due to the extension some taxpayers may not receive their 1095-B/C forms in time to prepare their tax returns, however, for 2021, taxpayers don't need Forms 1095-B or 1095-C to file their federal return.

**Due date to deliver forms to the IRS:** The due date for employers to file 2020 1094-C/1095-C forms to the IRS remains **February 28, 2022 for paper filers, and March 31, 2022 for electronic filers**.

## Reminder of State Individual Mandate Reporting

Until recently, Massachusetts was the only state with a state individual mandate law. But after the federal individual mandate penalty was eliminated, some states acted to maintain insurance coverage rates by passing their own state individual mandate laws. Residents of these states need to show that they have health coverage in the prior calendar year or pay a state tax penalty. Employers of employees in such states must arrange to forward 2021 health coverage information to the appropriate state agency. In addition to Massachusetts, the states listed below currently have individual mandate laws and employer reporting laws in place (actually, VT does not require employer reporting). States considering future health care mandate laws include Hawaii, Washington state, Connecticut, Minnesota, and Maryland.

### California

**What to File.** Employers of CA residents, regardless of employer size, must arrange to submit 1095-B forms, or the equivalent of a 1095-B, to the California Franchise Tax Board (FTB). The reporting requirement applies to CA residents, even if the employer does not withhold CA payroll taxes. Insurers should forward 1095-B forms for CA residents to the FTB. If the insurer does not forward a 1095-B to the FTB, the reporting burden falls to the employer. Self-funded employers should submit 1094/95-C forms with all three Parts completed.

**Filing Deadline.** Employers are generally required to submit reports to employees by January 31 and to the FTB annually by March 31, but the due date for reports to the FTB is extended to May 31, 2022 for the 2021 tax year.

**How to Submit Reports.** Employers with greater than 250 information returns must file electronically through [California's FTB file exchange](#). Smaller employers may file electronically or on paper.

More information about the CA Health Care Mandate and how to transmit 1095 returns is available [here](#).

### District of Columbia

**What to File.** Applicable Large Employers (ALEs) of employees living in DC and/or for whom the employer withholds DC taxes, must submit 1094/95-C forms to the DC Office of Tax and Revenue (OTR). Self-funded employers of ANY size must submit 1094/95-C forms with all parts completed to the OTR. Insurers must forward 1094/95-B forms for DC residents to the OTR.

**Filing Deadline.** Employers are required to submit forms to the OTR within 30 days after the federal deadline, including any extensions granted by the IRS (April 31, 2022). The deadline to distribute 1095

forms to employees is January 31st unless the OTR issues a notice of deadline extension. The deadline is March 2, 2022 for the 2021 tax year.

**How to Submit Reports.** All information returns must be filed electronically with the OTR by uploading files through MyTax.DC.gov using OTR's prescribed layouts and file formats. No other filing formats are available. Employers may contract with third-party providers to complete the filing. Employers with questions about how to register with OTR or how to file returns can contact OTR's Customer Service Center at e-services.otr@dc.gov or (202) 759-1946.

DC tax guidance ([Notice 2019-04](#)) sets out requirements for the reports. More information about the DC Individual Taxpayer Health Insurance Responsibility is available [here](#).

### **New Jersey**

**What to File.** Employers of NJ residents, regardless of employer size, must arrange to submit 1095-B forms, or the equivalent of a 1095-B, to the New Jersey Division of Taxation. The reporting requirement applies to NJ residents, even if the employer does not withhold NJ payroll taxes. Insurers can forward 1095-B forms for NJ residents to the NJ DOT. If the insurer does not forward a 1095-B, the reporting burden falls to the employer. Self-funded employers should submit a 1095-C form with Parts I and III completed, or a NJ-1095 form.

**Filing Deadline.** Employers are required to submit forms to the NJ DOT annually by the federal deadline (March 31, 2022). The deadline to issue 1095-B forms to NJ employees is March 2, 2022 for the 2021 tax year.

**How to Submit Reports.** 1095-B and 1095-C forms will be filed through the New Jersey Division of Taxation using the same layouts and file formats as for the IRS. Employers may contract with third-party providers to complete the filing. Non-NJ residents should be omitted from the NJ report.

More information about the NJ Shared Responsibility Requirement and how to transmit 1095 returns is available [here](#).

### **Rhode Island**

**What to File.** Employers of RI residents, regardless of employer size, must arrange to submit 1095-B forms, or the equivalent of a 1095-B, with the state. The reporting requirement applies to RI residents, even if the employer does not withhold RI payroll taxes. Insurers can forward 1095-B forms for RI residents to the RI state agency. If the insurer does not forward a 1095-B, the reporting burden falls to the employer. Self-funded employers should submit a 1095-C form with Parts I, II, and III completed.

**Filing Deadline.** Employers are required to submit forms to the RI Division of Taxation annually by the federal deadline -- March 31, 2022 for the 2021 calendar year.

**How to Submit Reports.** The RI Division of Taxation will provide a webpage where employers can upload their files. More information and a link to the webpage is available on the [Division of Taxation's website](#). When the employer is ready to upload their file, they can navigate to this page where they will have an opportunity to enter the company's information, contact information, and information about the file. Employers may contract with third-party providers to complete the filing. Non-RI residents should be omitted from the report.

### **Vermont**

The Vermont individual mandate, requiring residents to have qualifying coverage throughout the year, went into effect on January 1, 2020. Vermont requires residents to self-report compliance. Residents filing individual income tax returns will indicate if they had Minimum Essential Coverage during the year and

may be asked to submit their IRS Forms 1095-B and 1095-C as proof. Vermont does **not** currently require employer reporting.

**Action Items**

Employers who are ALE's should review their reporting capabilities and confirm that they will be prepared to issue 1095-C/1094-C forms to employees and the IRS in a timely manner.

Employers with employees residing in CA, DC, NJ, and RI should confirm that they have procedures in place to address 1095 reporting requirements, and/or that their insurers will forward B-forms to state agencies in those jurisdictions.

If you have any questions, please contact your EBS account representative.

**Susan Sonkin**, ChFC®, CLU®, CEBS, RHU®, REBC®  
Compliance Director  
**EBS Employee Benefit Solutions**