

2022 ACA Reporting Forms, Instructions Finalized, and Deadlines Extension Made Permanent

The Internal Revenue Service (IRS) has released final 2022 forms and instructions for reporting under Internal Revenue Code (Code) Sections 6055 and 6056 to comply, respectively, with the individual and employer shared responsibility mandates under the Affordable Care Act (ACA).

In addition, the IRS issued a final rule on December 12, 2022, regarding information reporting (and other related issues), in which the 30-day automatic extension of time for furnishing statements to individuals under Code Sections 6055 and 6056 was made permanent. The final rule also included an alternative method that a reporting entity may use to timely furnish Forms 1095-B to individuals.

Employer Action Items

Employers should consider the following next steps:

- Become familiar with the ACA reporting forms for the 2022 calendar year.
- The Forms 1094-B and 1095-B are generally used only by providers of minimum essential health coverage. However, self-insured employers with less than 50 full-time employee equivalents (not applicable large employers or ALEs) may also use these forms to fulfill their reporting and disclosure obligations under Code Section 6055.
- ALEs will use Forms 1094-C and 1095-C to satisfy the reporting and disclosure requirements under Code Section 6056. ALEs who sponsor self-insured plans will also use the Forms 1094-C and 1095-C to combine their reporting and disclosure requirements under Code 6055 and 6056.
- Paper IRS returns (permitted if less than 250 returns) must be filed no later than February 28, 2023. Otherwise, the deadline for filing electronic returns is March 31, 2023. Individual statements must be furnished to participants by March 2, 2023 (30-days after January 31, 2023).
- There are special distribution and filing requirements for employers with employees in California to comply with the state's individual mandate to provide minimum essential coverage. Forms 1095-B or 1095-C must be distributed to participants no later than January 31, 2023. ***This deadline has not been extended to comport with the federal deadline extension.*** In addition, these Forms must be filed with the state by March 31, 2023, with a 2-month grace period permitted until May 31, 2023. Note that in most instances, the carrier will undertake responsibility for providing and filing the Forms applicable to participants in fully insured plans; whereas, the employer or plan sponsor will undertake this responsibility for self-insured plans.
- Employers with employees in Massachusetts, New Jersey, Rhode Island, and the District of Columbia, also have reporting requirements to evidence an employee's compliance with the individual mandate. These deadlines may differ from the IRS reporting deadlines. While the provider may report to the state on behalf of fully insured group health plan sponsors, plan sponsors of self-insured group health plans

may have the responsibility for ensuring the appropriate Forms are timely filed with the state.

- Employers who use Form 1095-B to comply with the distribution requirements of Code Section 6055 should consider using the alternative manner to furnish statements to individuals. In all practicality, this will apply principally to non-ALE plan sponsors of self-insured group health plans who do not use the Forms 1094-C and 1095-C to comply.
- All employers should review and become familiar with the accompanying 2023 compliance timeline.

2022 ACA Reporting Forms Finalized

The IRS has released the final 2022 forms for reporting under Code Sections 6055 and 6056 (**Forms 1094-B** and **1095-B** and Forms **1094-C** and **1095-C**), along with related instructions, [here](#) and [here](#), respectively. The IRS revised Form 1095-B to remove references to the individual mandate penalty in the “Instructions for Recipients” section. No other substantive changes were made to the final forms for 2022 reporting. However, the instructions to the Forms do describe an alternative method for furnishing statements to individuals under Section 6055 (with respect to compliance with the individual mandate).

30-day Extension for Furnishing Statements Made Permanent

On December 12, 2022, the IRS issued a **final rule** on information reporting of health insurance coverage and other issues. As you may recall, the IRS previously issued proposed regulations in December 2021, which provided for a blanket 30-day extension of the due date for furnishing Form 1095-C to individuals as well as the due date for certain reporting under Code Section 6055. These extensions are now permanent.

Alternative Method of Furnishing under Code Section 6055

To satisfy the IRS distribution requirements under Code Section 6055, the final rule also provides an alternative method for a reporting entity to timely furnish Forms 1095-B to individuals under Code Section 6055 for all years in which the individual mandate penalty is reduced to zero. These written statements were initially used to administer the ACA’s individual mandate penalty, which was reduced to zero back in 2019.

Under this alternative manner of furnishing, the reporting entity must post a clear and conspicuous notice on its website stating that responsible individuals may receive a copy of their statement upon request and must furnish a statement to a requesting individual within 30 days of the date the request is received. The notice must include an email address, a physical address to which a request may be sent and a telephone number to contact the reporting entity with any questions. It must be written in plain, nontechnical terms and with letters of a font size large enough (including any visual clues or graphical figures) to call to a viewer’s attention that the information pertains to tax statements reporting that individuals had health coverage. Reporting entities must post the notice by the due date for furnishing ACA statements and must generally retain the website notice until October 15 of that year.

Notwithstanding, since most employers with fully insured plans rely on the provider to furnish statements to individuals, this will only be practical for non-ALE plan sponsors of self-insured plans who use Form 1095-B to satisfy this requirement. This option will not be available to self-

insured employers who use the Forms 1095-C to satisfy Code Section's 6055 reporting requirements.

States with Individual Mandates also have Reporting Requirements

It is important to note that several states, including California, Massachusetts, New Jersey, Rhode Island, and the District of Columbia, have their own reporting requirements to evidence an employee's compliance with the individual mandate (Vermont also has an individual mandate but there is currently no reporting requirement). These deadlines may differ from the IRS reporting deadlines. More information on these state requirements and deadlines can be found in the below-referenced compliance timeline.

ADDITIONAL INFORMATION

For questions regarding this article or any other related compliance issues, please contact a member of your service experience team.