

Did you know?

ACA Update

On Dec. 23, 2024, two bills were signed into law that impact Affordable Care Act reporting for the 2024 filing year onward. Below, you'll find a summary of each bill and next steps for each of these new legislative updates to help you remain in compliance.

H.R. 3797 – Paperwork Burden Reduction Act ("PBRA")

The PBRA eliminates the furnishing requirement for Form 1095 beginning with tax year 2024. Now, employers must only furnish the 1095 upon employee request. To leverage this alternative furnishing method, employers **must** provide employees with notice of their right to request. Requested forms can be provided electronically to employees who have consented to electronic delivery. Forms must be provided by the IRS defined furnishing deadline or within 30 days of the request, whichever date is later.

How can Payroll/PEO partners help?

Our PEO partner's software allows employees to request paper copies of their year-end tax forms via Employee Self-Service® (ESS). An electronic copy is available by the furnishing deadline when all required information has been provided to our partners ahead of the Feb. 7 approval deadline. If an employee requests a paper Form 1095 or has not indicated any preference, no action is required on your part, and Paycom will print and ship the form to your organization for mail or hand delivery to the employee.

Please note that employees residing in states or jurisdictions requiring individual health insurance mandates may require Form 1095 regardless of the federal law. States and jurisdictions with individual mandates include California; Washington, D.C.; New Jersey; Rhode Island; Massachusetts; and Vermont.

Employees who have not acted on year-end forms have the option to highlight their ability to make a year-end form furnishing election via their ESS portal. You can remind them to do this by using the News Ticker feature in the Notification Center.

The benefits of receiving electronic forms are:

- you have earlier access to forms
- once received electronically, there is significantly less possibility that the form may be lost or stolen
- you can retrieve your statements 24 hours a day, seven days a week

Did you know?

- you can print multiple copies at your convenience

H.R. 3801 – Employer Reporting Improvement Act (“ERIA”)

The ERIA codified IRS regulations that allow for an individual’s date of birth to be used instead of a Taxpayer Identification Number (TIN) when it is not available. The act also allows employers and health insurance providers to offer 1095-B and 1095-C forms electronically to employees who have consented to electronic delivery. Lastly, the ERIA changes the response time for any letter regarding a potential penalty from 30 days to 90 days and imposes a six-year statute of limitations for collecting assessments.

How can our Payroll/PEO partners help?

Our Payroll/PEO software already allows users to substitute TIN and date of birth when the employee has checked the box in the Form 14 dependent record indicating the Social Security number/TIN is not available. If a TIN is not provided or the checkbox has not been marked, a validation warning will appear on your ACA Checklist to assist you in resolving before your forms are ready to print and file.

We've provided an electronic form via ESS for employees since the health care reporting mandate was enforced beginning in 2015.

Should your organization receive a letter regarding potential penalties for noncompliance, you now have 90 days to respond to the IRS and dispute its assessment. Paycom’s service teams are prepared to review any letter you receive and assist by providing a review of information in the software at the time of filing.

If you have any questions regarding either of these acts or how to set up a News Ticker message to encourage an electronic year-end form election, please reach out to your dedicated specialist.