

# COMPLIANCE BULLETIN



## ACA Reporting Deadlines and Penalties Cheat Sheet

Employers subject to Affordable Care Act (ACA) reporting under Internal Revenue Code Sections 6055 or 6056 should prepare to comply with reporting deadlines in early 2024. The following employers are subject to ACA reporting under Sections 6055 and 6056:

- Employers with **self-insured health plans** (Section 6055 reporting); and
- **Applicable large employers (ALEs)** with either fully insured or self-insured health plans (Section 6056 reporting). ALEs are employers with **50 or more** full-time employees (including full-time equivalent employees) during the preceding calendar year.

### Reporting Deadlines

The following chart provides the ACA reporting due dates for 2023 calendar year reporting. Note that there are no reporting obligations for non-ALEs without a plan or non-ALEs with fully insured plans (because non-ALEs are not subject to Section 6056 reporting and the carrier will complete Section 6055 reporting).

Action	Fully Insured ALEs Due Dates	Self-insured ALEs Due Dates	Self-insured Non-ALE Due Dates
Provide Forms 1095-C to Full-time Employees	March 1, 2024	March 1, 2024	N/A
Provide Forms 1095-B to Responsible Individuals	N/A	ALEs providing self-insured coverage to <b>nonemployees</b> may use <b>either</b> Form 1095-B <b>or</b> Form 1095-C to report coverage for those individuals and other family members covered under the plan by March 1, 2024.	March 1, 2024, if not using the <b>alternative method</b> of furnishing. Under this method, a 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.
File Forms 1094-C and 1095-C Electronically* With the IRS	April 1, 2024	April 1, 2024	N/A
File Forms 1095-B and 1095-B Electronically* With the IRS	N/A	ALEs providing self-insured coverage to <b>nonemployees</b> may use <b>either</b> the B series forms <b>or</b> the C series forms to report coverage for those individuals and other family members covered under the plan by April 1, 2024.	April 1, 2024

\*Beginning in 2024, reporting entities that file **at least 10 returns during the calendar year must file electronically**. Reporting entities must aggregate most information returns, such as Forms W-2 and 1099, to determine if they meet the 10-return threshold for mandatory electronic filing.

Provided to you by **Parrott Benefit Group**

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## Adjusted Reporting Penalties

The following chart provides the different types of penalties that can apply for 2023 returns and individual statements that are filed and furnished in 2024. A reporting entity that fails to comply with the ACA reporting requirements may be subject to the general reporting penalties for:

- Failure to file correct information returns (under Code Section 6721); and
- Failure to furnish correct payee statements (under Code Section 6722).

However, penalties may be waived if the failure is due to reasonable cause and not willful neglect. Penalties may also be reduced if the reporting entity corrects the failure within a certain period of time, as shown below.

Penalty Type	Per Violation	Annual Maximum	Annual Maximum for Small Employers*
General	\$310	\$3,783,000	\$1,261,000
Corrected Within 30 Days	\$60	\$630,500	\$220,500
Corrected After 30 Days and Before Aug. 1	\$120	\$1,891,500	\$630,500
Intentional Disregard	\$630	No limit	No limit

\*The maximum penalty amounts are different for small businesses and large businesses. For purposes of the penalty maximum, a small employer is one that has average annual gross receipts of up to \$5 million for the three most recent taxable years. There is no maximum penalty for intentional disregard.