

Paperwork Burden Reduction Act

There are recent legislative changes that may impact your ACA reporting obligations for the upcoming filing season. On December 23, 2024, the Paperwork Burden Reduction Act (Public Law 118-167) was signed into law. This act modifies the Affordable Care Act's reporting requirements, specifically regarding the distribution of Form 1095-C to employees. [\[congress.gov\]](https://www.congress.gov)

What's Changed?

Under the new law:

- **On-Request Distribution:** Employers are no longer required to automatically furnish Form 1095-C to employees. Instead, the form must be provided only if an employee requests it.
- **Notification Requirement:** Employers may post a compliant notice on their website or employee portal that is **clear, conspicuous, and accessible** by **January 31st (indefinitely extended to March 2nd)** and should be retained in the same location until **October 15, 2026**. The notice should:
 - Inform employees they can request Form 1095-C.
 - Explain how to request it.
 - Include email, physical address, and phone number for requests.
 - Use plain language and prominent font size
- **Timely Furnishing Upon Request:** If an employee requests their 1095-C, it must be provided:
 - 30 days after the requested date, OR
 - By **January 31st** of the following reporting year, whichever is later

What Hasn't Changed?

- **IRS Filing Requirement:** Employers are still required to e-file ACA forms with the IRS by the standard deadline **March 31st**
- **Form Accuracy and Compliance:** All ACA data must remain accurate and compliant with IRS standards, including proper coding and eligibility tracking.

Next Steps

If you plan to adopt the on-request distribution model, we recommend:

- Posting the required employee notice by **March 2nd**.
- Ensuring your internal processes are ready to respond to employee requests promptly.
- Reviewing your ACA system setup to confirm readiness for e-filing and form generation.