

ACA COMPLIANCE BULLETIN



State ACA Health Coverage Reporting Deadlines

The Affordable Care Act (ACA) created a number of federal reporting requirements for employers and health plans, which (among other things) provide the government with information to administer ACA mandates, such as the large employer shared responsibility penalty and the [individual mandate](#).

The ACA's individual mandate became effective in 2014, and it requires individuals to obtain minimum essential health coverage (MEC) for each month (unless an exemption applies) or pay a penalty. However, the Tax Cuts and Jobs Act reduced the ACA's individual mandate to zero, effective in 2019. For Jan. 1, 2019, and beyond, individuals are still required by law to have MEC or qualify for a coverage exemption, but they will no longer be required to pay a penalty if they do not have MEC for part or all of the year.

Some states have enacted their own individual mandates, which largely mirror federal requirements. To administer these individual mandates, these states have also imposed health coverage reporting requirements, which are the subject of this Compliance Bulletin.

Action Steps

Many of the state health coverage reporting requirements are similar to the ACA's reporting requirements under Internal Revenue Code (Code) Sections 6055 and 6056. Reporting entities should ensure they report by the applicable deadlines discussed below (generally, ACA reporting for the 2022 calendar year is due in early 2023).

Note that the IRS provides webpages dedicated to [Section 6056 information reporting](#) and [Section 6055 information reporting](#), which may be useful in fulfilling state reporting obligations.

Federal Reporting Deadlines

For the 2022 calendar year, covered employers must:

- Furnish statements to individuals by **March 2, 2023**; and
- File returns with the IRS by **Feb. 28, 2023** (or **March 31, 2023**, if filing electronically).

The IRS [finalized](#) a 30-day automatic extension to the annual furnishing deadline. Thus, the deadline for furnishing statements to individuals for the 2022 calendar year is extended from Jan. 31, 2023, to March 2, 2023. The IRS has also provided an alternative to automatically furnishing statements in certain situations.

State Reporting Requirements

The following states have reporting requirements to help administer their individual mandates:

- California
- District of Columbia
- Massachusetts
- New Jersey
- Rhode Island

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California

To help administer the state's individual mandate, California law imposes a [MEC information reporting \(MEC IR\) requirement](#) on **every entity that provides MEC to an individual during a calendar year**.

Insurance providers are required to report health coverage information to the California Franchise Tax Board (FTB) **annually by March 31** or face a penalty. The penalty for not reporting is \$50 per individual who was provided health coverage. However, no penalty will apply if the return is filed on or before **May 31**. Employers are similarly required to report insurance information to FTB by March 31, **but only if their insurance providers do not report to FTB**.

The [California instructions](#) for filing federal Forms 1094-B, 1095-B, 1094-C and 1095-C provide that the same federal forms submitted to the IRS can be provided to the FTB.

San Francisco HCSO Reporting Requirements

The [San Francisco Health Care Security Ordinance \(HCSO\)](#) established several employer health care-related obligations for covered employers. The HCSO applies to **employers with 20 or more employees** and **nonprofit employers with 50 or more employees** that have employees who work in San Francisco.

Among other HCSO requirements (such as recordkeeping and employer notice-posting requirements), covered employers must submit an [Annual Reporting Form](#) to the Office of Labor Standards Enforcement (OLSE) by **April 30 of each year**. This is a web-based form that must be submitted online, and it typically becomes available on the [HCSO website](#) by April 1 each year. The OLSE strongly encourages employers to review the instructions for the Annual Reporting Form to ensure compliance with this reporting requirement.

District of Columbia

To help administer the District of Columbia's (D.C.) [individual mandate](#), D.C. imposes a reporting requirement on **every entity that provides MEC to an individual during a calendar year**.

The deadline for filing with the D.C. Office of Tax and Revenue (OTR) is **30 days after the IRS deadline for submitting Forms 1095-B or 1095-C**, including any extensions granted by the IRS. The deadline for furnishing to individuals generally **follows the same deadlines as the federal reporting requirements**. The D.C. reporting requirement applies to:

- All employers who sponsor **self-insured** group health plans that covered at least one employee who was a D.C. resident during the applicable calendar year;
- Employers or other sponsors of **fully-insured** employment-based health plans that covered **at least 50 full-time employees**, including at least one D.C. resident, during the applicable calendar year;
- Persons or entities, including governmental agencies, that provided MEC to a D.C. resident during the applicable calendar year;
- The D.C. Department of Health Care Finance; and
- Insurance carriers licensed or otherwise authorized to offer MEC in D.C. during the applicable calendar year.

To satisfy this reporting requirement, reporting entities are required to electronically file the federal Forms 1094-C and 1095-C, or 1094-B and 1095-B, as applicable, through www.MyTax.DC.gov, using the OTR's prescribed layouts and file formats. OTR published [Notice 2020-04](#) to provide more information on this reporting requirement.

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For all returns, the amount of any penalty for failure to file is a formula based on “the amount of tax required to be shown on the return.” Since “no amount of tax is required to be shown” on the informational returns, no penalty is imposed for failure to file the informational returns. Similarly, no penalty applies for failure to furnish statements to individuals under the D.C. health coverage reporting requirement.

Massachusetts

Below are descriptions of the two key health coverage reporting requirements Massachusetts imposes on employers, both of which must be submitted annually.

HIRD Form

Massachusetts employers with **six or more employees** must annually submit a health care coverage reporting form, referred to as the [Health Insurance Responsibility Disclosure \(HIRD\)](#). **Covered employers must electronically complete the HIRD form by Dec. 15 of each year.** This reporting requirement is **in addition to** the ACA’s reporting requirements under Code Sections 6055 and 6056. Employers in Massachusetts that are subject to both federal and state reporting must comply with all applicable requirements to avoid penalties.

The HIRD form collects employer-level information about employer-sponsored insurance (ESI) offerings. The latest HIRD form is different from the old HIRD form that was repealed in 2014. The old HIRD form consisted of an employer form and an employee form, which required separate forms to be completed and signed by each employee who declined to enroll in ESI or the employer’s Section 125 cafeteria plan. In contrast, the current HIRD form consists of a single employer form, which only needs to be completed once annually and does not contain any personal employee information.

The HIRD reporting is administered by MassHealth and the Department of Revenue (DOR) through the [MassTaxConnect \(MTC\) web portal](#). The MTC is where employer-taxpayers register to file returns and forms and make tax payments. To file the HIRD form, employers log in to their MTC account, select the “Withholding tax account,” and then select the “File health insurance responsibility disclosure” hyperlink. The DOR has issued [FAQs](#) that provide more information on the HIRD requirement.

Form 1099-C

Employers that sponsor an employer-sponsored health plan must provide [Form 1099-HC](#) by **Jan. 31 of each year** to each individual who was covered in the previous calendar year. Form 1099-HC serves as proof of health insurance coverage for Massachusetts residents and is intended to help them complete their state tax filings.

Most carriers will issue this form on behalf of employers and send a report to the Massachusetts Department of Revenue (DOR) listing all the Forms 1099-HC they issued. However, employers issuing Forms 1099-HC directly to their employees must separately file a report electronically with the DOR. The DOR provides additional information about filing requirements and how to file on its [website](#).

Employers that fail to provide Form 1099-HC to covered individuals or to report to the DOR as required may be subject to a penalty of \$50 per individual to which the failure relates, up to \$50,000 per year per violator. The DOR provides additional information about Form 1099-HC in the form of [FAQs](#) on its webpage.

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New Jersey

To help administer New Jersey's individual mandate penalty, the [New Jersey Health Insurance Market Preservation Act](#) imposes a reporting requirement on **every entity that provides MEC to an individual during a calendar year**.

The deadline for filing and furnishing information under this requirement generally follows the federal health coverage reporting requirement under Section 6055, including any extensions provided by the IRS. For the 2022 tax year, coverage providers must:

- Transmit 1095 health coverage forms to the New Jersey Division of Taxation by **March 31, 2023**.
- Provide a 1095 form for each primary enrollee who was a New Jersey resident and to whom the filer provided MEC in all or part of 2022 by **March 2, 2023**. This applies to both part-year and full-year New Jersey residents. A part-year resident is a primary enrollee who was domiciled in New Jersey for at least 15 days in any month.
- Ensure that New Jersey receives the appropriate NJ-1095, 1095-B or 1095-C forms. The state currently expects to accept NJ-1095 forms, fully completed federal 1095-A, 1095-B and 1095-C forms, and/or 1095-C forms with parts I and III completed.

Note that if a reporting entity chooses to use Form 1095-C, it must be fully completed or have Parts I and III completed. **Forms 1095-C with only Parts I and II completed will not meet any New Jersey filing requirements.** Coverage providers should transmit these forms only if they cannot be separated from a file that includes other required forms that do meet filing requirements. New Jersey does not require coverage providers to transmit Forms 1094, although it will accept them if a coverage provider sends them as part of a larger file that includes Forms 1095.

Under the New Jersey health coverage reporting requirement, there is **no paper filing option available**. Insurers or employers can file Forms 1095 in two ways:

- Registered filers can use the Division of Revenue and Enterprise Services' ([DORES](#)) **MFT SecureTransport (Axway) service. MFT (Axway) is the required system for filers of 50 or more forms;** or
- Coverage providers with under 50 forms must **file using Form NJ-1095** as an alternative to MFT SecureTransport (Axway). The NJ-1095 is a valid substitution for Forms 1095-B and 1095-C. [Filing instructions and the NJ-1095 for all years](#) are also available.

More information on this reporting requirement is available on the New Jersey Department of the Treasury [website](#).

Rhode Island

To help administer the state's individual mandate penalty, Rhode Island imposes a reporting requirement on **every entity that provides MEC to an individual during a calendar year**. Reporting entities are also required to provide a written statement to the primary insured that contains certain information. This reporting was originally due by Jan. 31 of each year but has been [permanently extended](#) to align with the ACA's reporting deadlines, as follows:

- The deadline requiring employers to distribute IRS Forms 1095-B/C to their employees has been permanently extended to **March 2** of each year. The next deadline is **March 2, 2023**; and
- The deadline requiring employers to file reports with the Rhode Island Division of Taxation has been permanently changed from Jan. 31 to **March 31** starting in 2023.

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Files may be submitted on the Division of Taxation's [website](#). The following two options are available for submitting this information to the Division of Taxation:

1. **IRS Reporting Formats (AIRS):** The Division of Taxation will accept Forms 1095-A, 1095-B and 1095-C as long as they include all of the information required under Rhode Island law. Returns will not be rejected if they contain the same information required under the federal Section 6055 requirement. The same file(s) that are submitted to the IRS may be submitted to the Rhode Island Division of Taxation.
2. **A flat file (a CSV file) containing the same information as Form 1095-B:** A file format that may be used is available on the Division of Taxation's [website](#).

Vermont

To help administer the [individual mandate](#), Vermont law requires individuals to indicate on their state income tax returns whether they had MEC for each month of the year. In addition, if requested by the Vermont Department of Taxes, individuals will be required to submit a copy of the individual statement furnished to them by the provider of the MEC under the ACA's federal reporting requirement under Section 6055. Notably, Vermont will only impose its own provider reporting requirement (similar to the federal Section 6055 reporting requirement) in the event that the federal requirement is suspended or eliminated for any taxable year.