

Affordable Care Act Updates: Good News for EmployersBy [Steven R. Gerlach, Esq., LL.M.](#)

In the recently passed Employer Reporting Improvement Act and the Paperwork Burden Reduction Act, Congress made several improvements to the reporting and enforcement requirements of the Affordable Care Act (ACA):

- **Forms 1095-B and 1095-C:** Starting with returns for calendar years after 2023, employers are no longer required to automatically send these forms to all full-time employees and covered individuals annually. Instead, *these forms are only required to be sent in response to an employee/covered individual's request*. For each calendar year, the form must be provided by the later of January 31 or 30 days after the date of the request.
 - Important requirement and next step for employers: to take advantage of this change, employers must provide notice to employees, telling them about their right to ask for a form.
- **Extended Response Time for Proposed ACA Penalties:** Effective for assessments proposed in 2025 and thereafter, employers will now have at least 90 days to respond to a proposed ACA penalty before further action is taken. Up from 30 days, this extended period will give employers much needed time to gather necessary information and respond to the IRS, which we expect will result in lower ACA penalties in many cases.
- **Statute of Limitations on Penalty Assessment:** Effective for returns which are due after December 31, 2024, there will now be a six-year period for collecting ACA penalties. Where previously the limitation on ACA penalties was unclear (and possibly unlimited), this new provision gives certainty to employers, allowing them to better manage their compliance efforts.

We are here to help you navigate these changes and ensure your compliance with the new ACA requirements. Steve Gerlach is a tax attorney who specializes in employee benefits, executive compensation, and the Employee Retirement Income Security Act (ERISA). If you have questions or need further assistance regarding these updates, please contact Steve at sgerlach@bernsteinshur.com.