Compliance Alert

IRS Finalizes ACA Reporting Instructions for 2025 Filings

PROVANT

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IRS Finalizes Instructions for ACA Reporting (1094/1095-B and 1094/1095-C)

On October 30, 2025, the IRS published final instructions for completing the Affordable Care Act reporting forms (1094-B/1095-B instructions, and 1094-C/1095-C instructions). The only change communicated in the "What's New" section is that proactively providing the 1095-B and 1095-C forms to individuals is not required as long as the employer includes a proper disclaimer on their public website and provides the 1095-B or 1095-C upon request (note: Employers must proactively send NJ residents the 1095).

Applies To:

- All employers who were an applicable large employer (ALE) in 2025 based on their calendar year 2024 employment counts averaging 50 or more full-time and equivalent employees (50+ FTEs), regardless of whether a health plan is offered (1094/1095-C).
  - Includes ALEs with fully-insured and self-insured health plans, including individual coverage health reimbursement arrangements (ICHRAs).
  - Also includes employers who did not average 50+ FTEs in 2024 but were part of a controlled group or affiliated service group of companies that did average a combined total of 50+ FTEs, making the related entities ALE members of an aggregated ALE group for 2025.
- Small employers with level-funded or self-insured health plans, including ICHRAs, in 2025 (1094/1095-B).

Go Deeper:

The IRS requires Affordable Care Act (ACA) reporting from many employers early each year. The only employers not required to file ACA reporting in early 2026 are small employers who are not ALEs (i.e., non-ALEs) for 2025 and either sponsored a fully insured medical plan for all 12 months of calendar year 2025 or did not sponsor medical benefits at all in 2025. All other employers are responsible to provide ACA reporting.

Final forms 1094 and 1095 (both the-B and-C versions) were published earlier in October, but instructions were not finalized until October 30, 2025. As expected, the instructions have not changed from prior years, other than to emphasize that Congress has officially granted an alternative manner of furnishing 1095 statements to individuals:

WHAT'S NEW

- Employers are no longer required to proactively provide 1095-B/C statements to individuals if a proper notice is posted on their public website and forms are furnished upon request.
- New Jersey residents are the exception — they must still receive their 1095 proactively without requesting it.
- No other functional changes: forms, codes, and reporting procedures remain the same aside from updated dates, affordability thresholds, and penalty amounts.

TAKEAWAY

Employers relying on the request-only method must post a compliant, easily visible website notice by March 2, 2026 — and maintain it through at least October 15, 2026 — to stay in compliance.

- If the employer's **public** website includes a clear and conspicuous notice the average person could reasonably be expected to see and understand, then
- The employer no longer has to proactively provide the 1095 to individuals, but can instead provide it within 30 days of an individual's request (except for residents of NJ, who must receive the 1095 proactively).

For example, the entity's main webpage could include a prominent link to "Tax Information" which takes the individual to a secondary page with all of the following:

1. "IMPORTANT HEALTH COVERAGE TAX DOCUMENTS" in all caps
2. Explanation of how to request a copy of Form 1095-B or 1095-C
3. Include the entity's email address, mailing address and telephone number

There are no other changes in the final instructions besides the usual updates to dates, affordability percentage, and penalty amounts.

Impact to Employers:

With final forms and instructions for 2025 ACA reporting due in early 2026, employers now have all they need to prepare for the upcoming reporting season. The good news is the forms, instructions, and codes used are not changing. And the deadlines remain the same:

- 1095 statements to individuals by Monday, March 2, 2026 (but pay attention to any states with a different due date)
- 1094/1095 XML electronically filed with the IRS by Tuesday, March 31, 2026

With a new six-year statute of limitations for §4980H employer shared responsibility penalties, ALEs should ensure their reporting is set up for success and also audit both the forms generated and the XML file that is actually sent to the IRS. The six years does not start until the later of the filing deadline (March 31, 2026) or the date all accurate and complete forms are submitted. So, incorrect or missing data/forms is going to delay the start date of that statute of limitations.

Employers wanting to take advantage of the relief to only provide a 1095 upon request should ensure the proper website disclaimer is on their public website no later than March 2, 2026, and keep that disclaimer up until at least October 15, 2026. Just note, employers with residents of New Jersey must proactively provide those individuals their 1095 without a request.

For now, employers may want to verify contracts are signed with their preferred ACA reporting vendor since virtually all employers responsible to submit ACA reporting to the IRS must do so electronically.

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