Compliance Watch

2026 Calendar Year Compliance Checklist

PROVANT

Small Group (Less than 50) Compliance Deadlines for Fully and Self-Insured Groups

All deadline dates below are based off a Calendar Year Plan, some reporting deadlines may vary for plans that have a plan start date other than January 1st.

Deadline: Jan. 1st, 2026
Section 105(h) Nondiscrimination testing
Applicability: *Employers with Self-Funded/Level-Funded health plans*
Description: This rule prohibits group health plans from discriminating in favor of highly compensated individuals with respect to both eligibility and benefits offered under the plan. Employers should review their plans and ensure plans are still within compliance and not discriminating against non-Highly Compensated Individuals (HCIs).
Penalty: HCIs must include the excess benefits provided to them in gross income. Plan sponsor may also face an excise tax or penalty of up to $100 per day per individual discriminated against.

Deadline: Jan. 1st, 2026
TiC: Machine-Readable Files
Applicability: *Employers with Self-Funded/Level-Funded health plans*
Description: Plan is ultimately responsible for updating machine readable files (MRFs) disclosing: in-network rates, OON allowed amounts, billed charges, negotiated rates and historical net prices for Rx drugs. Employers should collaborate with a third-party administrator to ensure the plan is administered in accordance with the TiC rules at each renewal.
Penalty: Subject to $100 per day per participant for non-compliance

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Deadline: Jan 31st, 2026
Individual Mandate Reporting for Employers with Employees in specific cities or states
Applicability: *Employers with 6 or more employees that reside in the state of Massachusetts*
Description: Provide Form MA 1099-HC to all MA resident employees
Penalty: Subject to a $50 penalty per individual, going up to a maximum of $50,000.

Deadline: Feb. 28th, 2026

Section 6055 Reporting (paper filing deadline)

Applicability: *Employers that are not ALEs that offer self-insured/limited premium plans including QESHRAs and ICHRAs*

Description: Must report to the IRS each year using the 1094-B and 1095-B. The deadline for filing paper versions is 2/28/26 and electronic is 3/31/26. **Any employer filing more than 10 forms will be required to file electronically (Including W-2s and 1099s). IRS encourages employers filing fewer than 10 returns to consider electronic filing.**

Penalty: A separate $340 per form penalty may be imposed for failing to file an accurate Form 1094-B and Form 1095-B with the IRS.

Deadline: Mar. 1st, 2026

Medicare Part D Disclosure to CMS

Applicability: *Group health plans that provide Rx coverage to individuals who are eligible for Medicare Part D*

Description: Must disclose to CMS whether Prescription coverage is creditable or non-creditable within 60 days after the beginning of the plan year using CMS's Online Disclosure Form. In general, to be creditable the Plans Rx actuarial value must be equal or more than Medicare Part D's actuarial value for coverage.

Penalty: No enforcement penalties or sanctions for failing to timely file.

Deadline: Mar. 1st, 2026

M-1 Filing

Applicability: *Multiple Employer Welfare Arrangement (MEWAs) (Regardless of size)*

Description: The Form M-1 is an annual report that must be filed by MEWAs no later than March 1st following any calendar year in which the MEWA operates. MEWAs do not include plans determined by the Secretary of Labor to be collectively bargained.

Penalty: Up to $1,992 per day for late filing. No delinquent filer program available

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Deadline: Mar. 3rd, 2026

Section 6055/6056 Individual Statements

Applicability: *Employers that are ALEs with Fully Insured Health Plan and Self-Insured Health Plan including ICHRAs*

Description: The code requires ALEs that sponsor health plans, to report information about the coverage to covered employees each year using Form 1095-C. This is an extension from the Jan 31st deadline.

Penalty: Up to $340 per form for failing to furnish an accurate Form 1095-C to an employee

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Deadline: Mar. 31st, 2026

Section 6055/6056 Reporting (electronic filing deadline)

Applicability: *Employers that are ALEs with Fully Insured Health Plan and Self-Insured Health Plan including ICHRAs*

Description: Must report to the IRS each year using the 1094-C and 1095-C. The deadline for filing electronically is 3/31/26. **All Employers filing more than 10 forms will be required to file electronically (Including W-2s and 1099s)**

Penalty: A separate $340 per form penalty may be imposed for failing to file an accurate Form 1094- C and Form 1095-C with the IRS.

Deadline: Mar. 31st, 2026

Individual Mandate Reporting for Employers with Employees in specific cities or states

Applicability: *Employers with Employees in CA, NJ and RI*

Description: Employers must provide IRS Forms 1095-B/1095-Cs to the state's Franchise Tax Board or Division of Taxation

Penalty: CA: Subject to a $50 penalty per individual NJ: Subject to a $50 penalty per individual, going up to a maximum of $50,000. RI: Subject to a $50 penalty per individual

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Deadline: Apr. 30th, 2026

Individual Mandate Reporting for Employers with Employees in specific cities or states

Applicability: *Employers with Employees in District of Columbia and San Francisco*

Description: DC: Employers must provide IRS Forms 1095-B/1095-Cs to DC's OTR. San Francisco: Complete the Annual Reporting Form for the San Francisco Health Care Security Ordinance (HCSO)

Penalty: DC: No penalty listed SF: Subject to a penalty of $500 per quarter

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Deadline: Jun. 1st, 2026

Prescription Drug Reporting (RxDC)

Applicability: *Group health plans and health insurance issuers*

Description: Requires employer-sponsored health plans and insurers to report information about Rx and healthcare spending to CMS annually. Most employers will rely on third parties, such as Carriers, TPAs or PBMs to prepare and submit on behalf of the Plan/ Employer but should get guarantees in writing.

Penalty: Subject to $100 per day per participant for non-compliance.

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Deadline: Jul. 31st, 2026

PCOR Fee

Applicability: *Employers with selfinsured health plans or offer an HRA along with a fully insured health plan*

Description: Employers with self-insured health plans must pay an annual fee to fund the Patient Centered Outcomes Research Institute. HRAs offered with self-insured group medical plans are not subject to separate PCOR fees if the HRA and medical plan have the same plan sponsor that year.

Employers use IRS Form 720 (v. 2nd Quarter Form of 2026) to report and pay PCOR fees which are due by July 31st of the year following the last day of the plan year.

Fee Schedule: Plan Years Ending on January 31, 2025- September 30, 2025 is $3.47 per covered life per year Plan Years Ending on October 31, 2025- December 31st, 2025 is $3.84 per covered life per year

Penalty: 5% of the excise tax due for each month the return is late, up to 25% of the unpaid tax. 0.5% of the unpaid excise tax for each month the tax remains unpaid, up to 25% of the unpaid tax. On top of penalties, interest can be charged on unpaid excise taxes.

Deadline: Jul. 31st, 2026

Form 5500

Applicability: *ERISA-covered group health plans that do not qualify for the small plan exemption and MEWAs*

Description: Small health plans (fewer than 100 participants) that are fully insured, unfunded or a combination of insured/ unfunded are generally exempt from the Form 5500 filing requirement. If the plan is not exempt, a Form 5500 must be filed by the last day of the seventh month following the end of the plan year.

Penalty: Up to $2,739 per day for late filing. Delinquent Filer Voluntary Compliance (DFVC) program could allow for reduced penalties

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Deadline: Sep. 30th, 2026

Medical Loss Ratio (MLR) Rebates

Applicability: *Employers with fully insured health plans that receive MLR rebates*

Description: Employers that receive rebates should consider their legal options for using the rebate. Any rebate amount must be used for the exclusive benefit of the plan's participants and beneficiaries within 3 months of receiving the rebate to avoid ERISA trust requirements

Penalty: Penalty for each violation is $100 per entity, per day, per individual affected by the violation.

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Deadline: Sep. 30th, 2026

Summary Annual Report (SAR)

Applicability: *Group health plans that are subject to the Form 5500 filing and have not extended the deadline via a Form 5558*

Description: Plans that are exempt from the annual 5500 filing requirement (addressed above) are not required to provide a Summary Annual Report (SAR). Employers that are required to file a Form 5500 must provide participants with a summary of the information in the Form 5500, called a summary annual report (SAR) within nine months of the close of the plan year.

Penalty: No monetary penalty for failure to timely distribute, however Up to $110/day if not provided to participant within 30 days of request

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Deadline: Oct. 15th, 2026

Medicare Part D Notices to participants

Applicability: *Group health plans that provide Rx coverage to Individuals eligible for Medicare Part D*

Description: Employers must notify Medicare Part D-eligible individuals before Oct. 15th of each year about whether the Rx coverage is creditable or non-creditable as discussed above.

Penalty: No specific penalty for employers. Potential penalty for individuals who do not maintain creditable coverage.

Deadline: Between Nov. 15th and Dec.15th, 2026

Individual Mandate Reporting for Employers with Employees in specific cities or states

Applicability: *Employers with employees that reside in the state of Massachusetts*

Description: Provide a complete HIRD form for MA resident employees.

Penalty: Penalty of $1,000- $5,000 per violation can be imposed.

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Deadline: Between Nov. 1st and Dec. 31st, 2026
Employer Penalty: Identify application and method of compliance
Applicability: *All Employers*
Description: Determine ALE Status (i.e., whether the employer has at least 50 full-time employees (FTEs) each calendar year, considering all common law employees in the entire controlled group and counting each part-time employee as a fraction of the FTE). Determine full-time status using monthly measurement method or look-back measurement method. Offer coverage to FTEs and dependent children. Evaluate minimum value, affordability and elect a safe harbor. Ensure that all plan language accurately reflects the selections.
Penalty: "A" Penalty Adjusted for inflation: $3,340 for 2026 times total number of FTEs after the first 30 are removed for relief. "B" Penalty Adjusted for inflation: $5,010 for 2026 times the total number of ACA FTEs who receive the subsidy in the Marketplace (max penalty is capped at the "A" penalty)

Deadline: Dec. 31st, 2026
Prohibition on Gag Clauses
Applicability: *All group medical plans*
Description: Plans and carriers may not enter into an agreement with a provider, network, TPA or other service provider offering access to a network of providers that restricts the plan from; providing provider-specific cost or quality of care data, electronically access de-identified claim and encounter data for each participant or beneficiary and sharing such information, consistent with applicable privacy regulations. An attestation of compliance must be filed electronically with CMS each year to attest for the previous plan year. Employers should coordinate in writing with their Carrier, TPAs or other service providers to verify who will be submitting the attestation and will be meeting with the requirement. Employers are ultimately responsible in completing this task.
Penalty: Subject to $100 per day per participant for non-compliance.

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