

ACA Reporting Deadlines Are Approaching

Employers subject to Affordable Care Act (ACA) reporting under Internal Revenue Code Sections 6055 or 6056 should prepare to comply with upcoming reporting deadlines. For the 2023 calendar year, covered employers must:

- Furnish statements to individuals by **March 1, 2024** (an alternative method of furnishing statements to covered individuals is available in certain situations).
- File paper returns with the IRS by **Feb. 28, 2024**, or **April 1, 2024**, if filing electronically. Beginning in 2024, employers who file **at least 10 returns** during the calendar year must file electronically.

Penalties may apply if employers are subject to ACA reporting and fail to file

returns and furnish statements by the applicable deadlines.

The following employers are subject to ACA reporting under Sections 6055 and 6056:

- Employers with **self-insured health plans** (Section 6055 reporting)
- **Applicable large employers (ALEs)** with either fully insured or self-insured health plans (Section 6056 reporting)

ALEs are employers with **50 or more** full-time employees (including full-time equivalent employees) during the preceding calendar year. Note that ALEs with self-insured plans are required to comply with both reporting obligations. However, to simplify the reporting process, the IRS allows ALEs with self-insured plans to use a single combined form to report the information required under both Sections 6055 and 6056.

DOL Increases Civil Penalty Amounts for 2024

On Jan. 11, 2024, the U.S. Department of Labor (DOL) [published](#) the 2024 inflation-adjusted civil monetary penalties that may be assessed for a wide range of employee benefit-related violations.

To maintain their deterrent effect, the DOL is required to adjust these penalties for inflation no later than Jan. 15 of each year. Key penalty increases include the following:

- **Summary of Benefits and Coverage (SBC):** Failure to provide group health plan participants and beneficiaries with an SBC may now result in a penalty of up to \$1,406 per participant or beneficiary.
- **Form 5500 filings:** Failure to file an annual Form 5500 with the DOL can now result in a penalty of up to \$2,670 per day.
- **Children's Health Insurance Program (CHIP) notice:** Failure to provide the annual notice regarding CHIP coverage opportunities may now result in a penalty of up to \$141 per day (each employee is a separate violation).
- **401(k) disclosures:** Failure to provide blackout notices and notice of the right to divest employer securities may now result in penalties of up to \$169 per day.
- **DOL-requested plan information:** Failure to provide plan-related information requested by the DOL can now result in penalties of up to \$190 per day but not to exceed \$1,906 per request.