MARCH 2025

Form 1095 Distribution – Posting Notice of Availability

Last December, the Paperwork Burden Reduction Act was signed into law allowing employers to meet Form 1095 distribution requirements for the 2024 reporting year by posting a notice of availability and then only distributing upon request. Today the IRS released Notice 2025-15 providing further detail on how to satisfy the notice requirement and confirming that such notice must be posted by March 3, 2025 for the 2024 reporting year.

IRS Notice 2025-15 can be found here - https://www.irs.gov/pub/irs-drop/n-25-15.pdf

NOTE: The legislation only affects federal ACA employer reporting. For employers subject to state-level reporting requirements in CA, MA, NJ, RI or DC, this relief for distribution of Form 1095s may not be available.

Background - ACA Employer Reporting Responsibilities

All applicable large employers (ALEs) – 50 or more full-time equivalents (FTEs) - are required to report on offers of coverage to full-time employees. ALEs report offer of coverage information using Forms 1094-C and 1095-C. In addition, any size employer who provided level-funded or self-funded group health plan coverage during 2024 must report coverage information for all individuals enrolled in the plan, including employees, non-employees (e.g., owners, retirees, COBRA participants), and their spouses and dependents. Small employers (<50 FTEs, non-ALEs) report this coverage information using Forms 1094-B and 1095-B. ALEs generally report this coverage information in Part III of Form 1095-C.

Distribution of Form 1095s

The IRS instructions for 2024 reporting indicate Form 1095s must be distributed to full-time employees and covered individuals by March 3, 2025. The options for distribution of Form 1095s are:

(i) hand delivery; (ii) mail; (iii) electronically if individuals consent to electronic delivery; or (iv) NEW - post a notice of availability and then only deliver if requested (see more detail below).

Filing with the IRS

Form 1094 along with all Form 1095s must be submitted electronically to the IRS by March 31, 2025.

Failure to timely distribute or report complete, accurate information can result in penalties up to $330/form.

Alternative Manner of Furnishing – Posting Notice of Availability

For purposes of both §§6055 and 6056 (both the "B" and "C" Form 1095s), rather than having to mail a copy or provide it electronically to all full-time employees and covered individuals, the distribution requirement can be satisfied by providing a "clear, conspicuous and accessible notice" that the forms are available within 30 days of request. Previously this was possible for Form 1095-Bs, but not for Form 1095-Cs. Now this method can be used for both.

As expected, the IRS confirmed that previous guidance set forth in Treas. Reg. §1.6055-1(g)(4)(ii)(B) for the distribution of Form 1095-Bs can now be relied upon for distribution of both Form 1095-Bs and Form 1095-Cs.

The notice requirements are as follows:

- A clear and conspicuous notice must be posted on a website that is reasonably accessible to all possible Form 1095 recipients (i.e., full-time employees and individuals covered under the employer's level-funded or self-funded plan, if applicable). Therefore, a benefits portal or payroll portal that is only available to current employees is unlikely to work. The employer's public-facing website is probably more appropriate.
    - A statement reading "Tax Information" on the website's main page in an appropriate font-size along with visual clues or graphics to draw attention could then lead to a secondary page including the actual notice.
- For the 2024 reporting year, the notice must be posted by March 3, 2025 and remain in the same location on the website through October 15, 2025.

- The notice must include an email address, physical address, and telephone number that can be used to request a copy of Form 1095.
- If after posting notice of availability the employer receives a request for a Form 1095, the Form 1095 must be provided within 30 days and would have to be hand delivered or mailed unless the employer obtains specific consent from the individual to provide the Form 1095 electronically.

Sample Notice

A model notice has not been made available, but something like the following may be appropriate:

IMPORTANT HEALTH COVERAGE TAX DOCUMENTS

The 2024 Form 1095s are prepared and available upon request. The Form 1095s provide information about offers of coverage made to full-time employees as well as coverage information for those who enrolled in ABC Company’s group health plan (only if the plan is level-funded or self-funded). To request a copy of your Form 1095 or for further information about Form 1095s, you can reach out to ________ via ______________________________ (must include an email address, physical mailing address, AND telephone number).