On Dec. 17, 2024, the House Ways and Means Committee and the Senate Finance Committee presented two bills—the Paperwork Burden Reduction Act (PBRA) and the Employer Reporting Improvement Act (ERIA)—to President Biden, which he signed into law on Dec. 23, 2024. Both laws modify provisions under the [Patient Protection and Affordable Care Act](https://www.shrm.org/topics-tools/tools/toolkits/complying-affordable-care-act) (the “ACA”) related to the 1095-B and 1095-C tax forms. Below are some highlights of the acts.

**The Paperwork Burden Reduction Act**

The PBRA amends the Internal Revenue Code and reduces unnecessary paperwork related to health insurance coverage reporting for employers and employees.

Previously, employers that provided [minimum essential coverage](https://www.shrm.org/topics-tools/news/benefits-compensation/affordable-care-act-coverage-terms) were required to report this information to the IRS and provide each covered individual with a 1095-B or 1095-C tax form by Jan. 31 of each year. Effective for tax forms starting with the 2024 calendar year, the PBRA provides for the following changes:

**1. Employers are no longer required to send the 1095-B and 1095-C tax forms to covered individuals unless a form is requested. However, employers must inform covered individuals of their right to request a form.**

**2. If a 1095-C tax form is requested, it must be furnished to the individual by Jan. 31 or 30 days after the date of the request, whichever is later.**

**In sum, the IRS allows the 1095-B tax form to be made available to individuals only upon request. The PBRA extends the same flexibility to the 1095-C tax form. This means forms which would otherwise be required to be sent out January 2025 will now only be required to be sent upon request.**

**The Employer Reporting Improvement Act**

As mentioned, employers were previously required to provide each covered individual with a 1095-B or 1095-C tax form by Jan. 31 of each year. Employers must report required information using the covered individual’s Tax Identification Number (“TIN”). Additionally, if a large employer (i.e., one with 50 or more full-time employees) received a proposed assessment from the IRS (i.e., a Letter 226-J), the employer had only 30 days to respond.

Effective for tax forms due after Dec. 31, 2024, ERIA provides for the following changes:

* Codifies the IRS’ current practice of allowing an individual’s date of birth to be substituted for the individual’s TIN if the TIN is not available.
* Codifies the IRS’ current practice of allowing employers to offer the 1095-B and 1095-C tax forms to individuals electronically if such individuals affirmatively consented to receive forms electronically at any prior time. However, an individual may revoke such prior consent in writing.
* Extends to 90 days the time for an employer to respond after receiving its first Letter 226-J regarding a notice of proposed assessment.
* Implements a six-year statute of limitations for collecting penalty assessments.

**These bills provide relief to large employers and reduce their burden under the ACA’s reporting requirements.**