

Employers Check Your Forms 1094-C and 1095-C

February 25, 2025

PRACTICES Employee Benefits and Executive Compensation

Employers subject to the Affordable Care Act (“**ACA**”) as “applicable large employers” must submit their Form 1094-C and accompanying Forms 1095-C to the IRS by February 28, 2025, if filing by paper, or March 31, 2025, if filing electronically. Although many employers rely on third party vendors to prepare and submit these forms, the employer generally remains responsible for the forms’ accuracy and timely submission. Employers should be aware of two common errors that can easily be avoided. First, the Form 1094-C should always be reviewed by the employer to ensure it states that coverage was offered to at least 95% of full-time employees, assuming that’s the case, as required under the ACA to avoid a penalty assessment. This can be done by verifying Form 1094-C, Part III, has the “Yes” box marked. If there are any “No” boxes marked, the employer needs to promptly determine whether coverage was in fact offered and correct the Form 1094-C, if necessary, before submission. Second, the employer should verify that the Form 1094-C and Forms 1095-C are accepted without errors by the IRS when submitted electronically. Note that the IRS system may generate a “transmission confirmation”, but this does not mean the submission has been accepted. The employer should check the status of the transmission to verify that the IRS accepted the submission without errors.