

Why ACA Requirements Matter

Applicable Large Employers **MUST** furnish Form 1095-C to Employees or pay heavy penalties!

- Must provide to employees by 1/31 for previous tax year
 - Must file Form 1094-C with IRS by 3/2 electronically
 - If mailing, must submit by 2/28
 - Only for groups under 10 forms
 - LEGALLY REQUIRED UNDER IRS §6056
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- The IRS tracks number of employees based on W-2s submitted
 - IRS assesses penalties based on how many W-2s are file
 - Employers face a fight with the IRS to reduce the penalty to actual amount
 - This may also trigger a full-blown IRS audit

Complete ACA Requirements to Avoid a Fight with the IRS

Don't Get on the IRS' Bad Side...

Penalties are Increasing.

In 2022, the penalty was \$280 per form. Let's break it down for 50 FTEs:

- \$14,000 for failure to furnish 1095-C to employees
- \$14,000 for failure to file 1095-C with IRS
- \$280 for failure to file 1094-C with IRS

Total penalty for 50 employees:

\$28,280

with **NO** Statute of Limitations