



ACA State Reporting Requirements



What is ACA State Reporting?

In addition to filing **Forms 1094-C and 1095-C** with the IRS each year, some employers must also submit ACA reporting to certain **state agencies**. These state-level requirements exist because several states have their own **individual health coverage mandates**, even though the federal individual mandate penalty was eliminated in 2019.

Why Does State Reporting Exist?

When the ACA was enacted, it included two major mandates: **Employer Mandate:** Applicable Large Employers (ALEs), those with **50 or more full-time employees** must offer **Minimum Essential Coverage (MEC)** to at least **95% of full-time employees and their dependents**.

Individual Mandate: Required individuals to maintain health coverage or pay a penalty.

The **Tax Cuts and Jobs Act of 2017** reduced the federal individual mandate penalty to **\$0**, effective in 2019. In response, several states and the District of Columbia implemented their **own individual mandates** and reporting requirements to enforce compliance.



State ACA Reporting Requirements

If your business has employees who live in states with their own ACA reporting rules, you have **additional obligations** beyond filing **Forms 1094-C and 1095-C** with the IRS.

What does this mean?

You must **submit ACA reports to the state agency** for employees who live in those states.

You must also **provide a copy of Form 1095-C to each employee**, as required by both federal and state law.

Important:

- **Your company's location does not matter.** What matters is **where your employees live.**
- Even if you have **just one employee** living in a state with ACA reporting requirements, you must comply with that state's rules.
- This is especially important for businesses with **remote workers in multiple states.**

Why is this happening?

The federal individual mandate penalty was eliminated in 2019.

Several states (and D.C.) created their **own individual mandates** and reporting requirements to enforce coverage.



Staying Current with State ACA Reporting Regulations

The ACA is not a static piece of legislation. It is continually evolving, with changes and updates being made regularly. These changes can have significant implications for businesses, making it crucial to stay up-to-date with the latest developments.

So, where should you turn to stay current with these changes? The answer is simple: [HealthCare.gov](https://www.healthcare.gov).

After accessing [HealthCare.gov](https://www.healthcare.gov), it's suggested to use the "Find Local Help" tool to locate assistance in your state as the primary source of information on the ACA. It is managed by the Centers for Medicare & Medicaid Services (CMS), a federal agency within the United States Department of Health and Human Services (HHS). This ensures that the information provided is accurate, reliable, and up-to-date.

Action Step:

Always remember to **check the latest state-specific rules and deadlines**, as states continue to update their requirements.

California

Individual Mandate:

- California residents must have **Minimum Essential Coverage (MEC)** for at least **9 months of the year**.
- Those without coverage (and not exempt) face a **penalty** when filing state taxes.
- Penalty amounts are adjusted annually by the state.

Employer Reporting Obligations:

- Employers with **California residents** on their payroll must **report health coverage information to the California Franchise Tax Board (FTB)**.
- This applies **even if your company is not based in California**.
- A **copy of Form 1095-C** must also be provided to each California employee.

Why This Matters:

- The state uses this information to confirm that residents meet the coverage requirement.
- If you have even one employee in California, you must comply.



California

California ACA Reporting Deadlines for 2026

If you have employees who are California residents, you must meet the following deadlines:

January 31, 2026

Provide **Form 1095-B/C** to all current and former employees who had health coverage in the previous year.

March 31, 2026

Submit ACA health coverage information to the **California Franchise Tax Board (FTB)**.

Filing can be done **electronically or by mail** (electronic filing is recommended).

Penalties for Non-Compliance

Employers who fail to meet these requirements may face a **\$50 penalty per unreported individual**.



Connecticut

As of now, Connecticut does not have an active ACA state individual mandate or employer reporting requirement for the 2026 filing year.



District of Columbia

Individual Mandate:

- D.C. residents must have **qualifying health coverage (Minimum Essential Coverage)** for the entire year or face a penalty.
- This rule has been in effect since **January 1, 2019**.

Employer Reporting Obligations:

If you offer health coverage to **even one D.C. resident (or their dependents)**, you must:

- **Report coverage information** to the **D.C. Office of Tax and Revenue (OTR)** every year.
- **Provide Form 1095-B or 1095-C** to each covered employee.
- **File electronically** using Forms **1094 and 1095-B/C** — **paper filing is not allowed**.
- Reporting applies to **Applicable Large Employers (ALEs)**, even if you **do not withhold D.C. payroll taxes**.
- Fully insured employers are also subject to these requirements



District of Columbia

Reporting deadlines

- **March 2, 2026:** Provide Form 1095-B/C to all employees who live in Washington, D.C.
- **April 30, 2026:** Submit ACA reports electronically to the D.C. Office of Tax and Revenue (OTR).

If April 30th falls on a weekend or holiday, the deadline moves to the next business day.

Penalties for Non-Compliance

- The D.C. OTR has not published employer penalties yet.
- For individuals, the penalty for not having qualifying coverage is **2.5% of income or \$700**, whichever is greater.

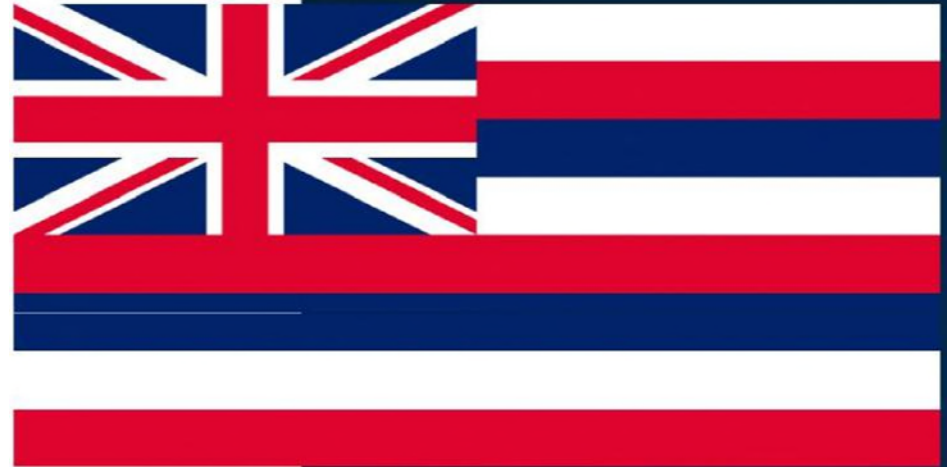


Hawaii

Hawaii does **not yet have an active ACA state reporting mandate**, but the state is **considering legislation** to introduce an individual mandate and related employer reporting requirements.

What Employers Should Do:

If your company has employees living in Hawaii, **monitor state updates closely**, as new rules could be implemented.



Maryland

Maryland is **considering a state-level individual mandate**, but as of now, **employers are not required** to submit health coverage information to the state for Maryland residents.

What Employers Should Do:

If you have employees living in Maryland, **monitor state updates closely**, as new rules could be introduced.



Massachusetts

Massachusetts residents over the age of 18 and older must have **Minimum Creditable Coverage (MCC)** or face a state tax penalty. MCC is the state's minimum standard for health coverage and has been in effect since 2006 (predating the ACA).

Employer Reporting Obligations

Employers with employees who live in Massachusetts must:

- **File Form MA 1099-HC** with the **Massachusetts Department of Revenue (DOR)**.
- **Provide a copy of Form MA 1099-HC** to each Massachusetts resident employee.
- Filing must be done **electronically via MassTaxConnect** — **paper filing is not allowed**.
- Most insurance carriers file on behalf of fully insured employers, but employers remain responsible for compliance.
- Self-insured employers must handle filing themselves.



Massachusetts

Form MA 1099-HC:

- Insurance carriers usually file this form for fully insured employers, but **employers remain responsible** for compliance.
- Self-insured employers must file the form themselves.
- Filing must be done **electronically via MassTaxConnect**.
- A copy of the form must be provided to all Massachusetts resident employees.

HIRD Form:

- Employers with **6 or more employees** (including non-resident companies with 6+ employees in MA) must file the **Health Insurance Responsibility Disclosure (HIRD)** form annually via MassTaxConnect.

2026 Deadlines

January 31, 2026:

- Provide **Form MA 1099-HC** to employees.
- Submit **Form MA 1099-HC** electronically to the Massachusetts Department of Revenue.



Massachusetts

Penalties for non-compliance

- **Failure to file Form MA 1099-HC: \$50 per individual** not reported.
- **Annual maximum penalty: \$50,000** for employers

Failure to file the Health Insurance Responsibility Disclosure (HIRD) Form:

- Penalties can apply for not submitting the HIRD form if you have **6 or more employees** in Massachusetts.
- The state has not published a specific dollar amount for HIRD non-compliance, but enforcement is active.

Important Note:

- Even if your insurance carrier usually files Form MA 1099-HC, **employers remain responsible** for ensuring compliance.
- All filings must be done **electronically via MassTaxConnect** — paper filing is not allowed.



Minnesota

Minnesota has **discussed implementing an individual mandate**, but as of now, **no law has been enacted** requiring employers to report health coverage information to the state.

Employers with Minnesota employees must still comply with **federal ACA reporting requirements** (Forms 1094-C and 1095-C to the IRS and employees).



New Jersey

New Jersey residents must maintain **Minimum Essential Coverage (MEC)** or face a state tax penalty. This law has been in effect since **January 1, 2019**.

Employer Obligations:

Employers with **New Jersey residents** must comply with **state ACA reporting** in addition to federal requirements.

Fully insured employers: If your insurance carrier files on your behalf, you do not need to submit a separate state report.

Multi-employer plans: Employers are exempt if the plan sponsor files the required report.

All other employers must **file electronically** with the **New Jersey Division of Taxation** and provide **Form 1095-C** to employees.



New Jersey

Who Must Comply:

All employers with **New Jersey residents** must file, regardless of:

- Where the business is located (inside or outside NJ).
- Whether the employer withholds NJ payroll taxes.

Accepted Forms:

- NJ-1095 forms
- Fully completed federal **1095-A, 1095-B, or 1095-C**
- 1095-C forms with **Parts I and III completed**

How to File:

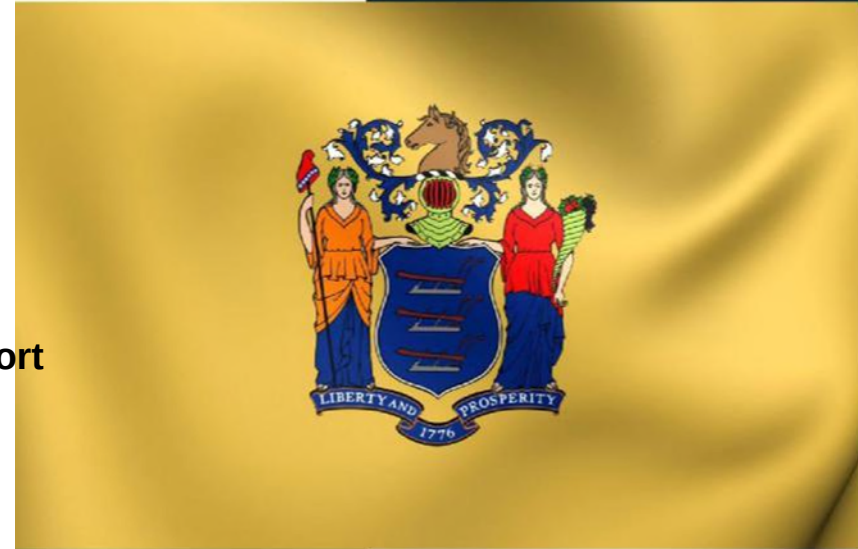
- All forms must be submitted **electronically** via **MFT SecureTransport (Axway)**.
- Paper filing is **not allowed**.

2026 Deadlines:

- **March 2, 2026:** Provide 1095 forms to all NJ resident employees.
- **March 31, 2026:** Submit ACA reports to the **New Jersey Division of Taxation** electronically.

Penalties for Non-Compliance:

The state has not published specific employer penalties yet, but enforcement is expected.



Rhode Island

Rhode Island residents must have **qualifying health coverage** or face a state tax penalty. This law has been in effect since **January 1, 2020**.

Employer Obligations:

Employers with Rhode Island residents must **report coverage to the state** in addition to federal ACA reporting.

- If your insurance carrier files on your behalf, you do not need to submit a separate report.
- Submit reports **online** through the **Rhode Island Division of Taxation** website.
- Acceptable forms: **1094-C and 1095-C**.
- Provide employees with **Form 1095-B/C**.

2026 Deadlines:

March 2, 2026: Provide Form 1095-B/C to employees.

March 31, 2026: Submit ACA reports electronically to the Rhode Island Division of Taxation.



Vermont

Vermont residents must have **qualifying health coverage** and report it on their state tax return. This law has been in effect since **January 1, 2020**.

Employer Reporting:

- Vermont **does not require employers** to submit health coverage information to the state.
- However, the state may introduce reporting requirements in the future if federal ACA reporting is eliminated.



Washington

Washington is **considering state-level ACA reporting requirements**, but as of now, **no individual mandate or employer reporting requirement has been enacted**.

What Employers Should Do:

If you have employees in Washington, **monitor state updates closely**, as new rules could be introduced in the future.





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