



Affordable Care Act: Important Notice to all Town of West Seneca Employees

The Affordable Care Act (ACA) requires certain employers, like the Town of West Seneca, to offer health coverage to full-time employees and their dependents. These employers must send an annual statement to full-time employees that have elected health care coverage, describing the health care coverage available to them. This is done using a 1095-C Form created by the Internal Revenue Service (IRS). The 1095-C is an annual statement that reports the employer health care coverage employees were offered or were covered during the calendar year. Social Security numbers (SSNs) are required on the 1095-C Form to ensure the IRS can tie information back to the employee's tax records. This annual statement reporting has been a requirement since 2016, of which the Town of West Seneca has been in compliance.

2025 Changes to ACA Employer Information Reporting Obligations

In December 2024, Congress and then President Biden passed two laws—the [Paperwork Burden Reduction Act](#) (PBRA) and the [Employer Reporting Improvement Act](#) (ERIA)—that made important changes to employers' responsibilities regarding furnishing information to employees under the Affordable Care Act (ACA) information reporting provisions as well as the response deadlines and the statute of limitations for the employer shared responsibility penalty assessments.

Under the PBRA, the requirement to furnish 1095-C Forms has changed. Effective for the 2024 reporting year, large employers with more than 50 employees, like the Town of West Seneca, are no longer required to distribute a 1095-C Form to each covered individual. The Form is not needed for personal tax filing purposes by the employee. An employer only needs to furnish a 1095-C Form to an individual upon request. The Town has 30 days after the date of request to provide the employee with a 1095-C Form, either in-person or via electronic delivery. (with employee consent). This Notice will act as compliance for notification to employees.

Employer Shared Responsibility Provisions

The ERIA also establishes a six-year statute of limitations for assessing employer shared responsibility penalties under Section 4980H of the Internal Revenue Code. This will first apply for Forms 1094 and 1095 due after December 31, 2024. Previously, the Internal Revenue Service (IRS) Office of Chief Counsel stated that there was no statute of limitations on assessing penalties under Section 4980H. All returns filed prior to December 31, 2024, will continue to have no statute of limitations applied to them.

Further, the ERIA extends the time for responding to the initial letter from the IRS regarding a proposed assessment of an employer shared responsibility penalty (IRS Letter 226-J). Now employers will have at least 90 days from the date of the initial letter to respond to the proposed assessment, an increase from the original 30-day response period.

Questions can be directed to Lisa Scibetta, Human Resources at lscibetta@twсны.org or 716-558-3267.