



Taxing Times Made Easy for Year-End Success

April 30, 2025

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Today's Presenters



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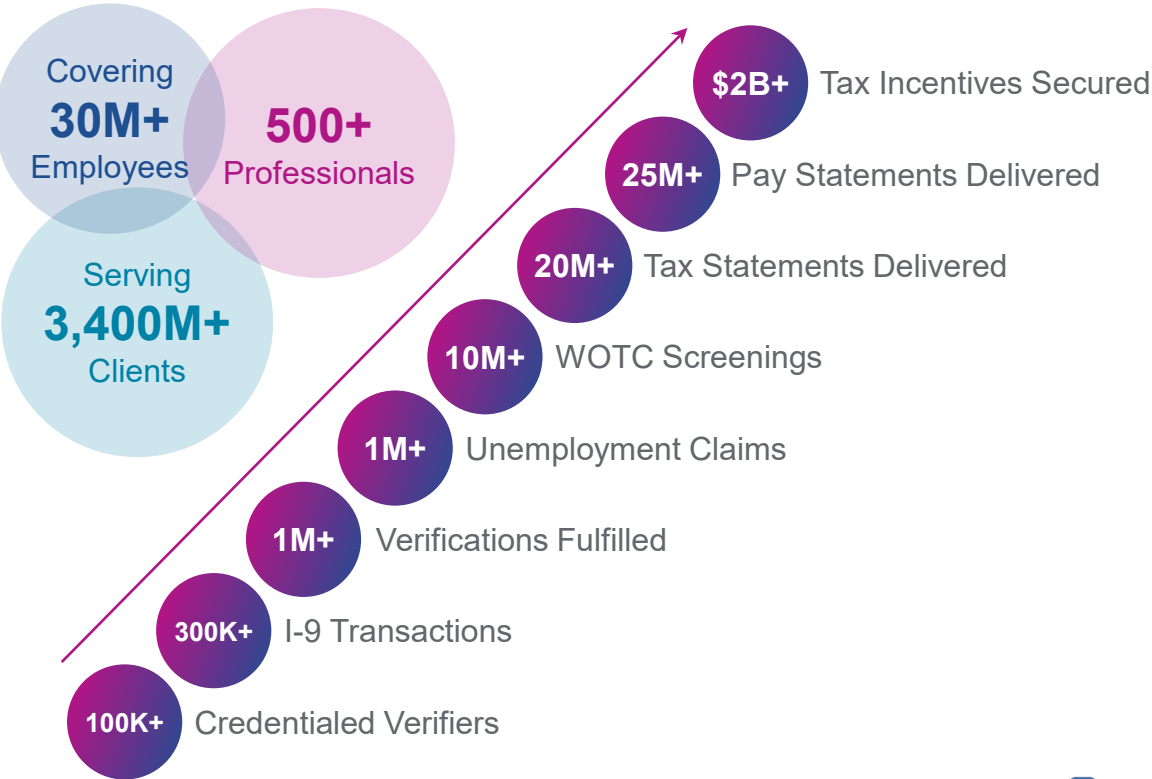
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Industry Expertise

At Every Stage of Employment



Serve Employers, Serving Employees



Webinar Agenda

- 1 Changes to ACA Process**
- 2 Common Employer Challenges**
- 3 Interpreting Federal & State ACA Requirements**
- 4 W-2 Tax Statements**
- 5 Key Takeaways**



Poll Question 1

In which areas of ACA requirements do you feel fully informed?

- ☐ Both federal and state-level
- ☐ Federal but not state-level
- ☐ State-level but not federal
- ☐ Neither



ACA Reporting



ACA Reporting and What to Expect

Recent developments include passage of Paperwork Reduction Act

- New legislation allows for Alternate method of furnishing the 1095-C.
- Employers post clear and conspicuous notice continuously available during prescribed period.
- Message should clearly detail the request process.
- Employers wishing to provide electronic only access must get employee consent, per IRS notice 2025-15.



Common Employer Challenges with ACA

Inputting the 1095-C form coding manually can be an extremely time-consuming and nerve-racking process:

- Did the worker have medical coverage during the year?
- How do I know which coding is correct?
- Does the safe harbor apply in this situation?
- What was the minimum essential coverage offered?

Uploading the data to the IRS website can be confusing:

- Printing and mailing 1095-C forms for each individual employee can take valuable time from your benefits team.
- IRS data corrections & data retention.
- Navigating continually changing requirements.

Federal ACA Requirements

- Permanent extension for providing forms to employees:
 - March 2nd (If the extension falls on a weekend or holiday, then the deadline is the next business day after March 2nd)
 - If posting alternate notice, must be available through October 15
- Good faith relief no longer available.
- 1095-C forms must be available for all full-time employees.
- Electronic filing for more than 10 forms (previously for more than 250 forms).



State-mandated ACA Reporting requirements are complex and constantly changing

- Definition of reportable employee may differ among states
- States have varying due dates for submission
- Data Privacy - Exclusion of Non-Resident
- States have differing file formats



California



Filing Agency:
Franchise Tax Board (FTB)



Filing Deadline:
March 31



Filing Extension:
May 31



Filing Penalty:
\$50 per applicable covered individual



Filing Requirements:

- ✓ To complete the California Mandate reporting, self-insured employers, regardless of their Applicable Large Employer (ALE) status, are required to transmit 1094/5-B and C forms to the California Franchise Tax Board (FTB).
- ✓ **<250 forms:** print/mail the same 1094/5-B or C forms that are transmitted to the IRS for federal reporting to meet the California Mandate.
- ✓ **>250 forms:** required to file electronically.
- ✓ To electronically transmit forms, employers must go through a testing cycle before transmitting the final data.

District of Columbia



Filing Agency:
Office of Tax Revenue
(OTR)



Filing Deadline:
May 2



Filing Requirements:

- ✓ Insurance companies, businesses providing insurance to their employees, and other applicable entities and third-party service providers that provide minimum essential coverage must report their compliance information to the OTR.
- ✓ All filers are required to file electronically, even if they file less than 250 information returns.
- ✓ The OTR accepts the same IRS forms but instead of an XML format, the electronic file must be a piped delimited text (.txt) file, with submissions going exclusively through the [MyTax.DC.gov](https://www.mytax.dc.gov) domain.

Massachusetts



Filing Agency:
Group Insurance
Commission



Filing Deadline:
March 31



Filing Requirements:

- ✓ Form 1099-HC is a Massachusetts tax document which provides proof of health insurance coverage for Massachusetts residents.

New Jersey



Filing Agency:
New Jersey Division
of Taxation



Filing Deadline:
March 31



Filing Requirements:

- ✓ Employers with 50 or more employees who employ NJ residents must electronically report on their compliance with the New Jersey Health Insurance Market Preservation Act; paper filing will not be accepted.
- ✓ Employers with less than 50 forms must file using the Form NJ-1095.
- ✓ New Jersey requires that a 1095 form be sent to each primary enrollee.
- ✓ Out-of-State Employers with employees in New Jersey have the same filing requirements as in-state businesses and insurance companies.

Rhode Island



Filing Agency:
Rhode Island Department
of Revenue Division
of Taxation



Filing Deadline:
January 31



Filing Requirements:

- ✓ An employer or other sponsor of an employment-based health plan that offers employment-based minimum essential coverage to any resident of Rhode Island is required to report coverage.
- ✓ The federal forms will be sufficient to meet the Rhode Island reporting requirement.
- ✓ If you are an employer, and if your insurer completes the reporting requirement, there are no other reporting requirements expected of you.

Vermont



Filing Agency:
Vermont Department
of Taxes



Filing Deadline:
Quarterly filing deadline on
or before the **25th day** of the
calendar month succeeding
the close of each quarter



Filing Requirements:

- ✓ Form HC-1, Health Care Contributions Worksheet – worksheet to help determine if any assessment is due for the quarter.
- ✓ Form HC-2, Declaration of Health Care Coverage – must be completed each year by uncovered employees.
- ✓ WHT-436, Quarterly Withholding Reconciliation – employer must complete this form each quarter & enter the Health Care Contribution Assessment (calculation made on Form HC-1) in Part III.

These Requirements Are The Tip Of The Iceberg



- Enrollment Requirements
- Registration Requirements
- Transmission Instructions
 - (i.e., electronic & manual filing registration process)

Poll Question 2

In which of these states/districts do you currently file?

- ☐ California or District of Columbia
- ☐ Massachusetts or New Jersey
- ☐ Rhode Island or Vermont
- ☐ None of the above
- ☐ All of the above



W-2 Tax Statements



2025 Form W-2

22222		a Employee's social security number		OMB No. 1545-0029	
b Employer identification number (EIN)		1 Wages, tips, other compensation		2 Federal income tax withheld	
c Employer's name, address, and ZIP code		3 Social security wages		4 Social security tax withheld	
		5 Medicare wages and tips		6 Medicare tax withheld	
		7 Social security tips		8 Allocated tips	
d Control number		9		10 Dependent care benefits	
e Employee's first name and initial		Last name		Staff. 11 Nonqualified plans	
				12a	
		13 employee plan Third-party sick pay		12b	
				12c	
		14 Other		12d	
f Employee's address and ZIP code					
15 State Employer's state ID number		16 State wages, tips, etc.		17 State income tax	
				18 Local wages, tips, etc.	
				19 Local income tax	
				20 Locality name	

Form **W-2** Wage and Tax Statement
Copy 1—For State, City, or Local Tax Department

2025

Department of the Treasury—Internal Revenue Service



W-2 Common Employer Challenges

- Tight deadlines for federal, state, and local
- Other deadlines occur at the same time
- Electronic filing thresholds
- Managing corrections
- Managing reissues
- Managing electronic consent
- Tracking state file format changes



Deadlines

1099 and Canadian deadlines

Form W-2

22222		4 Employer's social security number OMB No. 1545-0020	
b Employer identification number (EIN)		1 Tips, tips, other compensation	2 Federal income tax withheld
c Employer's name, address, and ZIP code		3 Social security wages	4 Social security tax withheld
		5 Medicare wages and tips	6 Medicare tax withheld
		7 Social security tips	8 Allocated tips
d Control number		9 Dependent care benefits	
e Employer's first name and initial Last name Suffix		10 Nonqualified plans	11a
		12a	12b
		13a	13b
		14a	14b
f Employer's address and ZIP code		15 State income tax	
16 State Employer's state ID number	17 State wages, tips, etc.	18 Local wages, tips, etc.	19 Local income tax
20 Locality name			

W-2 Wage and Tax Statement
Form 1099-NEC (Rev. 1-2020)
Copy 1—For State, City, or Local Tax Department

Furnishing Deadline: January 31
Electronic Filing Deadline: January 31

Form 1099-MISC

VOID CORRECTED		OMB No. 1545-0115	
PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		1 Rents	Form 1099-MISC (Rev. January 2020)
		2 Royalties	For calendar year
		3 Other income	4 Federal income tax withheld
PAYER'S TIN		5 Fishing boat proceeds	6 Medical and health care payments
RECIPIENT'S TIN		7 Payer made direct sales totaling \$5,000 or more of consumer products to recipient for resale	8 Substantive payments in lieu of dividends or interest
RECIPIENT'S name		9 Crop insurance proceeds	10 Gross proceeds paid to an attorney
Street address (including apt. no.)		11 Fish purchased for resale	12 Section 408A deferrals
City or town, state or province, country, and ZIP or foreign postal code		13 FATCA filing requirement	14 Excess golden parachute payments
		15 State tax withheld	16 State income
Account number (see instructions)		17 State/Payer's state no.	18 State income

Form 1099-MISC (Rev. 1-2020) www.irs.gov/Form1099-MISC Department of the Treasury - Internal Revenue Service

Furnishing Deadline: January 31
Electronic Filing Deadline: January 31

Form 1099-NEC

CORRECTED (if checked)		OMB No. 1545-0116	
PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		Form 1099-NEC (Rev. January 2020)	
		Nonemployee Compensation	
PAYER'S TIN	RECIPIENT'S TIN	1 Nonemployee compensation	Copy B For Recipient
RECIPIENT'S name		2 Payer made direct sales totaling \$5,000 or more of consumer products to recipient for resale	3
Street address (including apt. no.)		4 Federal income tax withheld	5 State income
City or town, state or province, country, and ZIP or foreign postal code		6 State/Payer's state no.	7 State income
Account number (see instructions)		8 State tax withheld	9 State income

Form 1099-NEC (Rev. 1-2020) (keep for your records) www.irs.gov/Form1099-NEC Department of the Treasury - Internal Revenue Service

Furnishing Deadline: January 31
Electronic Filing Deadline: January 31

Canadian Forms

Government of Canada / Gouvernement du Canada		Search CRA
Forms and publications - CRA		
Access to Canada Revenue Agency (CRA) forms, tax packages, guides, publications, reports, and technical notices.		
Most requested		
• CRA 113 Income tax packages	• 2021 forms for use required	• 2021 Disability Tax Credit Certificate
Find the document you need		
CRA forms	CRA publications	Personal income tax packages
All CRA forms listed by number and title	All CRA publications listed by number and title	Current and prior year tax packages including forms, schedules, and guides
CRA manuals	Technical tax information	
Annual, statistical, and audit reports, other	Technical notices related to GST/HST, income	

Deadline: February 28/29

<https://www.canada.ca/en/revenue-agency/services/forms-publications.html>



Penalties

IRS Fine Amounts

Form W-2/1099 Large Employer Fine Possibilities, (Gross over \$5m)

- Not more than 30 days late: \$60 per statement (limited to \$683,000).
- 31 days late: August 1 – \$130 per statement (limited to \$2,049,000).
- After August 1 or no filing: \$330 per statement (limited to \$4,098,000).
- Intentional disregard: \$660 per statement with no maximum.



Electronic Filing Thresholds

Regulations section 301.6011-2 was amended by Treasury Decision 9972, published February 23, 2023, which lowers the threshold to 10 for which employers must file certain information returns electronically, including Forms:

- W-2
- W-2AS
- W-2GU
- W-2VI
- Form 499R-2/W-2PR



Expect states and localities to lower their thresholds soon

Poll Question 3

How often does your organization file corrections?

- ☐ 1 time a year
- ☐ 2 times a year
- ☐ 3 times a year
- ☐ 4+ times a year



Corrections

Most common reasons

- Omitting decimal points and cents from dollar amounts
- Putting dollar signs in “money” boxes
- Failing to properly format employees’ name in box “e”
- Entering the wrong employer identification number or listing the employee’s Social Security Number as the EIN
- Using print that is too large or too small; the IRS recommends 12-point Courier font
- Erroneously checking the “Retirement plan” slot in box 13
- Not making entries visible enough; only black ink is allowed
- Failing to use the official W-2 form; the red-inked copy on the IRS website is for informational purposes only



Corrections

Other common mistakes

- Wrong amount of federal, state and/or local taxable wages
- Incorrect federal, state, and/or local taxes withheld
- Inaccurate employee name, address, and/or SSN
- Improper coding for box 12
- Inaccurate Social Security tips or allocated tips
- Incorrect tax year



Reissues

Most common reasons

- Lost or stolen
- Damaged
- Loss of access to electronic version (terminated)
- Needed for income verification



Electronic consent

IRS Requirements

- You must agree to receive the Form W-2 in an electronic format and demonstrate to your employer that you'll be able to access your electronic Form W-2.
- Prior to, or at the time of your consent, your employer must provide you a disclosure statement containing specific disclosures regarding the furnishing of the Form W-2.
- If the statement is furnished on a website, then your employer must notify you via mail, electronic mail, or in person, that the statement is posted on a website and provide instructions on accessing and printing the statement.
- Additionally, the electronic version of the Form W-2 must contain all required information and comply with applicable revenue procedures relating to substitute statements to recipients.



Poll Question 4

What percentage of your employees provided electronic consent for the W-2?

- ☐ Less than 25%
- ☐ 25% - 49%
- ☐ 50% - 74%
- ☐ Over 75%



Key Takeaways

- ACA Reporting Requirements are evolving and complex
- Electronic delivery and filing standards have changed
- Uncertain enforcement processes should not be a call for carelessness or non-compliance
- Electronic forms are easier to manage and distribute, so work on electronic consent processes aimed at beefing up participation

Questions?



Call To Action



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Check out our other webinar
on-demand recordings



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employerservices@experian.com



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