

State Individual Mandate Employer Reporting Guide

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Introduction

When Congress eliminated the individual mandate in 2017 (originally implemented as part of the Affordable Care Act (ACA)), the Congressional Budget Office (CBO) estimated that eliminating the penalty would lead to 5 million fewer people enrolling in non-group health coverage by 2027. Worried about a negative impact in the individual health insurance market with fewer younger, healthier individuals purchasing individual health insurance policies, several states have responded by implementing state-based “individual mandates.” For most states that have already implemented state mandates, there are corresponding employer reporting requirements that employers must be aware of.

Massachusetts has had a state individual mandate (with associated employer reporting requirements) in effect for many years, even prior to the ACA, and four additional states (California, New Jersey, Rhode Island, and Vermont) and the District of Columbia have followed suit in recent years. The first new employer reporting was required in early 2020 for employers with employees in New Jersey and the District of Columbia. In 2021, reporting requirements in California and Rhode Island took effect. Vermont currently does not have an employer reporting requirement associated with its individual mandate.

This guide provides details about the reporting requirements in each applicable state. We start with a high-level chart that summarizes the key requirements by state. In the following sections, additional details are provided along with links to resources for further information.

Note that many states have similar, but not completely identical, requirements. Therefore, it is important to pay attention to the nuances in each state’s specific requirements to ensure that the compliance obligation is satisfied.

Summary of State Employer Reporting Requirements

State/District	Form(s) Required	Filing Deadline	Penalties
California Employers that provide fully-insured or self-funded coverage to CA residents	Form 1094 and 1095s must be provided to the Franchise Tax Board (FTB), generally through the state's File Exchange (FX) System	1095s to covered individuals January 31 Filing due to the FTB March 31 (no penalty if filed by May 31)	\$50 per applicable individual
Massachusetts Massachusetts employer or a non-Massachusetts employer who conducts business or maintains an office in Massachusetts	Form 1099-HC must be provided to employees, and a report that includes details about the 1099-HC must be provided to the Department of Revenue (DOR)	Form 1099-HC to employees January 31 Report to DOR March 31	\$50 per individual, up to \$50,000
New Jersey Employers that provide fully-insured or self-funded coverage to NJ residents	Form 1095s must be provided to the Department of Revenue and Enterprise Services (DORES) via the secure filing system	1095s to covered individuals March 3 DORES filing due March 31	No penalty specified
Rhode Island Employers that provide minimum essential coverage to RI residents	Form 1095s must be provided to the Division of Taxation (DOT)	1095s to covered individuals March 3 DOT filing due March 31	No penalty specified
Washington D.C. Employers that provide self-funded coverage to District residents Employers that provide fully-insured coverage to at least 50 full-time employees and that provide coverage to District residents	Form 1094s and 1095s must be provided to the Office of Tax and Revenue (OTR) electronically through MyTax.DC.gov	1095s to covered individuals March 3 OTR filing due 30 days after the IRS deadline for filing Form 1094 and 1095s	No penalty specified

California

California's health care mandate went into effect January 1, 2020. The first round of employer reporting was due in early 2021 for the 2020 tax year.

Impacted Employers

Employers (including out-of-state employers) that provided fully-insured, level-funded or self-funded minimum essential coverage (MEC) to any California residents must report coverage information for California residents.

Reporting Responsibility

For fully-insured coverage, the carrier will handle this reporting obligation for any policies issued in California. However, for any fully-insured policies issued outside of California, the employer may need to report coverage information for California residents if the carrier does not.

For level-funded or self-funded coverage, the employer will generally be responsible for reporting coverage information for California residents.

Required Forms

The same federal Forms 1094 and 1095 (B or C) filed with the IRS may be used for satisfying California's reporting requirements.

Filing Requirements & Due Dates

Statements to Individuals

Form 1095s must be provided to covered individuals residing in California by January 31st.

Forms to the Franchise Tax Board (FTB)

Form 1094 and Form 1095s for each covered California resident are required to be submitted to the FTB by March 31st, but there is no penalty if the forms are submitted by May 31st. Employers required to file 250 or more information returns must file electronically. However, the state encourages employers to file electronically even when not required. Information on how to file electronic returns may be found at: www.ftb.ca.gov/mec.

Mailed forms should be sent to the following address:

Health Care Mandate
Franchise Tax Board
PO Box 2288
Rancho Cordova, CA 95741-2288

Penalties

There is no penalty for failure to provide Form 1095s to covered individuals. However, the penalty is \$50/form for failure to timely file with the FTB.

Resources

www.ftb.ca.gov/mec

Massachusetts

Massachusetts had an individual coverage mandate in place even before the ACA went into effect, and associated reporting requirements have been in place since 2008. Individuals residing in Massachusetts are required to have minimum creditable coverage (MCC), which is different from the minimum essential coverage as defined by the ACA.

Impacted Employers

Employers who conduct business in, or maintain an office in, Massachusetts are required to comply with MCC reporting requirements. In addition, out-of-state employers with Massachusetts residents may choose to provide covered Massachusetts residents with coverage information to assist them with their state tax reporting.

Reporting Responsibility

For fully-insured coverage, the carrier will handle this reporting obligation for any policies issued in Massachusetts. However, for any fully-insured policies issued outside of Massachusetts, the employer may need to report coverage information for Massachusetts residents if the carrier does not.

For level-funded or self-funded coverage, the employer will generally be responsible for reporting coverage information for Massachusetts residents.

Required Forms

Form 1099-HC is used to satisfy Massachusetts' reporting requirements (the federal forms cannot be used). A sample Form 1099-HC for the applicable year can be found here - <https://www.mass.gov/lists/massachusetts-health-care-tax-schedules-and-forms#2024->

Filing Requirements & Due Dates

Statements to Individuals

Form 1099-HCs must be provided to covered individuals residing in Massachusetts by January 31st.

Forms to the Massachusetts Department of Revenue (DOR)

A list of the Form 1099-HCs issued must be provided to the DOR by March 31st. The list must be filed electronically as there is no paper filing option.

NOTE: There is a separate Health Insurance Responsibility Disclosure (HIRD) reporting requirement for employers with 6 or more employees in Massachusetts that is due annually by December 15th.

Penalties

The penalty is \$50 per individual to which the failure relates, not to exceed \$50,000 per year per violator.

Resources

<https://www.mass.gov/info-details/health-care-frequently-asked-questions-for-employers#form-ma-1099-hc-questions->

<https://www.mass.gov/info-details/health-care-reform-for-individuals#form-ma-1099-hc->

New Jersey

New Jersey was the second state to enact an individual mandate, which went into effect on January 1, 2019. Under New Jersey's Health Insurance Market Preservation Act, the first round of employer reporting was due in 2020 for the 2019 tax year.

Impacted Employers

Employers (including out-of-state employers) that provided fully-insured, level-funded or self-funded minimum essential coverage (MEC) to any New Jersey residents must report coverage information for New Jersey residents, including partial year residents (i.e., domiciled in New Jersey for at least 15 days in any month).

Reporting Responsibility

For fully-insured coverage, the carrier will likely handle this reporting obligation for any policies issued in New Jersey. However, if the carrier does not handle the reporting, including for any fully-insured policies issued outside of New Jersey, the employer may need to report coverage information for New Jersey residents.

For level-funded or self-funded coverage, the employer will generally be responsible for reporting coverage information for New Jersey residents.

Required Forms

The same federal Form 1095s (B or C) filed with the IRS may be used for satisfying New Jersey's reporting requirements. Alternatively, the state Form NJ-1095 can be used -

<https://nj.gov/treasury/njhealthinsurancemandate/NJ1095instructions.shtml>.

Filing Requirements & Due Dates

Statements to Individuals

Form 1095s must be provided to covered individuals residing in New Jersey by March 3rd.

Filing with the New Jersey Division of Taxation

Form 1095s for covered New Jersey residents must be submitted to the Department of Revenue and Enterprise Services (DORES) electronically by March 31st. There is no paper filing option.

Penalties

No penalty is specified, but state tax penalties may apply.

Resources

<https://www.nj.gov/treasury/njhealthinsurancemandate/employers.shtml>

Rhode Island

Rhode Island's individual mandate went into effect January 1, 2020. The first reports were due in 2021 for the 2020 tax year.

Impacted Employers

Employers (including out-of-state employers) that provided fully-insured, level-funded or self-funded minimum essential coverage (MEC) to any Rhode Island residents must report coverage information for Rhode Island residents.

Reporting Responsibility

For fully-insured coverage, the carrier will likely handle this reporting obligation for any policies issued in Rhode Island. However, if the carrier does not handle the reporting, including for any fully-insured policies issued outside of Rhode Island, the employer may need to report coverage information for Rhode Island.

For level-funded or self-funded coverage, the employer will generally be responsible for reporting coverage information for New Jersey residents.

Required Forms

The same federal Form 1095s (B or C) filed with the IRS may be used for satisfying Rhode Island's reporting requirements.

Filing Requirements & Due Dates

Statements to Individuals

Form 1095s must be provided to covered individuals residing in Rhode Island by March 3rd.

Filing with the Rhode Island Division of Taxation (DOT)

Form 1095s for covered Rhode Island residents must be submitted to the DOT electronically by March 31st. There is no paper filing option.

Penalties

No penalty is specified, but state tax penalties may apply.

Resources

<https://tax.ri.gov/guidance/health-insurance-mandate>

Washington D.C.

Washington D.C. (“District”) signed an individual mandate into law in September 2018 that became effective on January 1, 2019. The first reports to individuals and the state were due in 2020.

Impacted Employers

Employers (including out-of-state employers) that provided fully-insured, level-funded or self-funded minimum essential coverage (MEC) to any District residents for whom wages were withheld and paid to the District for any period during the applicable calendar year.

Reporting Responsibility

For fully-insured coverage, guidance suggests that employers who covered at least 50 full-time employees must report (i.e., submit federal Form 1094-C and Form 1095-Cs) even if the carrier also reports coverage information.

For level-funded or self-funded coverage, the employer must submit federal Form 1094 and Form 1095s (B or C as applicable).

Required Forms

The same federal Forms 1094 and 1095 (B or C) filed with the IRS may be used for satisfying the District’s reporting requirements. However, if an employer chooses to remove information about non-District residents from its filing, it must file a revised Form 1094 to reflect the revised Form 1095 submission.

Filing Requirements & Due Dates

Statements to Individuals

Form 1095s must be provided to covered individuals residing in the District by March 3rd.

Filing with the Office of Tax and Revenue (OTR)

Form 1094 and Form 1095s must be filed electronically with OTR by uploading files through MyTax.DC.gov by a April 30th (30 days after the IRS submission deadline). There is no paper filing option.

Penalties

No penalty is specified.

Resources

<https://otr.cfo.dc.gov/node/1447081>

<https://otr.cfo.dc.gov/node/1470711>