



June 25, 2024

Submitted Electronically

Andres Garcia
Internal Revenue Service Headquarters Building
Room 6526
1111 Constitution Avenue, NW
Washington, DC 20224
pra.comments@irs.gov

Re: Comment regarding Forms 1094-C, 1095-C, and 4423 [OMB No. 1545-2251]

Dear Mr. Garcia:

Equifax Workforce Solutions LLC (“EWS”) appreciates the opportunity to submit this letter regarding the United States Internal Revenue Service’s (IRS) request for comments concerning collection tools, reporting, and record-keeping requirements required of Applicable Large Employers (“ALEs”) under the the *Patient Protection and Affordable Care Act* (“ACA”). EWS plays an essential role in the economy by helping companies in diverse industries such as automotive, communications, utilities, financial services, fintech, healthcare, insurance, mortgage, professional services, retail, e-commerce, and government agencies make their critical decisions with greater confidence. Our unique blend of differentiated data, analytics, and technology lets us create the insights that help power decisions to move people forward.

EWS offers several software platforms that were borne out of – and specialize in – employer-shared responsibility compliance reporting for large employers and strategic partners. EWS’s ACA reporting solutions assist employers in determining eligibility, tracking offers made, calculating affordability of employee-only coverage, and reporting this information on Forms 1094 and 1095. Our ACA products and services impact tens of millions of individuals. It is in our capacity as a leading ACA reporting provider that we offer a few considerations related to the collection of information on Forms 1094-C and 1095-C.

EWS recommends that the IRS (1) discontinue the requirement to provide Forms 1095B and 1095C via mail, but to require the furnishment of forms electronically, when requested; (2) continue enforcement to encourage accurate reporting; (3) continue to require the submission of XML files; and (4) allow employers and tax preparers to validate Social Security Numbers for Form 1095 recipients and covered dependents by using the TIN matching tools currently available for W-2 and 1099 recipients, discussed in more detail below.

(a) Whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility

Under the Employer Shared Responsibility Provisions (“ESRP”), employers are subject to penalties if they fail to offer affordable minimum essential coverage that meets minimum value to 95% of its full-time employees and their dependents. Since 2015, the IRS has relied on information provided on Forms 1094B/C and Forms 1095B/C to assess such penalties and determine premium tax credit (“PTC”) eligibility for individuals and families not offered

affordable coverage. Data currently filed with the IRS is necessary for employers to demonstrate compliance with the ESRP, as well as for the IRS to enforce the Penalty A and Penalty B provisions and determine PTC eligibility.

Prior to the end of 2018, the ACA's individual mandate penalty was collected by the IRS through federal tax returns. As such, ALEs were required to furnish Form 1095B or Form 1095C to each employee for use on individual tax returns. When the *2017 Tax Cuts and Jobs Act* reduced the individual mandate penalty to \$0, enforcement of the penalty became null, and individuals were no longer required to file proof of healthcare coverage with their federal tax returns. Despite no longer being needed by the individuals, employers remain legally obligated to distribute these forms by March 2 of every year. EWS respectfully posits that for as long as the individual mandate penalty remains at \$0, furnishment of Forms 1095B and 1095C does not serve practical utility in most cases, with the exception of those in states where there is a state level healthcare mandate. The ability to request delivery of these forms electronically for federal purposes is an efficient solution for those cases when an individual needs a copy.

In addition, the IRS is required to enforce applicable 4980H penalties and IRC § 6721 and § 6722 penalties based on information reported on Form 1095B or Form 1095C. It is requested that the IRS continue increased enforcement of the current regulations so ALEs can properly prioritize the importance of accurate information returns. The lack of consistent enforcement has led to diminishing the credibility of the law, and in some cases, ALEs not adhering to accurate reporting requirements, such as with the management and handling of returns that are "Accepted with Errors" due to invalid Tax Identification Numbers.

(b) The accuracy of the agency's estimate of the burden of the collection of information

EWS has no comment on the IRS's time burden estimates.

(c) Ways to enhance the quality, utility, and clarity of the information to be collected

The clarity of the information collected adequately and efficiently relays the information necessary to enforce the ESRP of the ACA. EWS encourages enhanced utility of the information collected to expedite the IRS's review and issuance of 226j letters by continuing to require the submission of XML files as they are submitted today. In the absence of a furnishment requirement, employers would be able to provide a more refined focus on ensuring the data submitted to the IRS is timely and accurate, which, in turn, could help facilitate prompt enforcement of each type of penalty necessary to uphold the integrity of the ACA.

Additionally, the quality of the information relayed to the IRS would be enhanced by allowing employers and tax preparers to proactively validate Social Security Numbers for Form 1095 recipients and covered dependents by using the TIN matching tools currently available for W-2 and 1099 recipients. Expanding use of these tools could decrease the large volume of forms that are "Accepted with Filing Error" each year.

(d) Ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology

While the data collected by the IRS through the XML filing process plays an essential role in integral enforcement mechanisms of the ESRP, requiring employers to furnish individual forms is unduly burdensome to relay the necessary information to employees and covered individuals. EWS recommends that the IRS adopt rules and regulations that allow continued filing of an XML file containing the same codes and information, but without a furnishment obligation to each covered individual. However, employers should continue to create the forms to provide via electronic delivery in the event an employee requests a copy, and to furnish to individuals who reside in states or territories with individual mandates.

(e) Estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information

EWS acknowledges there are inherent costs associated with complying with regulatory requirements, not only for the ACA, but I-9, ERISA, and many benefit products. In regard to the ACA, the costs of printing and shipment to comply with the current furnishment obligations increase the financial burden of employers' reporting obligations. Eliminating furnishment requirements would result in notable cost savings without compromising the IRS's ability to enforce critical provisions of the ACA.

EWS appreciates the opportunity to provide the above comments, and our knowledgeable and experienced team members are available to consult with the IRS regarding reporting changes. Please know we welcome the opportunity to meet to discuss in more detail. If there are any questions about this response, please direct them to Kristina Schiller, Director of Government Relations, at Kristina.Schiller@equifax.com.

Sincerely,

A handwritten signature in black ink, appearing to read 'Rhona Parry', with a long horizontal flourish extending to the right.

Rhona Parry
ACA General Manager
Equifax Workforce Solutions LLC