



November 1, 2023

The Honorable Mark Warner  
703 Hart Senate Office Building  
Washington, DC 20510

The Honorable John Thune  
511 Dirksen Senate Office Building  
Washington, DC 20510

The Honorable Todd Young  
185 Dirksen Senate Office Building  
Washington, DC 20510

The Honorable Catherine Cortez Masto  
520 Hart Senate Office Building  
Washington, DC 20510

Dear Senators Warner, Thune, Young and Cortez Masto,

I am writing on behalf of the National Association of Benefits and Insurance Professionals (NABIP) – a professional association representing over 100,000 licensed health insurance agents, brokers, general agents, consultants, and employee benefits specialists – to express our support for the Employer Reporting Improvement Act and Paperwork Burden Reduction Act. The House passed these bills on June 21, 2023; it is now up to the Senate to pass these crucial pieces of legislation.

The members of NABIP help millions of individuals and employers of all sizes purchase, administer, and utilize health plans of all types. Our members who work with employers know that the reporting requirements under sections 6055 and 6056 of the ACA have proven significantly burdensome, particularly for smaller employers. NABIP has repeatedly stressed concerns with these requirements for their confusing and complicated nature for businesses of all sizes, and we believe a solution is possible to ease what has become an enormously expensive compliance burden. In 2015, the IRS allowed for good faith compliance relief for employers and issuers, which offered protection for those who inadvertently included incorrect or incomplete information in their Forms 1095-B and/or Form 1095-C; unfortunately, this good faith relief was discontinued in 2022.

The Employer Reporting Improvement Act would ease this process significantly, much to the benefit of employers and employees alike. One section of legislation would ease employer reporting requirements by allowing names in lieu of Tax ID numbers or Social Security Numbers in certain circumstances.

NABIP supports these provisions. By allowing names in lieu of Social Security Numbers, this legislation would protect the privacy of an employee and their dependents. Collecting dependent Social Security Numbers in employer reporting forms is unnecessary, as spouses who receive tax credits are required to file joint returns and individuals are required to include tax dependent Social Security Numbers on their personal Form 1040.



We also appreciate the inclusion of an extended response window for incorrect reporting and statute of limitations on penalties. Not only is the reporting process burdensome, but the current system also needlessly exposes employers to threats of tax penalties and additional accounting and legal costs. The IRS has testified to Congress that 82 percent of all demand notices sent to employers were ultimately resolved, meaning that they should not have been sent in the first place. This error rate reflects the difficulties in reporting that employers are facing, and if this percentage is maintained even after the end of good-faith compliance relief, then thousands of employers may be penalized. If the Employer Reporting Improvement Act is passed, then employers will be protected from unwarranted financial penalties.

The Paperwork Burden Reduction Act would ease employer reporting of ACA requirements by allowing employers the option to allow employees to request their Form 1095-C online. NABIP also supports this provision. Employers are mandated to provide the Form 1095-C to employees, and this requirement can be satisfied through electronic distribution (so long as IRS regulations are properly followed). Permitting employees to request Form 1095-C from their employers online is a commonsense addition to the existing reporting requirements.

If you have any questions about our comments or if NABIP can be of assistance as you move forward, please do not hesitate to contact me at [jgreene@nabip.org](mailto:jgreene@nabip.org) or (202) 595-3677.

Sincerely,

A handwritten signature in black ink, appearing to read "John Greene", with a long horizontal flourish extending to the right.

John Greene

Senior Vice President of Government Affairs

National Association of Benefits and Insurance Professionals (NABIP)