

3 states require individual mandate reporting

The tax reform legislation Congress enacted and President Trump signed into law later last year eliminated tax penalties associated with the Affordable Care Act's individual mandate.

However, some states have initiated their own individual mandates—which require most residents to have health coverage—in an effort to stabilize shaky state insurance markets.

New Jersey and Vermont enacted individual mandates earlier this year. Massachusetts has had an individual mandate since 2007. Other states are reportedly considering individual mandate legislation.

Employers with staff in Massachusetts, New Jersey or Vermont have double the reporting requirements other employers do.

Reason: The federal Tax Cuts and Jobs Act zeroed out the tax penalty for individuals lacking health coverage starting in 2019, but it didn't eliminate the requirement for employers to report which of their employees have health benefits. Massachusetts, New Jersey and Vermont employers must also comply with their states' reporting requirements.

Advice: Contact your state insurance commissioner, your broker or both to ensure you are in compliance with state individual mandate reporting requirements.