BIG Changes Are Coming to Your Year-End Routine

Pursuant to Treasury Decision 9972, you may now be required to e-file ALL of your 2023 information returns.

Published November 9, 2023



If you are a small to mid-sized post-acute health care provider – keep on reading.

If you have less than 250 caregivers and other employees – keep on reading.

Even if you are a VERY small medical office or other business with just 2 or 3 employees – keep on reading.

Pursuant to Treasury Decision 9972, you may now be required to e-file ALL of your 2023 information returns.

Let's pause for definitions. What is e-file? What are information returns? And what exactly has changed?

Let's tackle that last question first:

What Has Changed?

Prior to TD 9972, if you had less than 250 Forms W-2, you could file Copy A with the Social Security Administration (SSA) on paper, accompanied by a paper Form W-3 transmittal.

Now, 3 things have changed:

1. The at-least-250 form threshold has been lowered to at-least-10 – yes, that's "ten."
2. Instead of counting how many W-2s you have, you must count the combined number of many other forms as well.
3. The IRS has opened a new portal, called IRIS (Information Returns Intake System), to make e-filing of Forms 1099 more accessible.

Now the Definitions

E-file, or electronic filing, means submitting your tax forms digitally to the IRS or SSA. It could be a simple CSV/Excel file that you upload or a sophisticated application-to-application (A2A) interface through which software providers and payroll services facilitate bulk uploads for multiple employers.

The information returns to be counted in determining if you have at least 10 forms are:

Forms W-2, W-2G, W-2AS, W-2GU, W-2VI, and Form 499R-2/W-2PR (but not W-2CM, go figure...);

AND

The ACA Forms 1095-B & C and all series 1094 forms;

AND

All Forms 1099 (for example, 1099-NEC issued to your independent contractors and 1099-R for pension plan distributions);

AND

Forms 1042-S, 1097-BTC, 1098, 1098-C, E, Q & T, 3921, 3922, the 5498 series, and 8027 (for tip allocation).

That's a lot of forms to count.

So, let's consider 2 examples.

1. You're a small home care agency with 9 caregivers and one administrator, and you've always done your own payroll, and, at year-end, prepared Forms W-2 and mailed them to the SSA. Starting with your 2023 Forms W-2 that are due in 2024, you must register for the SSA's online services and file those returns electronically.

2. You're a post-acute referral service with 6 employees and 5 medical professionals who work as independent contractors. Although in the past you filed your W-2s to the SSA and your 1099-NECs to the IRS on paper, you will now be required to file all those forms electronically – W-2s through the SSA's electronic options and 1099s to the IRS through the older FIRE system or the new IRIS portal.

What About Amendments? Under the new rules, amended forms must be filed the same way the original forms were. So, if you e-filed a W-2 or 1099, you must also e-file the amended/corrected form. This change applies even to large employers who exceeded the 250-form threshold but would still paper-file an occasional amendment. No longer – if the original form was e-filed, the amendment must be as well.

What to Do Next If you're using a payroll service, reach out to them to inquire about setting up e-filing. If you plan to use IRIS on your own, you'll need to register and get a TCC (Transmitter Control Code). You'll want to start here.

How Viventium Helps Viventium, the undisputed category leader in HCM for post-acute care, provides full e-filing services for clients. Visit us at viventium.com today to request a demo and get started.

This information is for educational purposes only, and not to provide specific legal advice. This may not reflect the most recent developments in the law and may not be applicable to a particular situation or jurisdiction.