

ICHRA Compliance Checklist

Use this checklist to ensure your Individual Coverage HRA (ICHRA) program remains compliant, tax-advantaged, and audit-ready throughout the year.

Plan Documentation & Required Notices

- Current ICHRA Plan Document finalized and signed
- Summary Plan Description (SPD) completed and distributed
- Required ICHRA Employee Notice delivered at least 90 days before plan year start
- Proof of employee notice delivery retained
- Any amendments documented prior to effective date
- Eligibility rules clearly defined and applied consistently

Class Structure Review

- Employee classes comply with IRS and ACA regulations
- Minimum class size rules satisfied (if applicable)
- Contribution amounts clearly documented by class
- No overlap between ICHRA classes and group plan classes (if offering both)

Reimbursements & Substantiation

- All reimbursements substantiated prior to payment
- Proof of Minimum Essential Coverage (MEC) collected
- Eligible expenses verified under IRS guidelines
- Reimbursements issued only after approval
- Documentation retained securely

Payroll & Tax Review

- ICHRA reimbursements excluded from taxable wages
- Payroll system aligned with reimbursement records
- Year-end reimbursement totals reconciled
- Contributions match documented class structure

ACA Employer Reporting (Applicable Large Employers only)

- Affordability calculations completed and documented
- Safe harbor method identified (W-2, Rate of Pay, or FPL)
- ICHRA offer properly coded for Form 1095-C
- Full-time employee eligibility tracked accurately

Tax Forms & Filing Deadlines

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Form	What is it?	2026 Deadline
1095-B	Reports minimum essential coverage (MEC) provided to employees through an ICHRA or other health plan	Mar 2 (for 2025 reporting; typically Feb 28 (paper) Mar 31 (electronic))
1095-C	Provided by Applicable Large Employers (ALEs) to report offers of health coverage under the ACA	Mar 2 (for 2025 reporting; same rules as 1095-B)
1094-B/C	Transmittal forms submitted to the IRS along with 1095-B/C forms	Mar 2 (for 2025 reporting; same rules as 1095-B)
W-2 Reporting (Box 12, code DD)	Shows the cost of employer-sponsored health coverage for informational purposes (does not affect tax liability). ICHRA amounts are not included in this box if only used for premiums.	Jan 31 (to employees)
720 (PCORI Fee)	A federal fee assessed on self-insured health plans (including ICHRAs) to fund the Patient-Centered Outcomes Research Institute	Jul 31 (calendar-year plans)
5500 (if applicable)	Annual ERISA reporting for welfare benefit plans	Jul 31 (calendar-year plans)
Medicare Part D Creditable Coverage Notice	Required notice to employees eligible for Medicare	Oct 15 (before Medicare Open Enrollment)
Section 111 MSP Report	Report to CMS on group health plan eligibility for Medicare-eligible individuals	Quarterly

Throughout the Year

- Employees enrolled in qualifying individual coverage
- Document mid-year eligibility or class changes
- Contribution records maintained by employee and class
- Copies of all filed ACA forms retained
- Electronic records backed up securely