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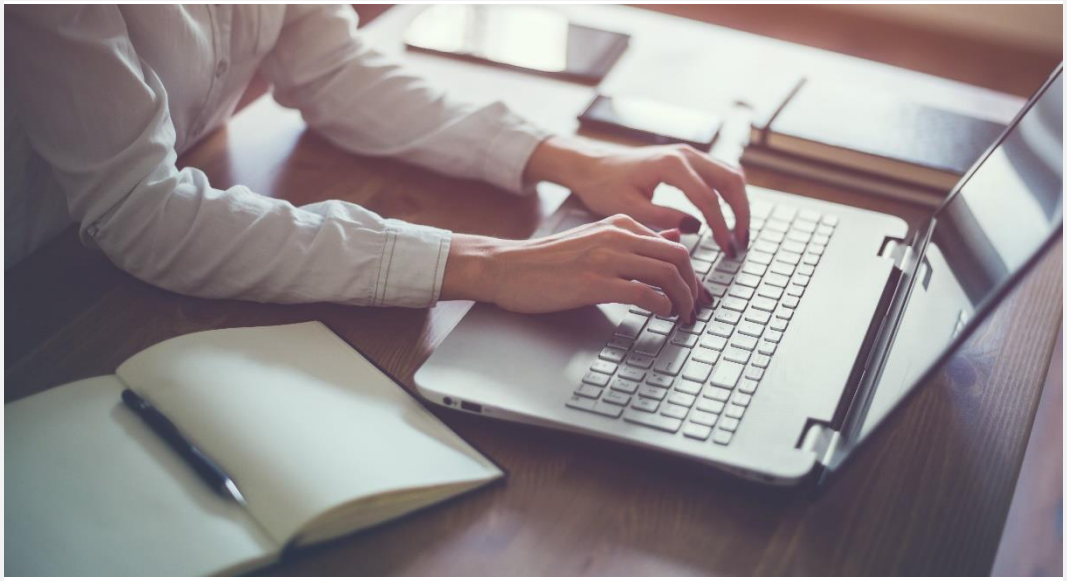
United States | Human Capital | 9 January 2026

Rewards Policy Insider
2026-01



In this Issue:

Upcoming Compliance Reminders for Calendar Year Employee Benefit Plans

March 2026

2nd: Form 1095-C must be made available for employees

31st: Forms 1094-C and 1095-C due to IRS

Note: This is meant to be a reminder of certain upcoming compliance deadlines for employee benefit plans operating on a calendar year basis. It is not an exhaustive list of compliance obligations. Specific plans may be subject to different obligations and deadlines depending upon a variety of factors, including the plan type, plan year, and whether or not the plan is subject to ERISA, among other things.

Agencies Propose Updates to Group Health Plan Transparency in Coverage Rule

Citing "three main barriers to fully achieving the goals" of the payer transparency rule issued in 2020, the Departments of Health and Human Services, Labor, and Treasury ("Agencies") released a series of proposed updates to the rule on December 19, 2025. In addition to changes to the machine-readable file requirements, the proposed rule would expand the requirement for plans to maintain an online self-service tool for cost-sharing information to make the same information available by telephone.

Background

Pursuant to the 2020 payer transparency rule, which generally started to apply in July 2022, group health plans and health insurance issuers offering group and individual health insurance coverage are required to post certain specific machine-readable files monthly for each plan or coverage they offer. The 3 files include (i) an In-network Rate File disclosing in-network rates for all covered items and services, (ii) an Allowed Amount File disclosing out-of-network allowed amounts and the associated billed charges, and (iii) a prescription drug file disclosing in-network rates and historic net prices for covered items and services.

Additionally, the 2020 rule requires group health plans and health insurance issuers to make available cost-sharing information to participants, beneficiaries, and enrollees through an online self-service tool or paper, upon request. Soon after the 2020 rule was published, Congress enacted the No Surprises Act

which, among other things, included a similar requirement to disclose cost-sharing information via an Internet-based tool, and over the telephone.

Summary of Proposed Regulations

According to a fact sheet on the proposed regulations, they broadly address the following "three main barriers to fully achieving the goals" of the 2020 regulations:

i. inaccessibility due to the large size of the machine-readable files,
ii. data ambiguity due to lack of contextual information alongside the raw data, and
iii. areas of misalignment with the Hospital Price Transparency rule that make comparing data across disclosures challenging.

Regarding inaccessibility, the proposed rules would, among other things, require group health plans and health insurance issuers to exclude from their In-network Rate Files provider-rate combinations for items and services for providers that would be unlikely to be reimbursed for the item or service given that provider's area of specialty. For example, plans would exclude information about rates for podiatrists to perform open heart surgery.

In order to address concerns about data ambiguity, the proposed rules would require the inclusion of additional data elements to provide context around the data being reported. These include proposing that group health plans and health insurance issuers be required to report 1) the plan's or policy's product type (e.g., HMO, PPO, etc.) for each plan or policy represented in an In-network Rate File and Allowed Amount File, 2) a numerical enrollment count for each plan or policy represented in the In-network Rate File and Allowed Amount File, and 3) the common network name associated with the provider network represented in the In-network Rate File.

The proposed regulations also would make changes to help users locate the machine-readable files, which would be consistent with the Hospital Transparency rules.

Also notable, the proposed regulations would eliminate the requirement for plans and issuers to update and post the In-network Rate and Allowed Amount Files monthly, and replace it with a quarterly requirement. The rationale is that this would help lower data storage and hosting costs, decrease bandwidth needs, and reduce ongoing maintenance expenses.

For more information, see the Agencies Fact Sheet and the full text of the proposed regulations. The public comment deadline is February 23, 2026.

PBGC Adds New E-Filing Options

The Pension Benefit Guaranty Corporation ("PBGC") added new e-filing options for standard termination filings and coverage determination request forms.

Background

The PBGC's e-filing portal, which has been operational since 2024, permits both single-employer and multiemployer plans to make certain filings online. For instance, single-employer plans can use the e-filing portal for ERISA 4010 filings (for underfunded plans), reportable event filings, and documents required for settlement agreements. Multiemployer plans can use the e-filing portal for Special Financial Assistance ("SFA") applications (although the PBGC is temporarily not accepting SFA applications via the portal), termination notices, regular financial assistance applications' insolvency notices, and various funding notices.

New E-Filing Options

In December 2025, the PBGC announced that it added two new e-filing options in order to simplify the filing process for plan administrators and practitioners:

- Standard termination filings, including those with missing participants, and
- Coverage determination request forms.

In a standard termination, a plan sponsor ends a plan by settling its obligations for all benefits that have been accrued under the plan. As part of the standard termination process, ERISA requires a single-employer plan to file with the PBGC a standard termination notice (Form 500), which contains information about the projected amount of plan assets and the value of benefit liabilities, as well as a certification that the plan is sufficient to cover liabilities.

A single-employer plan may submit a coverage determination request form to request that the PBGC determine whether the plan is covered by PBGC insurance.

The PBGC's e-filing portal is accessible here. An FAQ relating to using the e-filing portal is available here.

IRS Delays Certain Tax and Reporting Requirements for State Paid Family and Medical Leave Programs

The Internal Revenue Service ("IRS") extended through 2026 the non-enforcement period for states and employers to comply with certain tax and reporting requirements associated with state paid family and medical leave ("PFML") laws.

Background

In January 2025, the IRS released Revenue Ruling 2025-4, which addresses the tax treatment of benefits under state PFML programs. The guidance provides that certain state-paid medical leave benefits that are based on employer contributions:

- Are included in the employee's income under Internal Revenue Code ("Code") section 105;
- Are considered wages for federal employment tax purposes; and
- Are considered third-party payments of sick pay as defined in Code section 3402(o) (i.e., payments that are received by employees from third-parties to replace lost wages when they are temporarily absent from work due to illness or injury).

The IRS's conclusions above have implications for employers' tax and reporting obligations in states with PFML laws. In that regard, the guidance provides that states must comply with the employment tax and reporting requirements that apply to such payments, which are outlined in Code of Federal Regulations section 32.1. Very generally, section 32.1 provides that payments to an employee on account of sickness or accident disability are included in the employee's wages.

The guidance also provides that 2025 would be a "transition period" for purposes of these tax and reporting requirements – i.e., it would not enforce these rules in 2025. This was intended to allow states and employers sufficient time to configure their reporting systems and facilitate a smooth transition.

IRS Extends Transition Period For Another Year

Following the release of the 2025 guidance, a number of states with PFML laws requested that the transition period be extended another year, to cover 2026. In December, the IRS released Notice 2026-6, which grants this request.

Thus, for medical leave benefits a state pays to an employee in the 2026 calendar year:

- For the portion of the benefits attributable to employer contributions, a state or employer is not required to follow the income tax withholding and reporting requirements for third-party sick pay.
- For the portion of benefits attributable to employer contributions, a state or employer is not required to comply with the requirements of Code of Federal Regulations section 32.1, and a state or employer is not required to withhold and pay any associated taxes.

It is important to note that Notice 2026-6 only extends the transition period for the guidance described above. The IRS did not extend the transition period for the other portions of the guidance provided in Rev. Proc. 2025-4.

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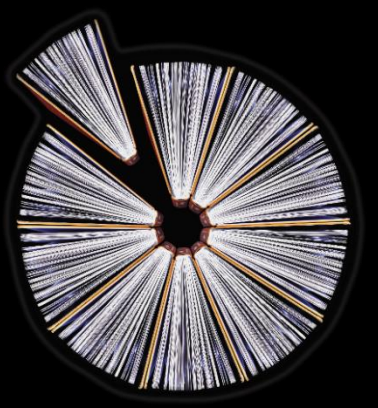

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