



ACA update: Form 1095-C deadline extended and other relief

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You've been at this Affordable Care Act reporting for years and are cruising on autopilot, right? Regardless of your confidence level, all employers need to note the extended due date for furnishing Form 1095-C to individuals and limited relief for failure to provide the Form 1095-B, as recently announced by the Internal Revenue Service (IRS).

What's new?

- Form 1095-C deadline extended to March 2, 2020, for employee forms

Similar to past years, the IRS extended the deadline by which providers must deliver Form 1095-C to individuals. The IRS has not extended the deadline for the provider's informational filing to the IRS. The deadline for filing 1094-C and 1095-C with the IRS remains March 31, 2020, for electronic filers and February 28, 2020, for paper filers.

Also, the IRS will not entertain requests for additional 30-day extensions of the deadline for 1095-C to individuals, as this is already an extended deadline. The IRS may grant the usual extensions of due dates for providing forms 1094-B, 1094-C and 1095-C to the IRS under the Form 8809.

- Relief for 2019 Form 1095-B to employees

Since there is no longer an individual mandate penalty, the IRS has acknowledged that the provider's obligation to supply B forms is not an enforcement priority. Thus, the IRS will not penalize 1095-B filers (generally, insurers and small employers) if two conditions are met:

- (1) The provider's website contains a notice that Form 1095-B is available to participants upon request and

includes specific information on how to request it.

(2) The provider furnishes Form 1095-B within 30 days of a request.

Filers of 1095-C are still required to timely provide that form to individuals and the IRS. Furthermore, if a provider's existing procedures already meet or exceed these deadlines or utilize other mailing procedures for Form W-2, it may be beneficial to continue using an earlier compliance date.

- Good faith transition relief

Timely filings of informational returns are eligible for relief from penalties for incomplete or inaccurate returns when the filer makes a good faith effort at compliance. The IRS will consider the provider's reasonable efforts in preparing for reporting and furnishing forms to employees.

What's the same?

- Form 1095-B must be provided by health insurance carriers to their participants to confirm enrollment in minimum essential coverage at any time during the tax year. Health insurance providers include any insurance company, small self-insured employer plans and government agencies that provide medical benefits. This form is due to participants by the last day in February (by mail) or March 31 (electronically). Since the individual mandate has been repealed, some employees may not automatically receive a Form 1095-B under the IRS' relief but may still request to receive one. Participants do not need this form to properly complete and file their taxes.
 - Form 1094-B is a type of cover sheet, titled "Transmittal of Health Coverage Information Returns," used by insurance providers (or employers sponsoring self-insured plans) to transmit a batch of Form 1095-Bs to the IRS. The form provides demographic information about the employer, including the total number of Form 1095-Bs.
- Form 1095-C is used by Applicable Large Employers (ALEs generally employ 50+ full-time equivalent employees) to report health care coverage information to employees and the IRS. The 2019 Form 1095-C is due to employees on March 2, 2020.
 - Form 1094-C is similar to Form 1094-B. This transmittal cover sheet for the Form 1095-C is completed by the ALE and contains demographic information to accompany the batch Form 1095-C filing.

Failure to file these forms can cause significant penalties for insurers and employers. Be sure to keep an eye on the deadlines, vendors and compliance obligations every year.

Note that the final versions of the 2019 forms are not yet available. The IRS has posted an early release draft version [here](#). It also posted the instructions for Forms 1094-C and 1095-C on December 6, 2019. The IRS will post final versions of the forms on its [website](#) in the coming weeks. In the meantime, employers are advised to clean up their data and prepare to upload or run their batches when the IRS releases the forms.

Authors
