

Affordable Care Act IRS Filing Deadline Extended for Forms 1094-B, 1095-B, 1094-C, and 1095-C

On December 28, 2015 the Internal Revenue Service (IRS) issued Notice 2016-4, which extends the deadlines for employers to file health insurance coverage returns with the IRS and furnish employees with those returns, as required under the Affordable Care Act (ACA). The new deadlines, which apply only for purposes of filings for the 2015 tax year, are as follows (see below for additional background on the reporting requirements):

- The new deadline for furnishing Forms 1095-B and 1095-C to employees is March 31, 2016 (extended from February 1, 2016).
- The new deadline for filing Forms 1094-B, 1095-B, 1094-C, and 1095-C with the IRS, if not filing electronically, is May 31, 2016 (extended from February 29, 2016). If filing electronically, the deadline to file those forms with the IRS is June 30, 2016 (extended from March 31, 2016).

The notice states that the IRS is able to accept the forms beginning in January 2016, even though the deadlines have been extended. The IRS will not grant automatic or permissive extensions of time for filing these returns beyond the extended deadlines granted by the notice.

Employers that do not comply with these new deadlines will be subject to penalties but are encouraged to file as soon as possible after the deadline, as the IRS will take this into account when determining whether to abate penalties for reasonable cause. However, it is much better for employers to comply with the extended deadlines.

According to the Notice, individuals who file their income tax returns before receiving their Form 1095-B or Form 1095-C can rely upon "other information" received from their coverage providers about their coverage for purposes of filing their returns and need not amend their returns once they receive the form.

Background on the Reporting Requirements

The ACA requires every applicable large employer ("ALE") to file Forms 1094-C and 1095-C with the IRS and provide a completed Form 1095-C to full-time employees in accordance with Section 6056 of the Internal Revenue Code. (An employer will be considered an ALE if it had 50 or more full-time employees on business days during the preceding calendar year. There are detailed regulations that address the determination of

ALE status, which are beyond the scope of this article.) These requirements apply to all ALEs regardless of whether they offer self-insured plans or insured plans. However, applicable large employers who sponsor insured health plans should not complete Part III of Form 1095-C, as the insurance provider will provide this information to employees. Applicable large employers with self-insured health plans must complete Form 1095-C in its entirety. Form 1095-C must be filed with the IRS and distributed to each full-time employee regardless of whether the employee participated in an employer sponsored health plan, and the form must be filed with the IRS and distributed to any non-full-time employee who enrolled in the employer's self-insured health plan.

Small employers (non-ALEs) that provide minimum essential health insurance coverage must report coverage information for 2015 to the IRS using Forms 1094-B and 1095-B and must furnish employees with a statement of coverage using Form 1095-B. However, small employers that sponsor an insured health plan by purchasing insurance directly from a health insurer are not responsible for filing these forms or furnishing them to employees, as the insurer is responsible for completing these requirements.

AUTHORS

JoAnn M. Hart

jhart@boardmanclark.com | (608) 286-7162

Andrew N. DeClercq

adeclercq@boardmanclark.com | (608) 283-1734

David P. Weller

dweller@boardmanclark.com | (608) 286-7235

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