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## IRS Grants Automatic Extension for ACA Information Reporting

The Internal Revenue Service has [announced](#) that it has decided to delay the 1094 and 1095 forms filing deadlines for employers, insurers and others health plan coverage providers after it determined that filers need "additional time to adapt and implement systems to gather, analyze and report this information." The delay provides an "automatic" 60-day extension for furnishing Forms 1095-C and 1095-B to employees and an "automatic" 3 month extension for filing these forms with the IRS. The new due date for furnishing the 2015 Form 1095-C to employees is extended from January 31, 2016 to March 31, 2016. And the new due date for employers furnishing the 2015 Form 1094-C to the IRS is extended from February 28, 2016 to May 31, 2016 (if filing electronically the new due date is extended from March 31, 2016 to June 30, 2016).

Employers will welcome this reporting deadline extension as it will provide more time to address the very complicated and onerous filing requirements without the need to make any formal extension request to the IRS. The IRS previously published the final forms and [instructions](#) needed for large employers' mandatory reporting requirements under the Affordable Care Act (ACA). The final instructions clarified various issues relating to how large employers prepare the [Form 1095-C](#) for full-time employees. Notwithstanding the automatic extension, the IRS is still encouraging employers and other coverage providers to furnish statements and file the information returns as soon as they are ready. The new guidance reiterates that employers or other coverage providers that do not comply with the new extended due dates are subject to penalties for failure to timely furnish and file. The guidance states, however, that "employers and other coverage providers that do not meet the extended due dates are still encouraged to furnish and file, and the Service will take such furnishing and filing into consideration when determining whether to abate penalties for reasonable cause." The IRS will take into account whether an employer or other coverage provider made reasonable efforts to prepare for reporting the required information to the IRS and furnishing it to employees and covered individuals, and the extent to which the employer or other coverage provider is taking steps to ensure that it is able to comply with the reporting requirements for 2016.

The new guidance also addresses individuals who might not receive a Form 1095-B or Form 1095-C by the time they file their 2015 tax returns. According to the IRS, most individual taxpayers will generally not be affected by the 1095 automatic filing extension and should file their tax returns as they normally would. The rules do not require that individuals send any 1095 Form to the IRS when filing their individual tax return, but rather they should keep it with their tax records. Nonetheless, some employees (and related individuals) who enrolled in coverage through the Marketplace but did not receive a determination from the Marketplace that the offer of employer-sponsored coverage was not affordable could be affected by the extension if they do not

receive their Forms 1095-C before they file their income tax returns. As a result, for 2015 only, individuals who rely upon other information received from employers about their offers of coverage for purposes of determining eligibility for the premium tax credit when filing their income tax returns need not amend their returns once they receive their Forms 1095-C or any corrected Forms 1095-C.

The IRS is encouraging employers and other filers to take a close look at its webpage titled "[Affordable Care Act Information Center for Applicable Large Employers \(ALEs\)](#)." The webpage can be used to understand the Form 1095-C and 1094-C, to determine applicable large employer or "ALE" status, and as a means to finding additional resources on these complicated filing rules. According to the webpage, two provisions of ACA that apply only to ALEs are now in effect—the employer shared responsibility provision, and the employer information reporting provision for offers of minimum essential coverage. Self-insured ALEs, i.e., employers who sponsor self-insured group health plans, have additional provider information reporting requirements. See "[Questions and Answers on Information Reporting by Health Coverage Providers](#)" for information on the Form 1095-B and 1094-B used primarily by fully insured carriers for reporting information about the entity providing coverage, which individuals are enrolled in coverage, and the months for which they were covered.

Employers are advised to consult with their tax, HRIS/payroll, and legal advisors for assistance with specific issues/complexities regarding form preparation, appropriate eligibility and hours tracking rules, and the actual implementation of the data gathering, tracking, and reporting rules. Should you have questions about this or any aspect of federal health insurance reform, contact your Conner Strong & Buckelew account representative toll free at 1-877-861-3220. For a complete list of Legislative Updates issued by Conner Strong & Buckelew, visit our online [Resource Center](#).



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