

Extension of Due Dates for 2015 ACA Information Reporting

By: **Subrina L. Wood, CPA, Senior Manager/Tax**

The Internal Revenue Service extended the deadline for insurers, self-insuring employers, and certain other providers of minimum essential coverage to furnish information statements **Form 1095-B, Health Coverage and Form 1095-C, Employer-Provided Health Insurance Offer and Coverage** to individuals from February 1, 2016 to March 31, 2016. The IRS also extended the deadline to transmit to the IRS the 2015 **Form 1094-B, Transmittal of Health Coverage Information Return** and **Form 1095-Bs** and **Form 1094-C, Transmittal of Employer-Provided Health Coverage** and **Form 1095-Cs** from February 29, 2016 to May 31, 2016 for non-electronic filers and from March 31, 2016 to June 30, 2016 for electronic filers.

The purpose of the extensions is to provide some employers insurers and other providers of minimum essential coverage additional time to adapt and implement systems and procedures to gather, analyze and report this information. However, the Service is prepared to accept filing of the information returns on **Forms 1094-B, 1095-B, 1094-C, and 1095-C** in January 2016.

Prior to these regulations the IRS provided relief for 2015 filings from penalties for reporting entities that can show that they made good faith efforts to comply with the information reporting requirements of furnishing and filing incorrect or incomplete information, including TINS or dates of birth reported on a statement or return, but not for failure to timely furnish to file a statement or return unless it was due to "significant mitigating factors or events beyond the reporting entities control".

Automatic and permissive extensions of time for filing information returns and permissive extensions of time for furnishing statements will not apply to the extended due dates. And, because these extended dates apply to all filers automatically and are more generous than the regular extensions of time to file or furnish 2015 returns and statements, the IRS will not formally grant any extension requests already filed for 2015 statements and returns.

Employers or other coverage providers that do not comply with these extended due date are subject to penalties under sections 6722 and 6721 for failure to timely furnish and file, which are \$250 per statement (not to exceed \$3,000,000). The IRS may take into consideration factors showing reasonable cause even for filings received after these dates.

What does this mean for most employees? According to the IRS in Notice 2016-4...not much, but in practice that may not be true. While neither the 2015 **Form 1095-B, Health Coverage** nor **Form 1095-C, Employer-Provided Health Insurance Offer and Coverage** is required as an attachment to the Form 1040 or 1040-EZ, tax preparers may be reluctant to file the Form 1040 without the Form 1095-B or 1095-C that shows the taxpayer is not subject to the "shared responsibility penalty". Taxpayers claiming a premium tax credit, and did not receive a determination upon enrollment from the Marketplace that the offer of employer-sponsored coverage was not affordable, need the information provided on **Form 1095-C** to prove they are eligible to claim the credit. The IRS will provide relief to individuals in this situation by not requiring an amended return once they receive their **Forms 1095-C** or any corrected forms.

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