

2015 Affordable Care Act Information Return Filing Deadlines Significantly Extended (01/04/2016)

Payroll Guide Newsletter (RIA)

Payroll Guide Newsletter, 01/04/2016

2015 Affordable Care Act Information Return Filing Deadlines Significantly Extended

The IRS has announced that it is extending the due dates for filing 2015 Affordable Care Act (ACA) information returns. This includes the deadline for furnishing the forms to the recipients and the deadline for filing the forms with the IRS [[Notice 2016-4](#), [2016-3 IRB](#)].

Background. **Code Sec. 6055** requires health insurance issuers, certain employers, and others that provide "minimum essential coverage" to individuals to file information returns containing the type and period of coverage, and to furnish related information statements to covered individuals, *beginning with calendar year 2015*. Entities who are only subject to the **Code Sec. 6055** information reporting requirements file Forms 1094-B, *Transmittal of Health Coverage Information Returns*, and 1095-B, *Health Coverage*.

Code Sec. 6056 requires applicable large employers (generally, employers with at least 50 full-time employees (including full-time equivalent employees in the previous year) to report to the IRS information about the health care coverage, if any, they offered to full-time employees (i.e., an employee who is employed on average for at least 30 hours of service per week), in order to administer the employer shared responsibility provisions in **Code Sec. 4980H**, and to assist in determining eligibility for the premium tax credit. The reporting is done on Form 1094-C, *Transmittal of Employer Provided Health Insurance Offer and Coverage Information Returns*, and Form 1095-C, *Employer Provided Health Insurance Offer and Coverage*.

Original deadlines. The deadlines for filing 2015 ACA information returns were originally the same as for filing W-2 and 1099 forms. That is, they were required be filed with the IRS no later than Feb. 29, 2016 (March 31, 2016, if filed electronically). Employers could apply for a 30-day extension of the filing deadline by filing Form 8809, *Application for Extension of Time To File Information Returns*.

In addition, employers were originally required to provide 2015 ACA statements to employees no later than Feb. 1, 2016 (Jan. 31, 2016, being a Sunday).

New deadlines. The new IRS notice extends the due date (1) for furnishing to individuals 2015 Forms 1095-B and 1095-C *from Feb. 1, 2016, to March 31, 2016*, and (2) for filing with the IRS 2015 Forms 1094-B, 1095-B, 1094-C, and Form 1095-C *from Feb. 29, 2016, to May 31, 2016, if not filing*

electronically, and from March 31, 2016, to June 30, 2016, if filing electronically.

The IRS is prepared to accept filings of the information returns on Forms 1094-B, 1095-B, 1094-C, and 1095-C beginning in January 2016; however, following consultation with stakeholders, the Department of the Treasury and the IRS have determined that some employers, insurers, and other providers of minimum essential coverage need additional time to adapt and implement systems and procedures to gather, analyze, and report this information.

No further extensions. In view of these extensions, the provisions regarding 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.

Penalties. Employers or other coverage providers that do not comply with the new deadlines will be subject to penalties under [Code Sec. 6722](#) or [Code Sec. 6721](#) for failure to timely furnish and file. However, employers and other coverage providers that do not meet the extended due dates are still encouraged to furnish and file, and the IRS will take such furnishing and filing into consideration when determining whether to abate the penalties for reasonable cause. The IRS will also 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, such as gathering and transmitting the necessary data to an agent to prepare the data for submission to the IRS, or testing its ability to transmit information to the IRS. In addition, the Service will take into account 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.

Individual tax returns. The new notice also provides guidance to individuals who might not receive a Form 1095-B or Form 1095-C by the time they file their 2015 personal income tax returns.