IRS Grants Short-Term Reprieve from ACA Reporting Deadlines

The Internal Revenue Service (IRS) today gave employers and health insurers from coast to coast a most welcome holiday gift: A delay in the deadlines for employer and insurer reporting under the Affordable Care Act (ACA).

*Lockton comment:* The delay is short-term, not a year’s delay. Thus, it’s not like we asked Santa for a pony and then got one...it’s like we asked for a pony and got a really neat cat. We were surprised by and love the cat...but part of us still pines for the pony.

The new deadlines are:

- March 31 (extended from Feb. 1) for providing copies of Forms 1095-C and -B to employees and other primary insureds
- May 31 (extended from Feb. 29) for filing paper Forms 1095-C and -B with the IRS under cover of Form 1094-C or -B, as appropriate
- June 30 (extended from March 31) for e-filing Forms 1095-C and -B with the IRS under cover of Form 1094-C or -B, as appropriate

Here’s a chart to help you keep the employer filings part of this straight:
### ACA Employer Reporting Requirement

<table>
<thead>
<tr>
<th><strong>Forms 1095-C to Employees, etc.</strong></th>
<th><strong>Original Deadline</strong></th>
<th><strong>New Deadline</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Distribution of Forms 1095-C to full-time employees, and to any other employees or other primary insureds (retirees, partners, COBRA beneficiaries) with coverage under the employer’s self-insured plan</td>
<td><strong>Feb. 1, 2016</strong> (30-day extension available, at the IRS’s discretion)</td>
<td><strong>March 31, 2016</strong> (no extension available)</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Forms 1094-C and 1095-C to IRS</strong></th>
<th><strong>Original Deadline</strong></th>
<th><strong>New Deadline</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Paper filing of Forms 1094-C and 1095-C</td>
<td><strong>Feb. 29, 2016</strong> (automatic 30-day extension available via Form 8809)</td>
<td><strong>May 31, 2016</strong> (no extension available)</td>
</tr>
<tr>
<td>Electronic filing of Forms 1094-C and 1095-C</td>
<td><strong>March 31, 2016</strong> (automatic 30-day extension available via Form 8809)</td>
<td><strong>June 30, 2016</strong> (no extension available)</td>
</tr>
</tbody>
</table>

As noted in the chart, the extended deadlines come with a catch...no extensions are possible (but maybe the IRS will change its mind later). Employers that have extension requests pending (i.e., requests for an extension of the Feb. 1 deadline for providing Forms 1095-C to employees) will not have those requests granted.

The IRS says it’s still prepared to receive ACA-related filings by the original due dates, and encourages employers to prepare, file and distribute the forms as early as they can.

### Does the Reporting Delay Affect Employees and Their Tax Returns?

Generally, no. The IRS has already said that taxpayers are not required to attach Forms 1095-B or -C to their federal tax forms in order to prove compliance with the ACA’s individual mandate. But it’s possible that some individuals might mistakenly report their months of coverage on their 2015 federal tax filings, because they did not have a Form 1095-B or -C to cross-check against their own records.

The IRS says that for 2015 tax filings only, individuals who rely upon other information they may have received from their insurers (or employers offering self-insured coverage) about their months of coverage in 2015 need not amend their tax returns (if an amendment would otherwise be required) once they receive the Form 1095-B or Form 1095-C or any corrections to those forms. Individuals should keep this information with their tax records, however.
In addition, some individuals may have turned down employer-based coverage they believed to be unaffordable, and instead obtained subsidized coverage from a public health insurance exchange, or “marketplace,” without the marketplace making an affordability determination. Employer reporting would help these individuals, as they prepare their 2015 tax filings, to determine whether they were actually entitled to the subsidies they received.

Because of the delay in employer reporting, the IRS says that for 2015 filings only, it will give relief to individuals who — in turning down offers of employer-based coverage they believed to be unaffordable, and seeking subsidies from a public health insurance exchange — relied on coverage and cost information earlier provided by the employer. These individuals need not amend their tax returns (assuming an amended return would otherwise be necessary) once they receive their Form 1095-C or any corrected Form 1095-C.

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*Director, Compliance Services*

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