

## **IRS Extends Deadline for Employer ACA Reporting**

**Issue Date: December 2015**

The IRS has issued Notice 2016-4 extending the due date for employers to complete their 2015 ACA Form 1095 and 1094 reporting. The deadline for employers to provide a Form 1095 (C or B) to applicable employees and other covered individuals has been extended from February 1, 2016 to March 31, 2016. The deadline to provide the IRS with an employer Form 1094 (C or B) transmittal form and individual Form 1095s has been extended from February 29, 2016 to May 31, 2016 if the employer is not filing electronically, and from March 31, 2016 to June 30, 2016 if filing electronically.

### **Background**

All applicable large employers — those with 50 or more full-time equivalents (FTEs) — are required to report whether minimum value, affordable coverage was offered to any employees who were full-time for at least one month during the year. And all employers sponsoring a self-funded medical plan are required to report on all individuals covered under the plan, even those that are not full-time employees. The employer will report by using Forms 1094 and 1095 (B or C). Employers filing 250 or more Form 1095s are required to file electronically.

### **Extension of the Deadline**

The extension recognizes the fact that many employers and vendors are not prepared to meet the reporting requirements by the original deadline. However, the Notice makes it clear that no further extensions will be granted on an employer-by-employer basis, and penalties will likely apply for employers who fail to file by the new deadline.

### **Effect on Individual Taxpayers**

The Notice also points out that individuals do not need to provide the IRS with a copy of Form 1095 when filing their tax returns, but some individuals may need the information on Form 1095 for purposes of determining their eligibility for a tax credit or whether or not they had coverage as required to avoid individual mandate penalties. For 2015 reporting, individuals who do not receive a Form 1095 prior to filing their tax returns may rely on other sources of information for these purposes and will not be required to file an amended return if they subsequently receive a Form 1095 containing different information.

### **Summary**

The extra two months to provide statements to employees and the extra three months to file returns with the IRS is welcome news. However, many employers may still struggle to meet the newly extended deadlines, so it is important to keep moving ahead with reporting preparation as the IRS has made it clear that penalties (of up to \$250 per form) will apply to those who file late.

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