

e-Alert: Upcoming ACA Reporting Deadlines



Background

Affordable Care Act (ACA) reporting under Section 6055 and Section 6056 for the 2019 calendar year is due in early 2020.

On December 2, 2019, the Internal Revenue Service (IRS) issued [Notice 2019-63](#) to extend the furnishing deadline by 31 days. The original deadline was on January 31, 2020, With this extension the new due date is **February 28, 2020**.

Action Steps

The IRS is encouraging reporting entities to furnish statements as soon as they are able, despite the delay. No request or other documentation is required to take advantage of the extended deadline. The deadlines are:

- File returns with the IRS by February 28, 2020 (or March 31, 2020, if filing electronically); and

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- Furnish statements to individuals by March 2, 2020.

Section 6055 and 6056 Reporting

Section 6055 and 6056 were added to the Internal Revenue Code (Code) by the ACA.

- ✓ Section 6055 applies to providers of minimum essential coverage (MEC), for example health insurance issuers and employers with self-insured health plans. These individuals generally use Forms 1094-B and 1095-B to report information about the coverage they provided during the previous year.
- ✓ Section 6056 applies to applicable large employers (ALEs)—such as employers with 50 or more full-time employees, including full-time equivalents, in the previous year. ALEs use Forms 1094-C and 1095-C to provide information relating to the health coverage that they offer (or do not offer) to their full-time employees.

The IRS extended the furnishing deadline for 2019 to March 2, 2020. However, the 2019 filing deadlines are unchanged.

Beginning in 2019, the ACA's individual mandate penalty has been reduced to zero. As a result the IRS has been gathering data on whether and how the Section 6055 reporting requirements should be different, if at all, for future years. **Even though this has been up for debate, Section 6055 reporting continues to be a requirement, although transition relief from penalties is available in certain situations.**

Typically, the IRS requires that these forms be filled out no later than February 28 (March 31, if filed electronically) of the year following the calendar year to which the return relates. In addition, those who are health insurance issuers and employers with self-insured health plans, must also provide statements annually to each individual who is provided MEC (under Section 6055), and each of the ALE's full-time employees (under Section 6056). These individual statements are typically due on or before January 31 of the year immediately following the calendar year to which the statements relate.

Extended Furnishing Deadline

After further review the IRS has again determined that certain employers, insurers and other providers of MEC need additional time to gather and analyze the information, and prepare 2019 Forms 1095-B and 1095-C to be furnished to individuals. Notice 2019-63 provides an additional 31 days for furnishing the 2019 Form 1095-B and Form 1095-C, extending the due date from January 31, 2020, to March 2, 2020.

Despite the delay, employers and other coverage providers are encouraged to furnish 2019 statements to individuals as soon as possible.

Filers are not required to submit any request or other documentation to the IRS to take advantage of the extended furnishing due date provided by Notice 2019-63. Due to this extended furnishing deadline applying automatically to all reporting individuals, the IRS will not allow additional extensions of time of up to 30 days to furnish Forms 1095-B and 1095-C. Subsequently, the IRS will not formally respond to any requests that have already been submitted for 30-day extensions of time to furnish statements in 2019.

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Impact on the Filing Deadline

The IRS has determined that there is no need to give additional time for employers, insurers and other providers of MEC to file 2019 forms with the IRS. Therefore, Notice 2019-63 does not extend the due date

for filing Forms 1094-B, 1095-B, 1094-C or 1095-C with the IRS for 2019. Due dates remain:

- ✓ February 28, 2020, if filing on paper; or
- ✓ March 31, 2020, if filing electronically.

Since these due dates are unchanged, potential automatic extensions of time for filing information returns are still available under the normal rules by submitting a Form 8809. The notice also does not have an affect on the rules regarding additional extensions of time to file under certain situations.

Penalty Relief Regarding the Furnishing Requirements under Section 6055 for 2019

In 2019 the individual mandate penalty was reduced to zero and because of this, an individual does not need the information on Form 1095-B in order to calculate his or her federal tax liability or file a federal income tax return. However, those entities who are required to furnish Form 1095-B to individuals must continue to expend resources to do so.

As a result, Notice 2019-63 provides relief from the penalty for failing to furnish a statement to the individuals as required under Section 6055 in 2019 under certain situations. However, there are two exceptions the IRS will not penalize individuals under section 6722 against reporting entities for failing to furnish a Form 1095-B to responsible individuals:

- ✓ The reporting individual has properly displayed on their website stating certain individuals receive a copy of their 2019 Form 1095-B upon request, followed by an email address and a physical address to which a request may be sent, as well as a telephone number that responsible individuals can use to get in touch with the reporting entity with any further questions; or
- ✓ The reporting individual furnishes a 2019 Form 1095-B to any responsible individual upon request within 30 days of the date the request is received.

ALEs that provide self-insured health plans are typically required to use Form 1095-C, Part III, to meet the Section 6055 reporting requirements, instead of Form 1095-B. "This 2019 Section 6055 furnishing penalty relief does not extend to the requirement to furnish Forms 1095-C to full-time employees." Due to this enforcement, full-time employees enrolled in self-insured health plans, the consequences will continue to be determined by prior enforcement policies for any failure by ALEs to furnish Form 1095-C, including Part III, according to the applicable instructions. "However, the 2019 Section 6055 furnishing penalty relief does extend to the requirement to furnish the Form 1095-C to any non-full-time employees enrolled in an ALE's self-insured health plan, subject to the requirements of the 2019 Section 6055 furnishing penalty relief."



The furnishing penalty in the 2019 Section 6055 also does not affect the requirement or deadline to file the 2019 Forms 1094-B, 1095-B, 1094-C or 1095-C, as it applies, with the IRS.

Employer Next Steps

- Employers must file returns with the IRS by February 28, 2020 (or March 31, 2020 is filing electronically);
- Employers must file furnishing statements to individuals by March 2, 2020.
- HR Knowledge recognizes the complexity of this information and we will be happy to guide our clients through. Please contact our [Benefits Team](#) if you have any questions.

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