



ACA COMPLIANCE BULLETIN

HIGHLIGHTS

- The deadline for filing returns with the IRS for 2019 is Feb. 28, 2020, if filing on paper, or March 31, 2020, if filing electronically.
- The deadline for furnishing individual statements for 2019 was extended to March 2, 2020.
- The IRS is encouraging reporting entities to furnish statements as soon as they are able.

IMPORTANT DATES

March 2, 2020

Deadline for furnishing 2019 Forms 1095-B and 1095-C to individuals

February 28, 2020

Deadline for 2019 filing with the IRS in paper form

March 31, 2020

Deadline for 2019 filing with the IRS electronically

UPCOMING ACA REPORTING DEADLINES

OVERVIEW

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

- ✓ File returns with the IRS by **Feb. 28, 2020** (or **March 31, 2020**, if filing electronically); and
- ✓ Furnish statements to individuals by **March 2, 2020**.

Originally, individual statements were due by Jan. 31, 2020. However, on Dec. 2, 2019, the Internal Revenue Service (IRS) issued [Notice 2019-63](#) to extend the furnishing deadline by 31 days. Notice 2019-63 does not extend the due date for filing forms with the IRS for 2019. Notice 2019-63 also provides additional penalty relief related to furnishing 2019 forms to individuals under Section 6055.

ACTION STEPS

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

Provided By:
Gilroy, Kernan & Gilroy

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ACA COMPLIANCE BULLETIN

Section 6055 and 6056 Reporting

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

- ✓ Section 6055 applies to providers of minimum essential coverage (MEC), such as health insurance issuers and employers with self-insured health plans. These entities 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)—generally, those 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 report information relating to the health coverage that they offer (or do not offer) to their full-time employees.

The ACA's individual mandate penalty has been reduced to zero, beginning in 2019. As a result, the IRS has been studying whether and how the Section 6055 reporting requirements should change, if at all, for future years. **Despite this, Section 6055 reporting continues to be required, although transition relief from penalties is available in some situations, as described below.**

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

Generally, forms must be filed with the IRS annually, no later than **February 28 (March 31, if filed electronically)** of the year following the calendar year to which the return relates. In addition, reporting entities must also furnish statements annually to each individual who is provided MEC (under Section 6055), and each of the ALE's full-time employees (under Section 6056). Individual statements are generally due on or before **January 31** of the year immediately following the calendar year to which the statements relate.

Extended Furnishing Deadline

The IRS has again determined that some 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 Jan. 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 they are able.

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. Because this extended furnishing deadline applies automatically to all reporting entities, the IRS will not grant additional extensions of time of up to 30 days to furnish Forms 1095-B and 1095-C. As a result, the IRS will not formally respond to any requests that have already been submitted for 30-day extensions of time to furnish statements for 2019.

ACA COMPLIANCE BULLETIN

Impact on the Filing Deadline

The IRS has determined that there is no need for 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. This due date remains:

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

Because the 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 affect the rules regarding additional extensions of time to file under certain hardship conditions.

Penalty Relief Regarding the Furnishing Requirement under Section 6055 for 2019

Because the individual mandate penalty has been reduced to zero in 2019, 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, reporting entities 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 individuals as required under Section 6055 in 2019 in certain cases. Specifically, the IRS will not assess a penalty under Section 6722 against reporting entities for failing to furnish a Form 1095-B to responsible individuals in cases where the following two conditions are met:

- ✓ The reporting entity **prominently posts a notice on its website** stating that responsible individuals may receive a copy of their 2019 Form 1095-B upon request, accompanied 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 contact the reporting entity with any questions; and
- ✓ The reporting entity furnishes a 2019 Form 1095-B to any responsible individual upon request within 30 days of the date the request is received.

ALEs that offer self-insured health plans are generally 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.** As a result, for full-time employees enrolled in self-insured health plans, penalties will continue to be assessed consistent with 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 2019 Section 6055 furnishing penalty relief also does not affect the requirement or the deadline to file the 2019 Forms 1094-B, 1095-B, 1094-C or 1095-C, as applicable, with the IRS.