

COMPLIANCE ALERT

EXTENSION OF DEADLINES FOR ACA REPORTING BY EMPLOYERS

The IRS has extended the deadline for ACA reporting for tax year 2020, via **IRS Notice 2020-76**. The deadline to distribute **Forms 1095-C** (*Employer-Provided Health Insurance Offer and Coverage*) or **1095-B** (*Health Coverage*) to employees has been extended from January 31, 2021 to March 2, 2021.

The deadline for the requirements to file with the IRS has not been extended. The following forms require filing*:

- ▶ Form 1094-B (*Transmittal of Health Coverage Information Returns*)
- ▶ Form 1095-B (*Health Coverage*)
- ▶ Form 1094-C (*Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns*)
- ▶ Form 1095-C (*Employer- Provided Health Insurance Offer and Coverage*)

*View the table provided below for details on form submission requirements.

If filing paper copies (employers with less than 250 forms), forms must be filed by Monday, March 1, 2021, while those filing electronically (employers with more than 250 forms) must file by March 31, 2020. Electronic submission is required when an employer files 250 or more forms, though anyone may file electronically.

The IRS states in **Notice 2020-76** that unless comments are received by February 1, 2021, explaining why extensions continue to be necessary, it does not plan on extending the deadline in the future.

In addition, IRS Notice 2020-76 stipulates penalty relief for failure to provide individuals with required notices. The relief involves Forms 1095-B and 1095-C. Relief will be provided for 1) not providing Form 1095-B to individuals enrolled in a fully insured plan, as these are typically provided by the carrier and 2) not providing Form 1095-C for individuals enrolled in a self-insured plan that were not a full-time employee under ACA rules for any month in 2020. Relief is given if the following two conditions are met:

- ▶ A notice must be posted on the employer's website letting individuals know they can receive a copy of their 2020 Form 1095-B or 1095-C if requested. This notice should include an email address, physical address and telephone number of either the reporting entity, or employer to contact, with questions or form requests.
- ▶ The reporting entity or employer must provide the form if requested within 30 days of receiving the request.

IRS Notice 2020-76 provides penalty relief for incomplete or incorrect information on returns, or good-faith relief. This is

the last year the IRS is intending to provide such relief.

Penalties for not furnishing forms to employees can result in a fine of up to \$280 per form. The fine doubles to \$560 per form if not filed with the IRS.

The following chart outlines which forms must be filed and completed:

EMPLOYER AND PLAN TYPE	WHO REPORTS	IRS TRANSMITTAL	IRS RETURN	EMPLOYEE STATEMENT
ALE with fully-insured group health plan	Health insurance issuer or carrier	1094-B	1095-B	1095-B
	Employer	1094-C	1095-C	1095-C (or alternative)
ALE with self-insured group plan covering employees only	Employer	1094-C	1095-C	1095-C (or alternative)
ALE with self-insured group health plans covering employees and non employees (e.g. directors, retirees, or COBRA qualified beneficiaries)	Employer	1094-C	1095-C	1095-C (or alternative)
	Employer	1094-B	1095-B	1095-B
Multiemployer plan	Plan Sponsor	1094-B	1095-B	1095-B
Small employer fully-insured health group plan	Health insurance issuer or carrier	1094-B	1095-B	1095-B
Small employer self-insured health group plan	Employer	1094-B	1095-B	1095-B