

ACA COMPLIANCE BULLETIN

HIGHLIGHTS

- The deadlines for Section 6055 and 6056 reporting have been delayed.
- The delay applies to providers of minimum essential coverage (Section 6055) and applicable large employers (Section 6056).
- See [IRS Notice 2016-4](#) for more information.

IMPORTANT DATES

March 31, 2016

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

May 31, 2016

Deadline for filing Forms 1094-B, 1095-B, 1094-C and 1095-C with the IRS

June 30, 2016

Deadline for electronically filing Forms 1094-B, 1095-B, 1094-C and 1095-C

ACA REPORTING DEADLINES DELAYED

OVERVIEW

On Dec. 28, 2015, the Internal Revenue Service (IRS) issued [Notice 2016-4](#) to delay the due dates for filing and furnishing forms under Section 6055 and 6056.

- The due date for furnishing forms to individuals has been extended from Feb. 1, 2016, to **March 31, 2016**.
- The due date for filing forms with the IRS has been extended from Feb. 29, 2016, to **May 31, 2016** (or, from March 31, 2016, to **June 30, 2016**, if filing electronically).

ACTION STEPS

The IRS is encouraging employers and other coverage providers to furnish statements and file information returns as soon as they are ready.

The new deadlines are more generous than prior extensions and apply automatically to all reporting entities. No request or additional documentation is required. Entities that had previously requested extensions will not be receiving formal approval of those requests.

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Section 6055 and 6056 Reporting

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

Section 6055 applies to providers of minimum essential coverage, such as health insurance issuers and employers with self-insured health plans. These entities will generally use Forms 1094-B and 1095-B to report information about 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 will 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.

Notice 2016-4 Transition Relief

The IRS is prepared to accept filings of the required forms beginning in January 2016. However, the IRS has determined that some employers, insurers and other providers of minimum essential coverage need additional time to adapt and to implement systems and procedures to gather, analyze and report this information.

Therefore, Notice 2016-4 extends the due dates for Section 6055 and 6056 reporting. Specifically, the notice extends the due dates for:

- ✓ Furnishing the 2015 Forms 1095-B and 1095-C to individuals, from Feb. 1, 2016, to **March 31, 2016**; and
- ✓ Filing the 2015 Forms 1094-B, 1095-B, 1094-C and 1095-C with the IRS, from Feb. 29, 2016, to **May 31, 2016**, if not filing electronically, and from March 31, 2016, to **June 30, 2016**, if filing electronically.

Despite the delay, employers and other coverage providers are encouraged to furnish statements and file information returns as soon as they are ready.

Extended Due Dates are Automatic

Filers are not required to submit any request or other documentation to the IRS to take advantage of the extended due dates provided by Notice 2016-4.

Because these extensions apply automatically to all filers and are more generous than extensions for 2015 returns and statements that have already been requested by some filers, those requests will not be formally granted.

The previous provisions regarding extensions of time for filing information returns and furnishing statements will not apply to the extended due dates.

These extensions for the Sections 6055 and 6056 information reporting provisions for calendar year 2015 have no effect on the information reporting provisions for other years or on the effective date or application of other ACA provisions.

Filers are not required to submit any request or other documentation to the IRS to take advantage of the extended due dates provided by Notice 2016-4.

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Penalties for Reporting Failures

The IRS had previously stated that it will not impose penalties on reporting entities that can show that they have made good faith efforts to comply with the information reporting requirements. This relief applies only to furnishing and filing incorrect or incomplete information, not to a failure to timely furnish or file a statement or return. However, the penalties may be waived if a failure to timely furnish or file a statement or return is due to reasonable cause.

For example, penalties would not be imposed if the reporting entity can demonstrate that it acted in a responsible manner and the failure was due to significant mitigating factors or events beyond the reporting entity's control.

Notice 2016-4 provides additional information on relief from penalties:

- ✓ Reporting entities that do not comply with the extended due dates are subject to penalties under Code Section 6721 or 6722. However, entities that do not meet the extended due dates are still encouraged to furnish and file, and the IRS will take this furnishing and filing into consideration when determining whether to decrease penalties for reasonable cause.
- ✓ The IRS will also take into account whether a reporting entity made reasonable efforts to prepare for reporting, such as gathering and transmitting the necessary data to an agent to prepare the data for submission to the IRS or testing its ability to transmit information to the IRS.
- ✓ The IRS will take into account the extent to which the employer or other coverage provider is taking steps to ensure that it is able to comply with the reporting requirements for 2016.

Impact on Individuals

Some individuals may be affected by the due date extension for employers to furnish information under Section 6056 on Form 1095-C. The information reported on Form 1095-C will help employees in determining eligibility for premium tax credits for Exchange coverage. Some individuals who enrolled in Exchange coverage could be affected by the extension if they do not receive their Forms 1095-C before they file their income tax returns.

As a result, for 2015 only, individuals who rely upon other information received from employers about their offers of coverage for purposes of determining eligibility for the premium tax credit when filing their income tax returns need not amend their returns once they receive their Forms 1095-C. Individuals need not send this information to the IRS when filing their returns, but should keep it with their tax records.

Similarly, some individual taxpayers may be affected by the extension of the due date for providers of minimum essential coverage to furnish information under Section 6055 on either Form 1095-B or Form 1095-C. Individuals generally use this information to confirm that they had minimum essential coverage for purposes of the individual shared responsibility requirements (also known as the individual mandate). As a result of the extension, individuals may not have received this information before they file their income tax returns.

For 2015 only, individuals who rely upon other information received from their coverage providers about their coverage for purposes of filing their returns need not amend their returns once they receive the Form 1095-B or Form 1095-C. Individuals should keep this information with their tax records as well.

Source: Internal Revenue Service