

2015 Affordable Care Act Information Return Filing Deadlines Significantly Extended

On Monday, December 28, 2015, the IRS issued Notice 2016-4 that announced the extension of due dates for filing 2015 Affordable Care Act (ACA) information returns. This includes the deadline for furnishing the forms to the recipients and the deadline for filing the forms with the IRS.

As a valued Sage customer, we wanted you to be aware of this extension and what it means for your ACA reporting requirements.

Background. Code Sec. 6055 requires health insurance issuers, certain employers, and others that provide “minimum essential coverage” to individuals to file information returns containing the type and period of coverage, and to furnish related information statements to covered individuals, beginning with calendar year 2015. Entities who are only subject to the Code Sec. 6055 information reporting requirements file Forms 1094-B, Transmittal of Health Coverage Information Returns, and 1095-B, Health Coverage.

Code Sec. 6056 requires applicable large employers (generally, employers with at least 50 full-time employees (including full-time equivalent employees in the previous year) to report to the IRS information about the healthcare coverage, if any, they offered to full-time employees (i.e., an employee who is employed on average for at least 30 hours of service per week), in order to administer the employer shared responsibility provisions in Code Sec. 4980H, and to assist in determining eligibility for the premium tax credit.

Original deadlines. The deadlines for filing 2015 ACA information returns were required be filed with the IRS no later than Feb. 29, 2016 (March 31, 2016, if filed electronically). Employers could apply for a 30-day extension of the filing deadline by filing Form 8809, Application for Extension of Time To File Information Returns.

In addition, employers were originally required to provide 2015 ACA statements to employees no later than Feb. 1, 2016 (Jan. 31, 2016, being a Sunday).

New deadlines. The new IRS notice extends the due date (1) for furnishing to individuals 2015 Forms 1095-B and 1095-C from Feb. 1, 2016, to March 31, 2016, and (2) for filing with the IRS 2015 Forms 1094-B, 1095-B, 1094-C, and Form 1095-C from Feb. 29, 2016, to May 31, 2016, if not filing electronically, and from March 31, 2016, to June 30, 2016, if filing electronically. This extension applies to 2015 filings only.

Previous IRS Due Date	New IRS Due Date
Forms 1095-C were due to individuals by February 1, 2016	March 31, 2016
Forms 1094-C and 1095-C were required to be filed with the IRS <i>if filing on paper</i> by February 29, 2016	May 31, 2016
Forms 1094-C and 1095-C were required to be filed with the IRS <i>if filing electronically</i> by March 31, 2016	June 30, 2016

The IRS is prepared to accept filings of the information returns on Forms 1094-B, 1095-B, 1094-C, and 1095-C beginning in January 2016; however, following consultation with stakeholders, the Department of the Treasury and the IRS have determined that some employers, insurers, and other providers of minimum essential coverage need additional time to adapt and implement systems and procedures to gather, analyze, and report this information.

Penalties. Employers or other coverage providers that do not comply with the new deadlines will be subject to penalties under Code Sec. 6722 or Code Sec. 6721 for failure to timely furnish and file. However, employers and other coverage providers that do not meet the extended due dates are still encouraged to furnish and file, and the IRS will take such furnishing and filing into consideration when determining whether to abate the penalties for reasonable cause. The IRS will also take into account whether an employer or other coverage provider made reasonable efforts to prepare for reporting the required information to the IRS and furnishing it to employees and covered individuals, 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. In addition, the Service 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.

Individual tax returns. The new notice also provides guidance to individuals who might not receive a Form 1095-B or Form 1095-C by the time they file their 2015 personal income tax returns.

This notification is designed to provide a summary of the IRS notice. You will find to complete official notice from the IRS with more detail around additional elements of ACA reporting and filings included [here](#). We encourage you to please read the full notice.

Learn more about this extension and other information related to the Affordable Care Act by exploring www.SageCanHelp.com.