

Legislative Brief

IRS Extends ACA Reporting Deadline for Furnishing Statements

October 2020

IRS Extends ACA Reporting Deadline for Furnishing Statements from February 1 to March 2, 2021

SUMMARY:

- ◆ Pursuant to Notice 2020-76, the IRS has extended the 2021 deadline for employers and insurers to furnish individual statements on 2020 health coverage and full-time employee status (Forms 1095-B and 1095-C) from February 1 (generally due January 31, but this year it is a Sunday) to March 2, 2021.
- ◆ The notice also extends the good-faith penalty relief to 2020 for incorrect or incomplete reports due in 2021.

Filing Due Dates

The due dates for filing Forms 1094 and 1095 with the IRS remain the same:

- March 1, 2021 (if filing by paper); or
- March 31, 2021 (if filing electronically).

Filers are still able to take advantage of an automatic 30-day extension of the IRS filing deadline by submitting Form 8809 before the applicable due date.

Furnishing Relief

Penalties will not be assessed for failure to provide Form 1095-B as long as the reporting entity prominently posts a notice on its website stating that individuals may request a copy of their 2020 Form 1095-B. The notice must include:

- An email address for requesting;
- A physical address for requesting; and
- A telephone number for reporting entities to contact with questions.

The request to furnish a 2020 Form 1095-B must be fulfilled within 30 days of being received.

The above relief does not apply to Applicable Large Employer (ALE) members who sponsor self-insured health plans and must supply copies of Form 1095-C. Penalties will continue to be assessed consistent with prior enforcement policies for any failure by ALE members to furnish Form 1095-C, including Part III, according to the applicable instructions.

However, the above furnishing relief **does** extend to penalty assessments from the requirement to furnish Form 1095-C if the employee enrolled in an ALE member's self-insured health plan is not a full-time employee for any month during 2020.

Good-Faith Relief

The IRS has also extended good-faith relief from penalties to 2020. That said, the IRS clearly indicated this is the last year the relief will be provided.

As in prior years, good-faith relief from penalties applies to missing or inaccurate:

- Taxpayer identification numbers;
- Dates of birth; and
- Other information required on the return or statement.

The relief is not available to reporting entities that fail to file an information return or furnish a statement by the extended due dates, except as otherwise provided in the notice.

For a copy of Notice 2020-76, please click on the link below:

<https://www.irs.gov/pub/irs-drop/n-20-76.pdf>

The law under the Internal Revenue Code has many complex requirements for employers and health plans. Please contact Kapnick Insurance Group with any questions about how you can prepare for any of these health plan related requirements. This Kapnick Insurance Group Update is not intended to be exhaustive nor should any discussion or opinions be construed as legal or tax advice. The information contained in this communication is intended to provide general information regarding HSAs and related topics, and is based on general information available at the time it was prepared. Readers should contact their tax and/or legal counsel for advice that is appropriate to their specific circumstances.