December 30, 2015

IRS Extends ACA Information Reporting Due Dates for 2015 Calendar Year

On December 28, the Internal Revenue Service (IRS) released Notice 2016-4, which extends the due dates for the 2015 Affordable Care Act (ACA) information reporting requirements (both furnishing to individuals and filing with the IRS) for insurers, self-insuring employers, and certain other providers of minimum essential coverage under Section 6055 of the Internal Revenue Code of 1986, as amended (Code), and the information reporting requirements for Applicable Large Employers under Section 6056 of the Code.

The transition relief provided in Notice 2016-4 with regard to the extensions is as follows:

- The due date for furnishing the 2015 Form 1095-B, *Health Coverage*, and the 2015 Form 1095-C, *Employer-Provided Health Insurance Offer and Coverage*, **to individuals and employees** is extended from February 1, 2016, to March 31, 2016.
- The due date for filing **with the IRS** the 2015 Form 1094-B, *Transmittal of Health Coverage Information Returns*, the 2015 Form 1095-B, the 2015 Form 1094-C, *Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns*, and the 2015 Form 1095-C is extended from February 29, 2016, to May 31, 2016, if not filing electronically, and from March 31, 2016, to June 30, 2016, if filing electronically.

In view of the due date extensions listed immediately above, Notice 2016-4 clarifies that the provisions regarding automatic and permissive extensions of time for filing information returns and permissive extensions of time for furnishing statements will **not apply to the extended due dates.**

Employers or other health coverage providers that do not comply with these extended due dates are subject to penalties under Section 6722 or Section 6721 of the Code 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 penalties for reasonable cause.

The IRS will also take into account whether an employer or other health 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 IRS will take into account the extent to which the employer or other health coverage provider is taking steps to ensure that it is able to comply with the reporting requirements for 2016.

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