

Compliance Alert



2017 ACA Reporting Deadline Extended by 30 Days

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By: Brian Gilmore, Lead Benefits Counsel, VP

Today, the IRS issued [IRS Notice 2018-06](#), extending the deadline for providing the 2017 Forms 1095-B and 1095-C to individuals by 30 days. This Notice mirrors [the same 30-day extension provided last year](#) for the 2016 ACA reporting.

As a reminder, applicable large employers (ALEs) provide the Form 1095-C to individuals. If the plan is fully insured, the insurance carrier also provides the Form 1095-B to covered individuals (in addition to the Form 1095-C provided by the ALE). If the plan is self-insured, all of the ACA reporting information is included in the Form 1095-C (*i.e.*, such individuals will not receive a Form 1095-B). Non-ALEs sponsoring a self-insured plan must provide covered individuals with the Form 1095-B (not the Form 1095-C).

In language identical to the extension from last year, the IRS states the reason for the extension is because they “have determined that a substantial number of employers, insurers, and other providers of minimum essential coverage need additional time beyond the January 31, 2018, due date to gather and analyze the information and prepare the 2017 Forms 1095-B and 1095-C to be furnished to individuals.”

There was again no extension to the standard deadline to file the Forms 1094-B and 1094-C (and copies of the Forms 1095-B and 1095-C) with the IRS because, as with last year, they found “no similar need.”

The 2017 ACA reporting deadlines are now as follows:

- 2017 Forms 1095-B and 1095-C: Deadline to Furnish to Individuals
Standard Due Date: January 31, 2018
Extended Due Date: March 2, 2018
- 2017 Forms 1094-B and 1094-C (+Copies of Forms 1095-B/1095-C):
Deadline to File with IRS by Paper
Standard Due Date: February 28, 2018
- 2017 Forms 1094-B and 1094-C (+Copies of Forms 1095-B/1095-C)
Deadline to File with IRS Electronically (Required for 250 or More Returns)
Standard Due Date: April 2, 2018 (March 31, 2018 falls on a Saturday)

No Need to Wait for Form to File Individual Tax Return

The information on the Forms 1095-B and 1095-C shows compliance with the ACA’s individual shared responsibility provisions (the individual mandate) by confirming that individuals maintained

minimum essential coverage. The information is also relevant for certain individuals who claimed advance payment of the premium tax credit for coverage on the exchange (Marketplace).

As with last year, the IRS states in the Notice that individuals may file their individual tax return (Form 1040) prior to receiving the Forms 1095-B and/or 1095-C by relying on any other information received from the employer or coverage provider (e.g., insurance carrier).

Note that the Tax Cuts and Jobs Act, signed into law today by President Trump, [effectively repeals the individual mandate as of 2019](#).

Good Faith Standard Also Extended

Also mirroring last year's guidance, the IRS announced that it is extending the good faith enforcement safe harbor from penalties (generally \$260 per return) for incorrect or incomplete information on the ACA reporting forms. This includes missing and inaccurate SSNs and DOBs.

To take advantage of the extended transition relief, employers must make a good faith effort to comply **and** provide and distribute the forms by the deadlines set out above. So as with last year, completing the ACA reporting by the applicable deadlines takes on extra significance.

Future Years

Nothing in the Notice extends the deadlines or good faith standard beyond the 2017 ACA reporting forms. Assuming no legislative efforts are successful to repeal the ACA employer mandate pay or play and ACA reporting rules in the next year, the IRS may no longer provide extensions or the good faith enforcement standard into the next reporting season.

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