



# Compliance Alert

## 2020 ACA Reporting Deadline for 2019 Forms Extended by 30 Days (Again)

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In line with the now well-established annual holiday tradition, yesterday the IRS issued [Notice 2019-63](#) extending by 30 days the 2020 deadline to provide the 2019 Forms 1095-B and 1095-C to individuals. The Notice mirrors [the same 30-day extensions](#) for the past three years of ACA reporting.

The 2020 ACA reporting deadlines for the 2019 Forms are now as follows:

- 2019 Forms 1095-B and 1095-C: Deadline to Furnish to Individuals  
*Standard Due Date: January 31, 2020*  
**Extended Due Date: March 2, 2020**
- 2019 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, 2020*
- 2019 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: March 31, 2020*

In language identical to the extension from the last three years, 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, 2020, due date to gather and analyze the information and prepare the 2019 Forms 1095-B and 1095-C to be furnished to individuals.”

The IRS will not accept any requests for extensions beyond this automatic 30-day extension of the deadline (*i.e.*, beyond March 2, 2020) for furnishing the forms to individuals that applies to all employers.

As with the last three years, there was 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), presumably because the

IRS found no similar need. Extensions of those applicable filing deadlines remain available via Form 8809.

#### Effective Repeal of the ACA Individual Mandate Leads to Form 1095-B Relief for Carriers

The TCJA effectively repealed the ACA individual mandate by [reducing the penalties to zero as of 2019](#). This means the Form 1095-B generally provided by the insurance carrier no longer has a clear reporting purpose under IRC §6055. Therefore, the Notice also creates the “2019 section 6055 furnishing relief” for insurance carriers providing the Form 1095-B.

This 2019 section 6055 furnishing relief provides that the IRS will not assess penalties for an insurance carrier’s failure to furnish Forms 1095-B to individuals under two conditions:

- 1) The insurance carrier posts a notice prominently on its website stating that individuals may receive a copy of their Form 1095-B upon request (with relevant contact information); and
- 2) The insurance carrier furnishes a 2019 Form 1095-B to any individual upon request within 30 days of the date it receives the request.

**Important Note: This relief with respect to insurance carriers furnishing coverage information to individuals on the Form 1095-B does not apply to ALE employers reporting on the Form 1095-C. The ACA employer mandate remains fully in effect, and therefore so do the employer ACA reporting requirements via Form 1095-C. Employers sponsoring a self-insured medical plan are still required to complete Part III of the Form 1095-C for any full-time employee enrolled in that plan in 2019 (even though that information is related to the §6055 reporting requirements).**

As a reminder, [California adds its own state-based individual mandate beginning in 2020](#). It will join the Massachusetts (2006) and New Jersey (2019) as states with their own individual mandate that is separate from the now defunct ACA individual mandate. The information provided by carriers on the Form 1095-B, or provided by employers in Part III of the Form 1095-C for a self-insured plan, will continue to remain relevant for New Jersey (2019) and California (2020), which piggyback off the §6055 ACA reporting requirements for their state-based individual mandate (Massachusetts reporting is handled through separate state reporting via Form MA 1099-HC).

#### Good Faith Standard Also Extended

Also mirroring the prior years’ guidance, the IRS announced in the Notice that it is extending the good faith enforcement safe harbor from penalties (generally \$270 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 furnish/file the forms by the deadlines set out above. So as with prior years, completing the ACA reporting by the applicable deadlines above takes on extra significance.

#### Employee Communication Materials

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) unless the carrier is taking advantage of the 2019 section 6055 furnishing relief described above.

If the plan is self-insured (including level funded), all of the ACA reporting information for ALEs 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 (including level funded) must provide covered individuals with the Form 1095-B (not the Form 1095-C).

The following communication materials address this complex reporting arrangement for employees in a short and straightforward manner:

- **Employee Educational Infographics**
  - [ABD ACA Reporting Infographic for Employees: Fully Insured](#)
  - [ABD ACA Reporting Infographic for Employees: Self-Insured](#)
  - [ABD ACA Reporting Infographic for Employees: Fully Insured and Self-Insured](#)
- **Employee Educational Video Summary**
  - [ABD ACA Reporting Educational Video](#)

#### Future Years

Nothing in the Notice extends the deadlines or good faith standard beyond the 2019 ACA reporting forms submitted early 2020. Although it would seem unlikely given the routine nature of the extensions at this point, the IRS may no longer provide the 30-day extension or the good faith enforcement standard into any future reporting year.

The IRS does note that it is continuing to study and request comments whether the effective repeal of the ACA individual mandate will further change the §6055 reporting requirements for 2020 (submitted early 2021). That is the information contained in Part III of the Form 1095-C from an ALE with a self-insured plan, on the Form 1095-B from the insurance carrier for a fully insured plan sponsored by an ALE or non-ALE, or on the Form 1095-B from a non-ALE with a self-insured plan. It is still not clear what federal tax purpose that portion of the ACA reporting requirements serves after the TCJA's effective repeal of the individual mandate.

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