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Extended Time to Provide ACA Statements

Insight — 12/13/2018

The IRS has extended the time for large employers and medical insurance carriers to provide ACA statements to employees and insureds. See link to IRS Notice 2018-94.

Employers (subject to the employer shared responsibility requirements) will now have until **March 4, 2019 to provide** the Form 1095-C for the 2018 coverage year to full-time employees. Similarly, for insured group coverage, medical insurance carriers will have until **March 4, 2019 to provide** the Form 1095-B to insureds.

A couple other interesting things to note in this guidance from the IRS:

- The IRS does not believe additional time is required to file the Form 1095-C, 1094-C or Forms 1095-B or 1094-B with the IRS. **Accordingly, the due date for filing with the IRS remains April 1, 2019 if filed electronically and February 28, 2019 if not filed electronically.** Employers may still request an automatic extension by filing a Form 8809 by the due date of the applicable return.
- The IRS stated that employers who fail to file these returns by the applicable due date are subject to penalties, but the IRS encouraged delinquent filers to file late if necessary and the IRS stated that an employer's voluntary correction of delinquent returns will be taken into consideration in determining whether the employer may be entitled to reasonable cause relief for filing late.
- The IRS previously announced transition relief for timely returns filed for 2015, 2016 and 2017 that contained inaccurate or incomplete information. The IRS extended this transition relief to returns filed in 2019 for 2018 coverage. This relief does not extend to non-filers of the 2018 return, but extends to 2018 returns that are timely filed in 2019 that contain incorrect or incomplete information.
- Because the individual shared responsibility penalty (i.e., the individual mandate penalty) is reduced to zero beginning in 2019, the IRS noted that it is exploring changes to the Form 1095-B/1094-B (generally filed by insurance carriers) to reflect the reduction in the penalty.

Note that all employers subject to the employer shared responsibility requirements are required to provide a Form 1095-C to all current and former employees who were full-time employees during the applicable coverage year (and file that Form 1095-C with the IRS along with the form 1094-C). An employer with an insured group health plan is not excused from providing the Form 1095-C to full-time employees (or providing the Form 1095-C to the IRS) even if the group health insurance carrier

separately provides a Form 1095-B to the same individual.