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Tax & Benefits Alert DECEMBER 2019

IRS EXTENDS DEADLINE FOR CERTAIN ACA EMPLOYER REPORTING REQUIREMENTS

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On December 2, 2019, the Internal Revenue Service (“IRS”) issued Notice 2019-63, extending the deadline on certain Patient Protection and Affordable Care Act (ACA) 2019 information-reporting requirements. The Notice also allows employers and other reporting entities to avoid the assessment of a penalty for failure to furnish 2019 Form 1095-B to employees (individuals).

In recognition of the time constraints facing employers and other reporting entities, the IRS has extended the deadline for furnishing 2019 Forms 1095-B and 1095-C to employees from January 31, 2020 to March 2, 2020. In light of this delay, the IRS will not be granting any additional 30-day extensions that were typically available upon submission, or responding to such requests. It is important to note that the deadline for filing with the IRS the 2019 Forms 1094-B, 1095-B, 1094-C, and 1095-C remains unchanged by the Notice.

Notice 2019-63 also provides relief from penalties assessed by the IRS for failure to provide individuals with 2019 Form 1095-B. Because the 2017 Tax Cuts and Jobs Act eliminated the individual mandate for months after December 31, 2018, individuals are no longer required to include information from Form 1095-B in their individual federal income tax filings. Therefore, the IRS will not assess penalties on employers who fail to furnish 2019 Form 1095-B to employees if two conditions are met: (1) the reporting entity must “prominently” display a notice on its website stating that 2019 Form 1095-B may be available upon request and provide an email address and physical address for requests, as well as a telephone number for contacting the reporting entity; and (2) upon any such request, 2019 Form 1095-B must be provided within thirty-days (30) of the request’s receipt. However, this relief does not apply to Applicable Large Employers (“ALEs”) who are required to furnish Form 1095-C for full-time employees enrolled as a self-insured health plan, (except for those who were not full-time during any month in 2019).

The Notice also provides relief from penalties assessed under Code Section 6721 and 6722 for incomplete or inaccurate information-reporting filings for entities who can demonstrate good faith effort to comply. However, no relief will be granted to an entity who fails to file or furnish 2019 Forms by the applicable required dates.

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If you have any questions about this issue, please contact Katherine Hesse or the attorney responsible for your account, or call (617) 479-5000.

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