

December 4, 2019

Affordable Care Act Reporting Relief Extended for 2019

The Internal Revenue Service just released [Notice 2019-63](#), which extends the deadline for Affordable Care Act (ACA) Form 1095 reporting to individuals and the good faith compliance defense for reporting errors consistent with the relief that has been available in prior years.

Relief Notes

- Delivery of Forms 1095 to Individuals – The deadline to provide the 2019 Forms 1095 (B or C) to individuals is extended to **March 2, 2020**. No additional extension will be available for this obligation.
- Filing Forms 1094/1095 with IRS – The deadline to file the 2019 Forms 1094/1095 with the IRS has not been extended.
 - Electronic filers – The deadline for entities filing electronically is **March 31, 2020**. Entities filing 250 or more forms must file electronically.
 - Paper filers – The deadline for entities filing by paper is **February 28, 2020**.

An automatic 30-day extension of the deadline to file with the IRS may be requested using [Form 8809](#).

- Good faith relief extended – The IRS will not assess penalties for missing or inaccurate information if the 2019 forms are completed and filed in good faith. Entities who fail to provide and/or file forms altogether are not eligible for this relief.
- Special limited transition relief related to the ACA Individual Mandate –

Form 1095-B

Form 1095-B is primarily used by insurance carriers to report fully insured coverage. Because individuals no longer need the information on Form 1095-B to avoid an individual mandate penalty (which is now \$0), the IRS has announced it will not assess a penalty for failing to furnish Form 1095-B if both of the following are true:

- 1) The reporting entity posts a notice prominently on its website stating that responsible individuals may receive a copy of their 2019 Form 1095-B upon request, accompanied by:
 - a) An email address and physical address to send requests to, and
 - b) A telephone number that individuals may contact with questions.

- 2) The reporting entity furnished a 2019 Form 1095-B to any responsible individual upon request within 30 days of the date the request is received.

Note: Reporting entities are still required to file Forms 1095-B with the IRS. It's unclear if insurance carriers will abandon automatically providing Forms 1095-B to covered participants for 2019. Please also see *State Individual Mandates* below.

Form 1095-C

Self-insured applicable large employers (ALEs) must continue to provide Forms 1095-C to their ACA full-time employees and report coverage on Part III. However, the IRS did grant special transition relief identical to the Form 1095-B relief described above when reporting coverage for an individual who was not an ACA full-time employee for any month during 2019. This can include part-time employees as well as COBRA participants and retirees (usually beginning the year after the COBRA qualifying event or retirement).

Note: It is unclear how much practical value this relief will provide to ALEs, who will continue to be required to file all Forms 1095-C with the IRS and provide Forms 1095-C to employees who were ACA full-time employees for at least one month during the calendar year. It may be administratively impractical for an ALE to try to fit within the special limited transition relief and not automatically provide Forms 1095-C to certain individuals who likely account for only a small number of the ALE's Forms 1095-C. Please also see *State Individual Mandates* below.

State Individual Mandates

In response to reduction of the ACA's individual mandate penalty to \$0, several states recently passed their own ACA-style individual mandates requiring taxpayers to provide proof of coverage to avoid penalties. To date, these are California, the District of Columbia, New Jersey, Rhode Island, and Vermont. Form 1095-C can generally be used for this purpose which will pressure insurers and ALEs to deliver Forms 1095 to all covered individuals in at least those states. The individual mandates in New Jersey and the District of Columbia are effective for 2019 and require duplicate Forms 1095 be filed by the insurer or ALE with the state/district. The state individual mandates for California, Rhode Island, and Vermont become effective in 2020. Massachusetts has also long maintained a state individual mandate with its own form and reporting requirements. We'll cover these individual mandates in detail in another December 2019 article.



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