



WHAT EMPLOYERS NEED TO KNOW RIGHT NOW ABOUT HEALTH CARE REFORM

IRS Provides Major Delay in 6055 and 6056 Reporting

Under the Patient Protection and Affordable Care Act (ACA), individuals are required to have health insurance, while applicable large employers (ALEs) are required to offer health benefits to their full-time employees. In order for the Internal Revenue Service (IRS) to verify that (1) individuals have the required minimum essential coverage, (2) individuals who request premium tax credits are entitled to them, and (3) ALEs are meeting their shared responsibility (play or pay) obligations, employers with 50 or more full-time or full-time equivalent employees and insurers will be required to report on the health coverage they offer. Final instructions for both the [1094-B and 1095-B](#) and the [1094-C and 1095-C](#) were released in September 2015, as were the final forms for [1094-B](#), [1095-B](#), [1094-C](#), and [1095-C](#).

Reporting will first be due in 2016, based on coverage in 2015. All reporting will be for the calendar year, even for non-calendar year plans. On December 28, 2015, the IRS issued [Notice 2016-4](#), delaying the reporting deadlines.

The reporting requirements are in Sections 6055 and 6056 of the ACA. The 1094-C, 1095-C, 1094-B, and 1095-B were originally due to the IRS by February 28 if filing on paper (February 29, in 2016, because February 28 falls on the weekend), or March 31 if filing electronically. The 1095-C form was due to employees by January 31 of the year following the year to which the Form 1095-C relates (February 1, in 2016, because January 31 falls on a weekend). The 1095-B was due to the individual identified as the “responsible individual” on the form by January 31 (February 1, in 2016, because January 31 falls on a weekend).

The transition relief provided by Notice 2016-4 **extended the due date for furnishing Form 1095-B and 1095-C to individuals to March 31, 2016. The due date for filing all forms (1094-C, 1095-C, 1094-B, and 1095-B) to the IRS is moved from February 29, 2016, to May 31, 2016, if filing by paper. If filing electronically, the date is moved to June 30, 2016.**

Employers that have difficulty meeting the extended reporting deadlines are encouraged to file late, as the IRS will take late filing into consideration when determining whether to reduce penalties for reasonable causes. The IRS will also take into account if an employer made reasonable efforts to prepare for reporting, such as gathering or transmitting necessary information to a reporting service.

Impact on Individuals

The IRS has determined that individual taxpayers may be affected by the extension, as employees are not eligible for the premium tax credit for any month, which an employee is eligible for an employer plan that provides minimum value, affordable coverage. However, the IRS has determined most individuals offered employer-provided coverage will not be affected by the extension.

Employees who enrolled in Marketplace coverage, but did not receive a determination from the Marketplace regarding whether their employer-sponsored coverage was affordable, could be affected by the extension if they do not receive their 1095-C form prior to filing their individual income tax returns. As a result, for 2015 only, individuals who rely on other information received from employers about their offers of coverage for purposes of determining eligibility for the premium tax credit when filing their income tax returns need not amend their returns once they receive their Forms 1095-C or any corrected Forms 1095-C. Individuals do not need to send this information to the IRS when filing their returns, but should keep it with their tax records.

Some individuals might also be affected by the extension because they will use the forms in determining whether they had minimum essential coverage. Individuals may not have received this information before they file their income tax returns, so for 2015 only, individuals who rely on other information received from their coverage providers about their coverage, for purposes of filing their returns, need not amend their returns once they receive the Form 1095-B or Form 1095-C or any corrections. Individuals need not send this information to the IRS when filing their returns, but should keep it with their tax records.

The extensions of due dates provided in the Notice apply only to section 6055 and section 6056 information returns and statements for calendar year 2015 filed and furnished in 2016 and do not require the submission of any request or other documentation to the IRS.

Extension Process

In September 2015, the IRS provided information on the Form instructions on applying for extensions. Generally, an automatic 30-day extension will be given to entities filing Form 8809, and no signature or explanation is needed. Form 8809 must be filed by the due date of returns in order to be granted the 30-day extension. Waivers may be requested with Form 8508, and are due at least 45 days before the due date of the information returns. This extension relates to the deadline to provide the IRS with the forms, not providing individuals with the forms.

However, because of the transition relief, for 2015, no extension requests will be granted. Employers must utilize the transition relief guidelines provided in Notice 2016-4.

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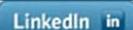
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