

AFFORDABLE CARE ACT EMPLOYER MANDATE REPORTING DEADLINE EXTENDED

Hodgson Russ Employee Benefits Newsletter
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The Internal Revenue Service (IRS) has given applicable large employers an additional 30 days to furnish individuals with IRS Form 1095-C (or, where applicable, IRS Form 1095-B). The deadline for providing these forms has been extended from January 31, 2021, to March 2, 2021. Under the Affordable Care Act (ACA), applicable large employers must furnish their full-time employees (and, in addition, any employee enrolled in a self-insured medical plan) with an IRS Form 1095-C. This IRS form provides information regarding the affordable medical coverage offered to individuals during each month of the previous calendar year. Employers should note, however, the deadline for filing Form 1094-C with the IRS has not changed. Applicable large employers must electronically file IRS Form 1094-C with the IRS no later than March 31, 2021 (February 28, 2021 for paper filers). In addition to extending one of the ACA reporting deadlines, the IRS also extended the good faith transition relief for this year's reporting. Under this temporary relief, the IRS will not impose penalties for incorrect or incomplete information if employers can show that they have made good faith efforts to comply with the reporting requirements. No relief is provided for employers that cannot show a good faith effort to comply with the reporting requirements, or for employers that fail to timely file or furnish a statement. This is the last year the Treasury Department and the IRS intend to provide good faith compliance relief. (IRS Notice 2020-76)

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