

ACA EMPLOYER MANDATE REPORTING DEADLINE EXTENDED

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The Internal Revenue Service (IRS) issued proposed regulations that give applicable large employers an additional 30 days to furnish individuals with IRS Form 1095-C. Although the IRS has been extending this deadline for years, previously the extension had always been in the form of an IRS Notice and only applicable for that reporting year. These proposed regulations would permanently extend this reporting deadline. Employers are permitted to rely on these proposed regulations, meaning that for the upcoming reporting season the deadline for providing these forms has been extended from January 31, 2022, to March 2, 2022. 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 been changed. Applicable large employers must electronically file IRS Form 1094-C with the IRS no later than March 31, 2022 (February 28, 2022 for paper filers). In addition to extending one of the ACA reporting deadlines, the IRS proposed regulations also provided an alternate method for employers with self-insured plans to provide notice to part-time employees and non-employees (such as COBRA participants) who are covered by their plan. For these non-full-time employees covered by a self-insured plan, employers may satisfy their notice requirement by prominently posting a notice on their website regarding the availability of the forms 1095-C (and other required language). The IRS notes, however, that this alternative method is subject to change if the individual mandate (currently \$0) is increased. One bit of bad news is that the good faith transition relief enjoyed for the past six years is no longer available. Under this expired transition relief, the IRS would not impose penalties for incorrect or incomplete reporting information if employers could show that they have made good faith efforts to comply with the reporting requirements.

Attorneys

Peter Bradley
Michael Flanagan
Richard Kaiser
Ryan Murphy
Amy Walters

Practices & Industries

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