

Practice Update

Extension of ACA Reporting Deadline is Welcome News to Employers

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On December 28, 2015, the IRS announced in Notice 2016-4 that the deadlines for complying with the new reporting requirements under the Affordable Care Act (ACA) will be temporarily extended for purposes of 2015 coverage. The original and updated deadlines are provided below:

Deadline for Providing the Forms 1095-B and 1095-C to Individuals

- Original Deadline: February 1, 2016
- **New Deadline: March 31, 2016**

Deadline for Providing the Forms 1094 and 1095 to the IRS

- Original Deadline: March 31, 2016 for electronic filers and February 29, 2016 for non-electronic filers
- **New Deadline: June 30, 2016 for electronic filers and May 31, 2016 for non-electronic**

The deadline extension is welcome news to many employers that are still grappling to understand and collect the information necessary to complete the new forms associated with the reporting requirements in advance of the looming deadlines.

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Other common issues that employers seem to be experiencing are:

- technical issues with registering and submitting required test files through the IRS electronic filing system (which must be used for all employers submitting more than 250 returns);
- numerous reports from employers that outsourced their reporting obligations to a vendor of issues with providing the necessary employee data to the vendor in a workable format.

Background Information on the ACA Reporting Requirements

The ACA reporting obligations are imposed on employers that employed an average at least 50 full-time employees during the preceding calendar year (applicable large employers or “ALEs”), as well as employers that sponsor self-insured health plans. The information transmitted through this new reporting obligations is needed to: (1) enforce the ACA requirement that individuals carry insurance, (2) administer the premium subsidies issued to individuals through the Exchanges; and (3) to enforce the requirement that ALEs offer health coverage to their full-time employees.

Effect of Deadline Extension on Employers

Although the ACA reporting deadline extension is welcome news to both employers and industry professionals, the Akerman Benefits Team encourages employers to continue to work diligently in complying with their reporting obligations. Employers should use the additional time to ensure the accuracy of their reporting forms and to make timely submissions to avoid costly late filing penalties. Employers may recall that the penalties for failure to timely file (and failure to timely furnish) accurate reporting forms were increased earlier this year, from \$100 per failure to \$250 per failure.

For more information about the ACA reporting requirements, and how Akerman can assist employers with satisfying these requirements, please contact a member of the Employee Benefits team.

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