



## IRS Again Extends Deadline for ALEs to Furnish ACA Reporting Forms to Employees

The IRS has issued Notice 2020-76, which provides an automatic deadline extension for Applicable Large Employers' ("ALE") reporting obligations to employees under the Affordable Care Act's ("ACA") Employer Mandate for the 2020 tax year.

### Background

The ACA's Employer Mandate requires ALEs (i.e., employers with 50 or more full-time equivalent employees) to report information to the IRS and to employees about the group health coverage they provide and the employees who are eligible for such coverage. The IRS uses this information to: (i) administer the ACA's Employer Mandate; and (ii) determine which employees may be eligible for a premium tax credit if they purchase health insurance through a Health Insurance Marketplace.

ALEs subject to the ACA's Employer Mandate are also subject to Code Section 6056 reporting requirements and must furnish an individual statement to each full-time employee. ALEs use Form 1095-C, "Employer-Provided Health Insurance Offer and Coverage," to meet the Section 6056 individual statement requirement and report whether they offered employees affordable health coverage that provides minimum essential coverage and meets the ACA's minimum value requirement.

ALEs that sponsor self-funded health plans (and other entities that provide minimum essential coverage, such as insurance carriers and governmental agencies) are additionally subject to the Code Section 6055 reporting requirement to furnish a statement to individuals who enroll in minimum essential coverage. ALEs use Form 1095-B, "Health Coverage," to comply with the Section 6055 individual statement requirement.

### IRS Notice 2020-76

The Notice provides transition relief by extending the distribution date for Form 1095-C statements from February 1, 2021, to March 2, 2021. The March 2, 2021 deadline will not be extended.

As with prior years, Notice 2020-76 does not provide an extension for the filing of Forms 1094-C and 1095-C with the IRS. The deadline for ALEs to file Forms 1094-C and 1095-C is February 1, 2021 if the ALE is filing on paper; if an ALE is filing electronically, the deadline is March 31, 2020. ALEs may still complete a Form 8809 to receive an automatic 30-day extension of time to file the forms with the IRS.

### Extension of Good Faith Reporting Relief

Notice 2020-76 also extends certain good-faith transition relief from Code Sections 6721 and 6722 penalties. Section 6721 imposes a penalty on an ALE for failing to timely file an information return or for filing an incorrect or incomplete information return. Section 6722 imposes a penalty on an ALE for failing to timely furnish an

information statement or for furnishing an incorrect or incomplete information statement. The Notice confirms that this relief only applies where an ALE can demonstrate that it has made a good-faith, reasonable effort to comply with ACA regulations and IRS deadlines in a responsible manner. In general, ALEs that fail to file information returns or to furnish forms to employees are not eligible for relief.

Finally, in Notice 2020-76, the IRS indicated that it would not assess penalties against coverage providers for failing to furnish Forms 1095-B to employees when the following two conditions are met: (1) the reporting entity posts a notice prominently on its website stating that employees may receive a copy of their Form 1095-B on request, accompanied by an email address and a physical address to which a request may be sent, as well as a telephone number that employees can use to contact the reporting entity with questions; and (2) the reporting entity furnishes a 2019 Form 1095-B within 30 days of a request being received. This relief does not extend to the requirement for ALEs to furnish Forms 1095-C to full-time employees.

IRS Notice 2020-76 is at <https://www.irs.gov/pub/irs-drop/n-20-76.pdf>

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