

Important ACA Reporting Deadlines for 2017

ACA Reporting Deadlines 2017

FORM 1095-C

To employees: ~~Tuesday, January 31, 2017~~ Thursday, March 2, 2017.

**UPDATE* The IRS released a notice extending the deadline to furnish Form 1095-C to employees. The deadline is now March 2, 2017 for ACA reporting on 2016 only. Standard deadlines will commence the following year.*

Employers are responsible for furnishing their employees with a Form 1095-C by Thursday, March 2, 2017. Employers are still responsible for filing copies of Form 1095-C with the IRS on Tuesday, February 28, 2017 if filing by paper or Friday, March 31, 2017, if filing electronically (same as Form 1094-C).

Form 1095-C helps employees complete their individual tax returns by providing important information regarding their health coverage for the previous calendar year. On Line 61 of individual tax returns, employees must show whether they or their family members had minimum essential coverage.

Employers should report the following on Form 1095-C:

- Proof of Minimum Essential Coverage (MEC)
- Employee ID number
- Social security numbers of the employee and his/her dependants (not spouse).

FORM 1094-C

To IRS via Paper: Tuesday, February 28, 2017

To IRS Electronically: Friday, March 31, 2017

Think of Form 1094-C as the proof that Applicable Large Employers (ALEs) did what they should according to the IRS and the Employer Shared Responsibility Mandate.

Under Code sections 6055 and 6056, ALEs must use Form 1094-C to report required information about whether or not the employer offered affordable minimum essential health coverage and

enrollment in minimum essential health coverage for eligible employees. Form 1094-C transmits forms 1095-C to the IRS.

Some employers have the option to file their ACA reporting by paper or electronically. However, any ALE filing more than 250 of any type of form MUST file ACA information returns electronically. If you will be filing less than 250 forms, you may file by paper, though the IRS encourages electronic filing.

Keep in mind the reporting deadline to file by paper comes one month before the electronic reporting deadline.

ACA Reporting 2017 FAQs

Can you file for an extension for ACA reporting forms?

A lot of people were confused by extensions this tax year. At first, you had to apply for an extension. Then, the IRS extended the ACA reporting deadlines for all employers across the board and discontinuing any individual exemptions.

What should employers expect in 2017?

Expect things to go back to the original plan: set deadlines with the ability to apply for extensions on an individual employer basis.

To apply for an extension to file information return forms with the IRS, submit a Form 8809 on or before the due date of the return for an automatic extension. This form does not require a signature. For an additional 30-day extension, the filer or an authorized agent must sign the form.

*Employers do not need to file for an extension for furnishing Form 1095-C to employees reporting on health coverage or offers of coverage in 2016. In 2017 only, the deadline to furnish Form 1095-C to employees is March 2, 2017.

What are the IRS penalties for late or incomplete Form 1094 & Form 1095?

Failure to file complete and accurate Forms 1094-C by the form deadline will result in penalties equal to \$250 per form, not to exceed \$3 million per year. Failure to file and furnish correct information on Form 1095-C could result in a \$500 per form penalty for employers.

In a recent notice, the IRS announced it would extend the “Good faith transition relief” for the 2016 reporting year. In 2017, the IRS will not penalize employers for incomplete or incorrect forms if there’s evidence of a good-faith effort to comply.

What are the next steps for Human Resources & employers?

Unlike other information returns and forms like W-2s, the 1094 and 1095 forms can require information from multiple systems of record for one annual filing. This means employers need to gather tracked information from HR, payroll, benefits, etc. Waiting until the beginning of 2017 to act on ACA tracking and reporting could leave your company facing steep financial penalties.

Get a head start on ACA reporting for 2017:

- Determine if your business qualifies as an ALE according to the Affordable Care Act and Employer Mandate.
- Ensure the correct systems are in place for accurate ACA reporting and compliance for your business. Do you have the right tools for tracking and documenting employee status, benefits eligibility, and benefits enrollment?
- Review the IRS reporting information page for Form 1094 and Form 1095 instructions and updates. Review additional instructions for employers for Form 1094-C and Form 1095-C.