

# IRS Gives Employers a Welcome Christmas Gift

## Labor & Employment Law Update

By Kelly Haab-Tallitsch on December 28, 2017

On December 22, 2017, the Internal Revenue Service (IRS) announced a 30-day extension of the deadlines for certain information reporting requirements under the Affordable Care Act (ACA).

In IRS Notice 2018-06, the agency announced a 30-day automatic extension — until **March 2, 2018** — for employers and insurers to provide 2017 IRS Forms 1095-C (Employer-Provided Health Insurance Offer and Coverage) and 1095-B (Health Coverage) to employees. The original due date was January 31. This extension is virtually identical to the extension provided last year for 2016 Forms.

Despite the extension, the IRS encourages employers and other coverage providers to furnish the forms to individuals as soon as possible and states that due to the automatic extension, further extension beyond March 2, 2018 is not available.

Employers and insurers should be aware that although the due date to furnish forms to individuals has been extended, the due date to file the forms with the IRS was not extended and remains February 28, 2018 for paper filers, or April 2, 2018, if filing electronically.

Notice 2018-06 also extends the prior good-faith transition relief from certain penalties related to the 2017 information-reporting requirements. Relief from penalties for incomplete or inaccurate information reported on a 1095-C or 1095-B is available to employers or insurers that can show they made a good faith effort to comply with the requirements. No relief is available for entities that fail to furnish the forms to employees by the due date or fail to file the forms with the IRS.

Employers should be ready for questions from employees who do not receive their Forms 1095-B or 1095-C by the time they are ready to file their 2017 individual income tax return. Although the forms contain information that can be helpful when preparing a tax return, they are not required to file an individual income tax return. Notice 2018-06 explains that individual taxpayers can prepare and file their returns using other information about their health coverage. Individuals do not have to wait for Forms 1095-B or 1095-C.

To address employee questions head on employers should consider a proactive communication to employees. Such a communication should:

- Provide the expected timeframe for distribution of the Forms 1095-B or 1095-C;
- Remind employees the forms are not required to file an individual tax return; and
- Provide information on employer-sponsored health coverage to assist employees in preparing their returns, such as whether the coverage provided was minimum essential coverage under the ACA.

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