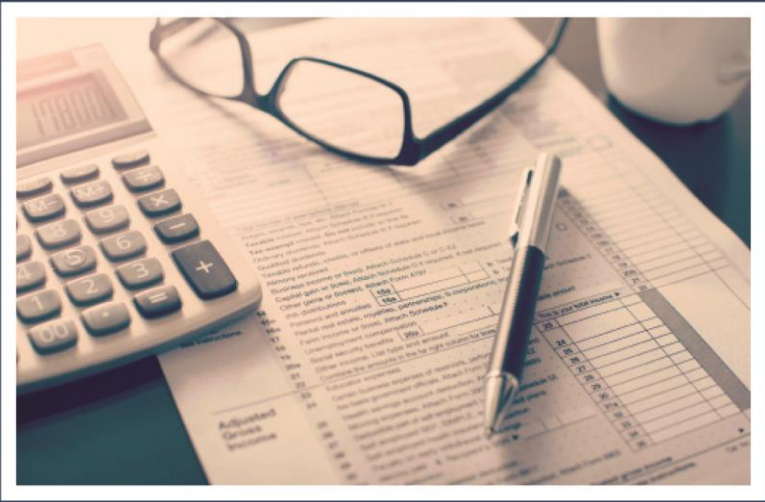


# EMPLOYER ACA REPORTING- FINAL 2018 FORMS



## HIGHLIGHTS

- Final forms and instructions for 2018 reporting under Section 6055 and Section 6056 are now available.
- The 2018 forms and instructions are substantially similar to the 2017 versions.
- The “Plan Start Month” box in Part II of Form 1095-C continues to be optional for 2018 reporting.

## IMPORTANT DATES

### March 4, 2019

Deadline for furnishing 2018 Forms 1095-B and 1095-C to individuals

### February 28, 2019

Deadline for 2018 filing with the IRS in paper form

### April 1, 2019

Deadline for 2018 filing with the IRS electronically

## EMPLOYER ACA REPORTING – FINAL 2018 FORMS

In late Sept. 2018, the Internal Revenue Service (IRS) released **final 2018 forms and instructions** for reporting under Internal Revenue Code (Code) Sections 6055 and 6056.

- 2018 Forms [1094-C](#) and [1095-C](#) (and related [instructions](#)) are used by applicable large employers (ALEs) to report under Section 6056, as well as for combined Section 6055 and 6056 reporting by ALEs who sponsor self-insured plans.

The 2018 forms and instructions are substantially similar to the 2017 versions.

### Action Steps

Employers should become familiar with these forms and instructions in preparation to use them for reporting for the 2018 calendar year. Individual statements for 2018 must be furnished by March 4, 2019 (due to an IRS delay), and IRS returns for 2018 must be filed by Feb. 28, 2019 (April 1, 2019, if filed electronically, since March 31, 2019, is a Sunday).

## Background

The Affordable Care Act (ACA) created reporting rules under Code Sections 6055 and 6056 that require certain employers must provide information to the IRS about the health plan coverage they offer (or do not offer) or provide to their employees. Each reporting entity must annually file all of the following with the IRS:

- A separate **statement** (Form 1095-C) for each individual who is provided with minimum essential coverage (for self-insured ALEs reporting under Section 6055), or for each full-time employee (for ALEs reporting under Section 6056); and
- A **transmittal form** (Form 1094-C) for all of the returns filed for a given calendar year.
- Reporting entities must also furnish related statements (1095-C) to individuals

Forms must generally be filed with the IRS no later than Feb. 28 (March 31, if filed electronically) of the year following the calendar year to which the return relates. Individual statements must be furnished to individuals on or before Jan. 31 of the year immediately following the calendar year to which the statements relate.

**However, the IRS extended the due date for furnishing individual statements for 2018 an extra 32 days, from Jan. 31, 2019, to March 4, 2019.** The due date for filing forms with the IRS has not been extended.

Employers that do not meet the due dates for filing and furnishing (as extended under the rules described above) under Sections 6055 and 6056 may be subject to penalties under Section 6722 or Section 6721 for failure to furnish and file on time.

**Taxpayers do not need to wait to receive Form 1095-C before filing their 2018 returns.** In addition, individuals do not need to send the information they rely upon to the IRS when filing their returns, but should keep it with their tax records.

## Extension of Good-faith Transition Relief from Penalties for 2018

The IRS extended transition relief from penalties for providing incorrect or incomplete information to reporting entities that can show that they have made good-faith efforts to comply with the Sections 6055 and 6056 reporting requirements for 2018 (both for furnishing to individuals and for filing with the IRS).

This relief applies to missing and inaccurate taxpayer identification numbers and dates of birth, as well as other information required on the return or statement. No relief is provided for reporting entities that:

- Do not make a good-faith effort to comply with the regulations; or
- Fail to file an information return or furnish a statement by the due dates (as extended).

In determining good faith, the IRS will take into account whether a reporting entity made reasonable efforts to prepare for reporting the required information to the IRS and furnishing it to individuals (such as gathering and transmitting the necessary data to an agent to prepare the data for submission to the IRS or testing its ability to transmit information to the IRS). The IRS will also take into account the extent to which the reporting

entity made reasonable efforts to prepare for this reporting requirement, such as gathering and transmitting the necessary data to an agent to prepare the data for filing or testing its ability to transmit information to the IRS.

## **2018 Forms and Instructions**

The 2018 forms and instructions are substantially similar to the 2017 versions. However, the Form 1095-C clarifies that the “Plan Start Month” box in Part II will remain optional for 2018. The IRS previously indicated that this box may have been mandatory for the 2018 Form 1095-C.

## **Additional Resources**

The IRS also previously released:

- [Q&As on Section 6055](#) and [Q&As on Section 6056](#); and
- A separate set of [Q&As on Employer Reporting using Form 1094-C and Form 1095-C](#).

## **More Information**

Please contact Lawley for more information on reporting under Code Sections 6055 and 6056.