

# EMPLOYER ACA REPORTING - FINAL 2020 FORMS

NOVEMBER 2020



## Final Forms and Instructions for 2020 ACA Reporting Released

The Internal Revenue Service (IRS) released **final 2020 forms and instructions** for reporting under Internal Revenue Code (Code) Sections 6055 and 6056.

2020 [Form 1094-C](#) and [Form 1095-C](#) (and related [instructions](#)) will be 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.

These forms and instructions include a number of changes and clarifications related to 2020 reporting.

- The deadline for furnishing statements to individuals under Sections 6055 and 6056 has been **extended to March 2, 2021**.
- **Relief from penalties** for reporting incorrect or incomplete information has been extended to 2020 reporting.
- The **“Plan Start Month” box is now required for 2020 reporting**.

Changes were also made to Form 1095-C related to offers of individual coverage health reimbursement arrangements (ICHRAs).

### Action Steps

Employers should become familiar with these forms and instructions for reporting for the 2020 calendar year. Individual statements must be furnished by March 2, 2021, and IRS returns must be filed by Feb. 28, 2021 (March 31, 2021, if filed electronically).

### Highlights

- Final forms and instructions for 2020 reporting under Sections 6055 and 6056 are now available.
- The “Plan Start Month” box on the Form 1095-C is now required for 2020 reporting.
- Form 1095-C includes additional codes in Code Series 1 related to ICHRAs.

### Important Dates

#### Feb. 28, 2021

IRS returns for 2020 must be filed by Feb. 28, 2021 (March 31, 2021, if filed electronically).

#### March 2, 2021

The deadline for furnishing individual statements for 2020 was extended to March 2, 2021.

## Background

The Affordable Care Act (ACA) created reporting requirements under Code Sections 6055 and 6056. Under these rules, 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 full-time employee (for ALEs reporting under Section 6056); **and** for each individual who is provided with minimum essential coverage (for self-insured ALEs reporting under Section 6055)
- 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 generally be furnished to individuals on or before Jan. 31 of the year immediately following the calendar year to which the statements relate. **However, for 2020 reporting, the IRS extended the furnishing deadline to March 2, 2021.**

## 2020 Forms and Instructions

The 2020 instructions include a number of changes and clarifications related to 2020 reporting.

- **Extension of due date for furnishing statements.** The due date for furnishing Form 1095-C to individuals has been extended from Jan. 31, 2021, to **March 2, 2021**.
- **Extension of good faith relief for reporting and furnishing.** The IRS has extended good faith relief from penalties related to 2020 calendar year reporting. Specifically, the IRS will not impose a penalty for reporting incorrect or incomplete information on the Form 1095-C, as applicable, if the reporting entity makes a good faith effort to comply with the information reporting requirements.
- **Plan start month.** The “Plan Start Month” box is now **required** for the 2020 Form 1095-C. This section has previously been optional for each prior year of reporting.
- **Individual coverage health reimbursement arrangement (ICHRA).** For plan years beginning on or after Jan. 1, 2020, employers may offer HRAs integrated with individual health insurance coverage or Medicare in lieu of a group health plan, subject to certain conditions (ICHRAAs).
  - Form 1095-C has been modified to add new codes in Code Series 1 for reporting offers of ICHRAAs.
  - The 2020 Form 1095-C also includes a new section to enter the zip code used to determine affordability for an ICHRA, if one was offered to the employee. In addition, Part II of the 2020 Form 1095-C includes a new section to enter the employee’s age on Jan. 1.

## Additional Resources

The IRS previously released:

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