



ACA COMPLIANCE BULLETIN

FINAL FORMS FOR 2019 ACA REPORTING RELEASED

On Dec. 9, 2019, the Internal Revenue Service (IRS) released **final 2019 forms and instructions** for reporting under Internal Revenue Code (Code) Sections 6055 and 6056.

HIGHLIGHTS

- Final forms and instructions for 2019 reporting under Section 6055 and Section 6056 are now available.
- These forms and instructions are substantially similar to the 2018 versions.
- Section 6055 reporting continues to be required, although limited penalty relief is available.

- ✓ **2019 Forms [1094-C](#) and [1095-C](#) (and [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.
- ✓ **2019 Forms [1094-B](#) and [1095-B](#) (and [instructions](#))** will be used by entities reporting under Section 6055, including self-insured plan sponsors that are not ALEs.

The 2019 forms and instructions are substantially similar to the 2018 versions. **Note that Section 6055 reporting is still required, despite the fact that the individual mandate penalty has been reduced to \$0, although transition relief from penalties is available in certain circumstances.**

ACTION STEPS

Employers should become familiar with these forms for reporting for the 2019 calendar year. Individual statements must be furnished by March 2, 2020, and IRS returns must be filed by Feb. 28, 2020 (March 31, 2020, if filed electronically).

IMPORTANT DATES

March 2, 2020

Individual statements for 2019 must be furnished by March 2, 2020.

February 28, 2020

IRS returns for 2019 must be filed by Feb. 28, 2020 (March 31, 2020, if filed electronically).

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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-B or Form 1095-C) for each individual who is provided with minimum essential coverage (for providers reporting under Section 6055), or for each full-time employee (for ALEs reporting under Section 6056); and
- ✓ A **transmittal form** (Form 1094-B or Form 1094-C) for all of the returns filed for a given calendar year.

Reporting entities must also furnish related statements (Form 1095-B or 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 2019 reporting, the IRS extended the furnishing deadline to March 2, 2020.

2019 Final Forms

The 2019 forms and instructions are substantially similar to the 2018 versions. However, both versions of the instructions were revised to:

- ✓ Remove references to the individual mandate penalty;
- ✓ Indicate that the furnishing deadline has been extended to March 2, 2020;
- ✓ Include the extension of good-faith penalty relief for incorrect or incomplete information returns filed or furnished in 2020; and
- ✓ Describe additional penalty relief for failures to furnish under Section 6055, in certain circumstances.

Beginning in 2019, the individual mandate penalty amount was reduced to \$0. **Despite this reduction, Section 6055 reporting continues to be required, although transition relief from penalties is available in some situations as described below.**

The instructions note that Section 6055 reporting is still necessary because it helps the IRS administer premium tax credit eligibility. An individual who is eligible for certain types of minimum essential coverage may not be eligible for the premium tax credit.

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Under the limited transition relief provided by the IRS, a reporting entity that does not furnish a Form 1095-B to responsible individuals will not be subject to a penalty if it meets certain requirements. Specifically, the reporting entity must:

- ✓ Prominently post a notice on its website stating that a copy of the 2019 Form 1095-B is available upon request (along with certain contact information); and
- ✓ Provide the 2019 Form 1095-B to individuals within 30 days of any request it receives.

The revised version of the Form 1095-C clarifies that the “Plan Start Month” box in Part II will remain optional for 2019. The IRS previously indicated that this box may have been mandatory for the 2019 Form 1095-C.

The instructions were also updated to include penalty amounts for 2019 reporting, and include the extension of good-faith penalty relief for incorrect or incomplete information returns filed or furnished in 2020.

- ✓ The penalty for failure to file a correct information return is \$270 for each return for which the failure occurs, with the total penalty for a calendar year not to exceed **\$3,339,000**.
- ✓ The penalty for failure to provide a correct payee statement is \$270 for each statement for which the failure occurs, with the total penalty for a calendar year not to exceed **\$3,339,000**.
- ✓ Special rules apply that increase the per-statement and total penalties if there is intentional disregard of the requirement to file the returns and furnish the required statements.

Additional Resources

The previous 2018 versions of these forms are also currently available on the IRS website:

- ✓ [Form 1094-B](#) and [Form 1095-B](#) (and related [instructions](#)); and
- ✓ [Form 1094-C](#) and [Form 1095-C](#) (and related [instructions](#)).

According to the IRS, information returns under Sections 6055 and 6056 may continue to be filed after the applicable filing deadline (for 2018 reporting, Feb. 28, 2019 for paper returns, and April 1, 2019, if filing electronically). Employers that missed the filing deadline should continue to make efforts to file their returns as soon as possible.

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

This ACA Compliance Bulletin is not intended to be exhaustive nor should any discussion or opinions be construed as legal advice. Readers should contact legal counsel for legal advice.

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Please contact Cowden Associates, Inc. for more information on reporting under Code Sections 6055 and 6056.

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