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IRS Releases 2017 Final Forms 1094/1095-C & Instructions

The IRS has released final Forms 1094-C and 1095-C (C Forms) and final instructions for the C Forms for the 2017 tax year. As a reminder, the C Forms are filed by applicable large employers (ALEs – employers with 50 plus FT or FTE employees) to provide information that the IRS needs to administer employer shared responsibility (pay or play penalty) under Code § 4980H and premium tax credits. (In addition to being filed with the IRS, Form 1095-C is furnished to individuals.) ALEs with self-insured health plans also report enrollment in minimum essential coverage (MEC) on Form 1095-C; individuals use this information to prove they do not owe an individual shared responsibility penalty.

Here are some highlights of the changes in the forms and instructions from the 2016 version:

Form 1094-C: The only changes are removal of the line 22 box for “Section 4980H Transition Relief” and the corresponding column in Part III of the form where filers previously indicated the type of transition relief, as this type of relief has now completely expired.

Form 1095-C: There are no substantive changes on the face of this form.

Instructions: The deadlines to furnish statements to individuals and to file with the IRS have been updated from 2017 to 2018. The instructions address several minor issues affecting Form 1095-C. For example, the field indicating the “plan start month” continues to be optional—even though the 2016 instructions anticipated it would be mandatory for 2017. The instructions also note that ALEs are not required to correct de minimis errors (those where no single incorrect amount differs from the correct amount by more than \$100) in reporting the dollar amount of required employee contributions on line 15—unless the recipient requests a corrected form. The instructions provide inflation adjustments to the 9.5% threshold for affordability, increasing the percentage to 9.66% for plan years beginning in 2016, and 9.69% for plan years beginning in 2017. In addition, the instructions clarify that there is no specific code to enter on line 16 to indicate that an employee was offered MEC and declined the coverage. And the existing interim relief for multiemployer (i.e., union) plans continues for another year.

The absence of major changes for the 2017 tax year will be welcome news for those responsible for preparing and filing these forms. So far, there’s no indication that the IRS will extend the deadlines, which come quickly after year-end, so ALEs should have a strategy in place to collect and organize the required information and be prepared to request extensions if necessary.

You can access the final forms and instructions here:

Form 1094-C: <https://www.irs.gov/pub/irs-prior/f1094c--2017.pdf>

Form 1095-C: <https://www.irs.gov/pub/irs-prior/f1095c--2017.pdf>

Form Instructions: <https://www.irs.gov/pub/irs-pdf/i109495c.pdf>

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