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Client Alert Applies To: Self-Funded, Fully-Funded, and Large Groups

October 6th, 2020

IRS Extends Due Date for Providing 2020 Form 1095-C

In what has become an annual tradition, the IRS has extended the due date by which Applicable Large Employers, or ALEs, (employers with 50 plus full-time or full-time equivalent employees) must provide a Form 1095-C to employees and health plan participants from January 31, 2021 to March 2, 2021. See <https://www.irs.gov/pub/irs-drop/n-20-76.pdf>. The deadline by which ALEs must file their Forms 1094-C and 1095-C with the IRS remains the same: February 28, 2021, for paper submissions, or March 31, 2021, if filing electronically. The IRS uses this reporting by ALEs to determine if employers are subject to the ACA's employer shared responsibility penalties.

Finally, the IRS notice provides a final extension of relief from penalties to ALEs that report incorrect or incomplete information on Forms 1094-C or 1095-C if the ALE can show it made a good-faith effort to comply with the information reporting requirements. In determining whether good faith exists, the IRS will consider whether the employer made reasonable efforts to prepare the required forms. Note that ALEs that fail to file an information return or provide the Form 1095-C to employees will not be eligible for relief. The IRS also stated that the 2020 reporting year is the last year for which it intends to provide this relief.

Please visit www.moreton.com/news-events/ for more information and to view other client alerts. This Client Alert was written by Carolyn Cox, Moreton & Company's in-house corporate counsel who provides our clients with compliance services. For additional questions, please contact Carolyn at 801-715-7110 or ccox@moreton.com.

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