

# Benefits BULLETIN



## IRS Extension for Furnishing ACA Forms, End of 'Good Faith' Relief

● December 15, 2021 ●

In previous years, the IRS has extended the due date for specific Affordable Care Act (ACA) information reporting requirements for insurers, self-insured plan sponsors, and "applicable large employers" (ALEs). This year, the IRS has not issued an extended due date for furnishing Forms 1095-C and 1095-B to individuals. Instead, on November 22, 2021, they issued new [proposed regulations](#) which provide a **permanent, automatic extension of the deadline for furnishing Forms 1095-C and 1095-B to individuals from January 31, 2022, to March 2, 2022**. While these proposed regulations have not been finalized, employers can rely on these regulations beginning with the reporting year 2021.

The regulations do not extend the deadline for filing the 2021 forms with the IRS. The IRS filing deadline remains March 31, 2022, if filing electronically (or February 28, 2022, if filing by paper). Extensions for filing with the IRS may be requested individually by filing [Form 8809](#).

The IRS final instructions for Forms [1094-B/1095-B](#) and [1094-C/1095-C](#), issued on December 9, 2021, reiterate the automatic extension for furnishing Forms 1095-C and 1095-B to individuals.

### Section 6055 Alternative Method for Distribution Relief

As a result of the effective repeal of the individual mandate by reducing the penalty amount to \$0, the proposed regulations create limited relief for the reporting requirements under Section 6055 of the Internal Revenue Code. The IRS states that it will not assess penalties for an insurance carrier or a non-ALE employer that sponsors a self-insured group health plan for failure to furnish Forms 1095-B to individuals if they satisfy the following requirements:

- Reporting entities must **post a clear and conspicuous notice** prominently on their website (until October 15 of the following calendar year in which the 1095-B relates) stating that responsible individuals may receive a copy of their Form 1095-B upon request, accompanied by contact information to

make the request; and

- The reporting entity must furnish a Form 1095-B to any responsible individual **upon request** within 30 days of the date the request is received.

This relief does not affect the reporting requirements of employers who are **ALEs sponsoring a self-insured medical plan**. However, if the ALE covers "part-time" employees on their self-insured medical plan, they can use the relief described above for their part-time employees (instead of issuing a Form 1095-C to these employees, they could use the simplified posting method). However, this simplified method may provide limited relief because the ALE still needs to file with IRS Forms 1095-C for all employees.

## No "Good Faith" Relief

In past years, the IRS extended the "good faith" transition relief from penalties for incorrect or incomplete information on their ACA reporting forms. Under this relief, employers and other reporting entities would not be penalized for providing inaccurate or incomplete information on their reporting forms if they could demonstrate that they had made good faith efforts to comply with the reporting requirements. In 2020, the IRS announced the final extension for good faith reporting relief. In the proposed regulations, the IRS confirms that the good faith reporting relief has ended for 2021 and future years.

Currently, the ACA reporting penalties are **\$280 for late or incorrect Forms 1095-B/C** furnished to employees and **\$280 for the late or inaccurate Form 1094-B/C and Forms 1095-B/C filed with the IRS**. Consequently, employers should make a concerted effort to check forms for accurate information to avoid any penalties, which could potentially total **\$560 per employee**.