



IRS EXTENDS REPORTING DEADLINES FOR AFFORDABLE CARE ACT COMPLIANCE

Fortunately for businesses that are struggling to submit all of the Affordable Care Act (ACA) information to their employees on time, the IRS has extended the deadlines.

Applicable large employers (ALEs), which are employers with 50 or more full-time employees (including full-time equivalents), must submit Form 1094-C and Form 1095-C to report the coverage they provided to their employees. Originally, the IRS scheduled Form 1095 to be due to each applicable employee by January 31 and Form 1094 to be due by February 29 (March 31 if filed electronically).

IRS Notice 2016-4 pushed back the deadlines this year, making Form 1095 due by March 31, 2016 and Form 1094 due by May 31, 2016 (June 30, 2016 if filed electronically). Note that these extended deadlines only apply to 2015 forms that employers are filing in 2016.

Because Notice 2016-4 extended the deadlines for these forms, normal methods for requesting an extension do not apply for 2015 forms that will be filed in 2016. Still, the IRS may reduce or abate penalties for “reasonable cause.” Furthermore, the IRS will consider the extent to which an employer made reasonable efforts to prepare for reporting the information.

Nonetheless, the IRS may impose harsh penalties for employers that fail to adhere to these deadlines. The fines for 2015 forms that will be filed in 2016 are as follows:

- The penalty for failing to file an information return will be \$250 for each return in 2016, with a calendar year maximum of \$3.0 million;
- The penalty for failure to provide a correct payee statement will also be \$250 for each return in 2016, with a calendar year maximum of \$3.0 million; and
- Special rules apply that increase per-statement and total penalties if an employer intentionally disregards the requirement to furnish a payee statement.

If your business uses a payroll service provider, contact them to ensure that they are taking steps to comply with all of the IRS’s ACA reporting guidelines. Also – as with any tax concern – don’t hesitate to contact a professional at UHY LLP at 314.615.1200.