



# REFORM UPDATE

Issue One Hundred Twenty-Seven

November 2016

November 29, 2016

## EXTENSION OF DEADLINE TO PROVIDE FORMS 1095-B AND 1095-C TO INDIVIDUALS EXTENSION OF GOOD FAITH COMPLIANCE RELIEF

The Internal Revenue Service (IRS) issued Notice 2016-70 recently. This Notice extends the deadline for furnishing Forms 1095-B and 1095-C to March 2, 2017. The original deadline to furnish these Forms to individuals was January 31, 2017. This extension was made after the IRS consulted with stakeholders, who expect to need more time to produce and distribute the Forms.

The IRS notes that individuals do not need to submit these Forms with their tax returns. They should instead keep their Form 1095-B or 1095-C with their tax records, which may be required in the event of an audit. Individuals can rely on other information received from their employers to confirm minimum essential coverage or their eligibility for tax credits when purchasing Marketplace coverage.

This Notice did not include an extension for filing Forms 1094-C, 1095-C, 1094-B and 1095-B with the IRS. At this time, the due dates for filing remain February 28, 2017, if paper copies are filed, and March 31, 2017, if electronic copies are filed.

Since the IRS is extending the deadline, the automatic 30-day extension employers can request will not apply to the 2017 filing of the 2016 forms. **If you have submitted a request for the extension, the IRS will not respond.**

In addition, the Notice extends relief for incorrect or inaccurate Form 1094-C and 1095-C filings as long as there was good faith compliance. This relief applies to missing and inaccurate taxpayer identification numbers and dates of birth, as well as other information included on the forms. The relief recognizes the challenges involved in developing new procedures to accurately collect and report the required information. However, employers will have to demonstrate that they truly made a good faith effort to accurately complete and send out the forms.

Relief for good faith compliance does not apply to employers that fail to file forms by the required deadlines.

The IRS does not believe they will extend the due dates and good faith relief for the 2017 forms filed in early 2018. However, it will be interesting to see if these filing requirements survive the Trump administration.

Copyright Marsh & McLennan Agency LLC

This document is not intended to be taken as advice regarding any individual situation and should not be relied upon as such. Marsh & McLennan Agency LLC shall have no obligation to update this publication and shall have no liability to you or any other party arising out of this publication or any matter contained herein. Any statements concerning actuarial, tax, accounting or legal matters are based solely on our experience as consultants and are not to be relied upon as actuarial, accounting, tax or legal advice, for which you should consult your own professional advisors. Any modeling analytics or projections are subject to inherent uncertainty and the analysis could be materially affected if any underlying assumptions, conditions, information or factors are inaccurate or incomplete or should change.