

December 17, 2018

DELAY ON FORM 1095-C DUE DATE TO INDIVIDUALS AND THE EXTENSION OF GOOD FAITH EFFORT TRANSITIONAL RELIEF

The IRS recently released Notice 2018-94, which offers some relief related to the 2018 employer reporting process. The 2018 Forms 1095-B (issued by insurance carriers) and 1095-C were initially required to be provided to individuals by January 31, 2019. This notice delays the due date until March 4, 2019. However, it is important to understand that the notice **does not delay** the date these forms are due to the IRS. Employer transmittal of Form 1094-C and copies of each Form 1095-C are due to the IRS by:

- February 28, 2019 (if submitted via paper)
- April 1, 2019 (if submitted electronically)

Because the IRS is providing this extension, the automatic 30-day extension will **not** apply to the extended due dates. The IRS will issue a penalty letter for late forms.

The IRS has extended this deadline every year since the reporting requirement began. At this point, most employees understand that they should answer affirmatively to the health insurance question on their tax return if they are covered by the employer's plan.

The notice also extends transitional good faith effort relief for incorrect or inaccurate Forms 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.

Finally, the notice recognizes that the individual mandate penalty will be \$0 in 2019. This is anticipated to affect some of the reporting requirements for 2019. The IRS is studying the issue to determine if changes will be needed.

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