



Benefits Compliance Update

November 29, 2018

Deadlines Extended for 2018 Forms 1095-C

On November 29, 2018, the IRS issued Notice 2018-94 which provides a limited extension of time for employers to provide 2018 Forms 1095-C to individuals. It also extends good-faith transition relief from certain penalties for the 2018 reporting year. The deadline to provide Forms 1094-C and 1095-C to the IRS was not extended. This is very similar to the relief extended last year for 2017 Forms 1095-C (Notice 2018-06).

Q 1: WHAT WAS EXTENDED?

A 1: 2018 Forms 1095-C statements must be furnished to individuals by **March 4, 2019**¹ (rather than January 31, 2019).

This extension of time also applies to carriers providing Forms 1095-B to individuals in insured plans.

Q 2: WERE THE DEADLINES FOR REPORTING TO THE IRS EXTENDED?

A 2: No.

The 2018 Form 1094-C and all supporting Forms 1095-C (collectively, “the return”) is due to the IRS by April 1, 2019 if filing electronically (or February 28, 2019 if filing by paper). These deadlines **were not extended** as part of the announced relief.

As a reminder, employers that file at least 250 Forms 1095-C must file electronically. The IRS encourages all filers to submit returns electronically.

¹ In prior years, the deadline under similar relief was March 2. However, because March 2, 2019 is a Saturday, the deadline is extended to March 4.

Q 3: IS THERE PENALTY RELIEF?

A 3: Yes

Notice 2018-94 extends transition relief from penalties to reporting entities that have made good-faith efforts² to comply with the information reporting requirements for the 2018 reporting year, both for furnishing the Form 1095-C to individuals and for filing with the IRS. Specifically, this relief applies to missing or inaccurate taxpayer identification numbers and dates of birth, as well as other information required on the return or statement.

No relief is available if the reporting entity does not make a good-faith effort to comply with the regulations or for a failure to file a return or furnish a statement by the applicable due dates.

This relief does not absolve an employer from correcting an incorrect Form if so instructed by the IRS.

Q 4: WHAT IF THE SUBMISSIONS ARE LATE?

A 4: Employers that do not comply with these due dates are subject to penalties. However, employers should still furnish and file the forms and the IRS will take such furnishing and filing into consideration when determining whether to abate penalties.

Q 5: WHAT IF EMPLOYEES DO NOT HAVE FORMS 1095-C (OR FORMS 1095-B FROM THE CARRIER) BEFORE THEY FILE THEIR TAX RETURNS?

A 5: Some taxpayers may not receive their Form 1095-C (or 1095-B from the carrier) by the time they are ready to file their personal tax return for 2018. *Taxpayers do not need to wait until they receive their Form 1095-C (or 1095-B) to file their annual tax return*, and may rely on other information from their employer (or carrier) for purpose of filing individual taxes. Individuals should not send this information to the IRS when filing their returns but should keep it with their tax records.

Q 6: WHAT ABOUT FUTURE RELIEF?

A 6: Because the individual shared responsibility mandate does not apply beginning after December 31, 2018 (i.e., the penalty is reduced to \$0.00), the IRS will study whether and how reporting requirements may change with respect to minimum essential coverage, if at all, in future years. Notably, the guidance is silent as to whether changes could be made to reporting tied to the employer mandate.

For the Notice, visit: <https://www.irs.gov/pub/irs-drop/n-18-94.pdf>.

² When determining “good-faith”, the IRS will consider whether an employer made reasonable efforts to prepare the reporting, such as gathering and transmitting the necessary data to prepare the information or testing its ability to transmit the information to the IRS. Additionally, the IRS will look at whether the employer is taking steps to ensure compliance in for CY 2018.

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