



HAYS COMPANIES

# IRS Provides ACA Reporting Relief for 2020

Late last week the IRS issued Notice 2020-76, which contains some important information about the ACA reporting for the 2020 calendar year. The Notice provides guidance regarding the following three issues:

1

Relief from Requirement to Furnish Form 1095-B

2

Due Date for Furnishing Forms 1095-B & 1095-C

3

Extension of Relief for Good Faith Reporting

## RELIEF FROM REQUIREMENT TO FURNISH FORM 1095-B

The IRS has renewed the relief it provided last year with respect to the requirement to furnish Form 1095-B to individuals receiving minimum essential coverage (“MEC”). Such forms are generally distributed by the insurer if the coverage is fully-insured or by the plan sponsor if the coverage is self-insured. Under the relief, the IRS will not assess penalties against a provider of MEC (i.e., the insurer or plan sponsor) for failing to furnish a Form 1095-B so long as the following two conditions are satisfied:

- (1) The provider of the MEC includes a prominent notice on its website stating that covered individuals may obtain a copy of their 2020 Form 1095-B upon request. The notice on the website must also include information about how to request the Form 1095-B and a telephone number for questions.
- (2) The provider of the MEC must furnish a 2020 Form 1095-B to any covered individual within 30 days of a request for the form.

### **Caution:**

Applicable large employers that are required to furnish Form 1095-C to their full-time employees and that sponsor self-insured medical plans cannot take advantage of this relief with respect to their Forms 1095-C. Part III of the Form 1095-C (which generally replaces the Form 1095-B) must still be completed.



### DUE DATE FOR FURNISHING FORMS 1095-B AND 1095-C

Notice 2020-76 extends the due date for furnishing Forms 1095-B and 1095-C from February 1, 2021 (because January 31, 2021 falls on a Sunday), to **March 2, 2021**. This extension is provided automatically (i.e., there is no need for an employer to request the extension) and it replaces the permissive extension that is otherwise generally available with respect to furnishing these forms. As indicated above, in some cases there will not be a need to furnish a Form 1095-B, in which case this extension would be relevant only to applicable large employers that are required to distribute Form 1095-C to their full-time employees.

**Note:** The IRS *has not* extended the due date for **filing** Forms 1094-B and 1094-C (which are used to transmit the applicable Forms 1095-B and 1095-C). The due date for filing the returns continues to be March 1st or March 31st depending on whether the forms are filed electronically. Extensions of those due dates are available by filing a Form 8809.

### EXTENSION OF RELIEF FOR GOOD FAITH REPORTING

Notice 2020-76 provides relief from penalties for furnishing and/or filing incorrect or incomplete Forms 1094-B, 1094-C, 1095-B, or 1095-C. The relief applies if the entity filed the required return(s) and can show it made a good faith effort to comply with the reporting requirements (i.e., made a good faith effort to furnish and file accurate and complete returns). The Notice makes clear that 2020 will be the final year in which this relief for good faith efforts will be applicable.

As always, the Hays Compliance team will continue to monitor developments in this area and keep everyone apprised as additional information and updates are released.

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