

Affordable Care Act Reporting Relief Extended for 2020

The Internal Revenue Service (IRS) released [Notice 2020-76](#) (the “Notice”), which extends the deadline for 2020 Affordable Care Act (ACA) Form 1095 reporting to individuals and the good faith compliance defense for reporting errors consistent with the relief that has been available each reporting year since 2015.

Relief Notes

- Delivery of Forms 1095 to Individuals – The deadline to provide the 2020 Forms 1095 (B or C) to individuals is extended to **March 2, 2021**. No additional extension is available.
- Filing Forms 1094/1095 with IRS – The deadline to file the 2020 Forms 1094/1095 with the IRS has not been extended.
 - Electronic filers – The deadline for entities filing electronically is **March 31, 2021**. Entities filing 250 or more forms must file electronically.
 - Paper filers – The deadline for entities filing by paper is **February 28, 2021**.

An automatic 30-day extension of the deadline to file with the IRS is available using [IRS Form 8809](#).

- Good faith relief extended – The IRS will not assess penalties for missing or inaccurate information if the 2020 forms are completed and filed in good faith. Entities who fail to provide and/or file forms altogether are not eligible for this relief.

Note: The Notice indicates that 2020 will be the final year this good faith relief is available.

- Form 1095 Delivery Relief – The IRS also repeated delivery relief first granted in 2019 for Forms 1095-B and 1095-C (see immediately below).

Form 1095-B

Form 1095-B’s primary use is for insurance carriers to report fully insured coverage. Employers who are not ACA Applicable Large Employers (non-ALEs) and who sponsor self-insured medical plans must also use Form 1095-B. Because individuals no longer need the information on Form 1095-B to avoid an individual mandate penalty (reduced to \$0 beginning in 2019), the IRS has announced it will not assess a penalty for failing to furnish Form 1095-B to covered individuals if both of the following are true:

1. The reporting entity posts a notice prominently on its website stating that any covered individuals may receive a copy of their Form upon request, accompanied by
 - An email address and physical address to send requests to, and

- A telephone number that individuals may contact with questions; and
2. The reporting entity furnishes a 2020 Form 1095-B to any covered individual within 30 days of receiving the individual's request.

Note: Reporting entities are still required to file Forms 1095-B with the IRS. For 2019, many insurance carriers took advantage of this relief and did not automatically provide Forms 1095-B to covered participants. We expect this will continue for the 2020 reporting season, but please see [State Individual Mandates](#) below.

Form 1095-C

Self-insured ACA Applicable Large Employers (ALEs) must continue to provide Forms 1095-C to their ACA full-time employees and report coverage on Part III. However, the IRS did grant special transition relief identical to the Form 1095-B relief described above when reporting coverage for an individual who was not an ACA full-time employee for any month during 2020. This can include part-time employees as well as COBRA participants and retirees (usually beginning the year after the COBRA qualifying event or retirement).

Note: It is unclear how much practical value this relief provides to ALEs who are required to file all Forms 1095-C with the IRS and provide Forms 1095-C to employees who were ACA full-time employees for at least one month during the calendar year. It may be administratively impractical for an ALE to try to fit within the special limited transition relief and not automatically provide Forms 1095-C to certain individuals who likely account for only a small number of the ALE's Forms 1095-C. Please also see [State Individual Mandates](#) below.

Request for Comments

The IRS requested comments in 2019 regarding whether the extension of the due date for furnishing Forms 1095 to individuals was necessary for future years but did not receive many comments. The IRS believes this indicates future extensions are no longer necessary after 2020. The IRS again requested comments about furnishing statements to individuals in Notice 2020-76. Unless the IRS receives significant feedback on the need for extensions, it is unlikely this automatic relief will be available in the future.

State Individual Mandates

In response to the reduction of the ACA's individual mandate penalty to \$0, several states enacted their own ACA-style individual mandates requiring taxpayers to provide proof of coverage to avoid penalties. Please see our [State Individual Mandate Guide](#) for more information about these state mandates.



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