October 11, 2016

Required Reading - New Instructions for ACA Reporting

Unlike the forms for the 2015 calendar year, the 2016 Forms 1095-C must be provided to employees by January 31 and must be submitted to the IRS electronically by March 31 (for those with under 250 forms submitting on paper, the deadline is February 28). Newly revised forms and instructions for this purpose have just been released. Although the forms have not changed much, the instructions have changed significantly. The penalties for failing to file a correct form with the IRS or an individual is $260 for each; certain caps and exceptions apply. Even those who mastered the 2015 instructions will want to review the new instructions carefully.

Important changes and clarifications relate to the new codes for spouses offered coverage only under certain circumstances (such as when they do not have coverage through their own employer), and reporting for those offered coverage under COBRA or otherwise after termination of employment. The instructions also contain helpful information on filing corrected forms. A direct link to the 1094 and 1095-C instructions is here.

Proposed regulations were issued this summer concerning ACA reporting as well. The comment period closed on October 3, 2016. Given the usual IRS cycle for issuing final regulations, it appears unlikely that the final regulations will affect 2016 calendar year reporting.