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## IRS Extends Good Faith Reporting Relief for ACA Forms for the Final Time

The Affordable Care Act (ACA) requires employers to distribute Forms 1095-C or 1095-B to employees by March 2, 2021. This is an extension of the January 31, 2021, due date; however, per IRS Notice 2020-76 (<https://www.irs.gov/pub/irs-drop/n-20-76.pdf>), no additional extensions beyond March 2, 2021, will be granted. This deadline only applies to providing employees with the forms. The deadline to file these forms with the IRS has not been extended and remains March 1, 2021, for forms filed by paper and March 31, 2021, for forms filed electronically. Failure to file these forms on time will result in a penalty.

Forms 1095 C and B are used to report insurance coverage under the ACA and are provided to employees and filed with the IRS.

- Form 1095-C (Employer-Provided Health Insurance Offer and Coverage) is filed and furnished to any employee of an Applicable Large Employers (ALE) member who is a full-time employee for one or more months of the calendar year. ALE members must report that information for all twelve months of the calendar year for each employee.
- Form 1095-B (Health Coverage) reports certain information to the IRS and taxpayers about individuals covered by minimum essential coverage and therefore are not liable for the individual shared responsibility payment.

### Good Faith Reporting Relief

In prior years, the IRS has offered good-faith reporting relief for employers to provide employees with

1095 forms. Good faith relief means that employers and coverage providers who worked in “good faith” to complete the forms were not penalized for missing or inaccurate information. The relief only applies to the information in the forms and not to the deadline to provide the forms to employees or to file the forms with the IRS. While this relief has been extended for the 2020 forms, the IRS has stated that this is the last year an extension will be given.

Because 2020 is the last year a deadline extension for providing the forms or good faith relief of penalties will be granted, the IRS advises employers to use this year to implement a process to distribute and file the forms by the deadline as good preparation to meet future deadlines.

### What This Means for Counties

Employers should distribute ACA 1095 forms to employees by March 2, 2021. This year is the last year a good faith relief of penalties will be given, so from now on, employers need to have a process in place to distribute and file 1095 forms before the deadline. For more information, contact CTSI at (303) 861 0507. [ctsi](https://www.ctsi.org)