

TECHNICAL UPDATE



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Automatic 30-Day Extension for ACA Forms Changes made by IRS and Treasury

The Treasury Department and IRS have extended the deadline from Jan. 31 to March 2 for employers to provide ACA forms to employees. Originally ruled in 2021, the extension now remains permanently in effect.

MORE DETAILS

The image shows a portion of Form 1095-C, titled "Employer-Provided Health Insurance Offer and Coverage". It is a Department of the Treasury Internal Revenue Service form. The form is divided into "Part I Employee" and "Part II Employee Offer of Coverage". Part I includes fields for employee name, SSN, employer name, and address. Part II is a table for offering coverage by month from January to June, with columns for "All 12 Months" and each month. The table has rows for "Offer of Coverage (enter required code)" and "Employee Required".

The 30-day extension to group health plans allows employers until March 2 to provide employees with 1095-B and 1095-C forms. These health care forms provide information on employee insurance coverage. The IRS is eliminating "Good Faith" transition relief since the deadline has been extended. Therefore, employers are expected to file the forms in a timely manner.

Under the ACA's Employer Mandate, employers with 50 or more full-time employees must offer minimum essential coverage to at least 95 percent of their full-time employees

and dependents so long as coverage meets minimum value. That coverage must be affordable based on the IRS-approved methods for calculating affordability. To learn more [click here](#).

WHY THE CHANGE?

Under the original rules of the ACA, reporting entities were supposed to issue the health coverage forms to employees no later than Jan 31 for the prior year.

However, according to the Groom Law Group, "The challenges related to preparing and distributing these forms on such a short timeframe soon became apparent, so through a series of Notices issued every year since these reporting rules first went into effect, the IRS has extended the deadline to furnish the Forms to individuals and provided good faith relief from reporting penalties."

Rather than continuing to temporarily extend the deadline every year, both the Department of Treasury and IRS opted to permanently extend the deadline.

WHAT THIS MEANS FOR COUNTIES

While the extension is meant to give employers more time to distribute ACA forms, it also demands that in return employers file these same forms in a timely manner, or risk receiving steep penalties for failing to file and furnish accurate ACA filings for the tax year. In 2022 employers were fined [\\$570 for every late or inaccurate ACA filing](#). Employers have until Feb. 28 to file ACA forms by paper and until March 31 to file them electronically.

For members of the County Health Pool (CHP) for whom CHP files ACA forms on the county's behalf, staff will be in touch for updating and filing 2022 policy year forms in 2023. For any questions, please reach out to CHP staff at (303) 861-0507.

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