



Health Care Reform Update



IMPORTANT NOTICE REGARDING HEALTHCARE REFORM Update #64

November, 2016

IRS Announces Extension and Good Faith Effort Standard for 2016 Reporting

The IRS released Notice 2016-70 regarding ACA Information Reporting (§6055 and §6056) which will allow for an automatic 30-day extension of the January 31, 2017, deadline that requires employers and insurers to provide Form 1095-B or Form 1095-C to employees. This notice also extends the transition allowed by the IRS for 2015 reporting relating to penalties under sections 6721 and 6722. This relief will apply for 2016 as long as reporting entities can again show that they made good-faith efforts to comply with the information-reporting requirements.

Extension for providing 1095-B and 1095-C forms to employees:

The IRS extension for 1095-B and 1095-C employee fulfillment moves the deadline from January 31, 2017, to March 2, 2017 (Automatic 30 Day Extension). The IRS encourages employers and insurers to provide these forms to employees as early as possible. Also note that both the mail and electronic filing deadlines are not extended. The e-filing deadline of March 31, 2017 remains intact, as does the February 28th mail filing deadline.

Because of the extension granted under this notice, some individual taxpayers may not receive a Form 1095-B or Form 1095-C by the time they are ready to file their 2016 tax return. As a reminder, taxpayers do not need to wait to receive Forms 1095-B and 1095-C before filing their returns. Also, individuals do not need to send the information relied upon to the IRS when filing their returns but should keep it with their tax records.

Transition Relief from penalties under sections 6721 and 6722:

The section 6055 and 6056 regulations provided transition relief from penalties under sections 6721 and 6722 to reporting entities that can show that they made good-faith efforts to comply with the information-reporting requirements for 2015. This relief applied only to incorrect and incomplete information reported on the statement or return and not to a failure to timely furnish or file a statement or return. Following consultation with reporting entities, the Treasury and the IRS have determined that this relief will be extended for 2016 also.

Link to the IRS Notice - [Notice 2016-70](#)

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