

# Health Reform Bulletin



Subject: **Proposed Regulations on 1095 filing**

Date: November 29, 2021

## IRS Issues Proposed Regulations on ACA Reporting Obligations

Relief is on the horizon for entities required to comply with certain Affordable Care Act reporting obligations but only if t's are crossed and i's are dotted.

The IRS and Treasury have issued a [notice of proposed regulations](#) providing that the 1095-C benefit statement provided by applicable large employers (ALEs) will be granted a permanent 30 day extension. Generally the statement must be provided to individuals by January 31 following the year to which it applies. These regulations, which can be relied on for the 2021 reporting year due in early 2022, change the date to March 2 or the next business day if March 2nd falls on a weekend day or legal holiday. This does not change the dates by which the forms must be submitted to the IRS (generally February 28 for forms filed in hard copy and March 31 for electronic filings).

This is welcome relief though it comes with a price. The good faith standard penalty reprieve for incomplete or incorrect forms will no longer be granted. It will be important to make sure every effort is made to ensure accuracy. The §6721 penalty for failing to timely file an information return or for filing an incorrect or incomplete information return and the §6722 penalty for failing to timely furnish an information statement or furnishing an incorrect or incomplete information statement is \$280 per form, for each code section.

In addition, the regulations provide simplified reporting for entities that provide minimum essential coverage. Entities that provide minimum essential coverage include:

- Health insurance issuers
- Self-insured employers
- Government agencies

To alleviate the time burden of preparing 1095-Bs, the regulations provide an alternative (simplified) method of furnishing the required statement to covered individuals if the shared responsibility payment amount is zero. The entity can post a clear and conspicuous notice on its website, prominently displayed, informing individuals that they could receive a copy of their IRS Form 1095-B upon request, and providing the contact information (telephone, email, and physical address) so that individuals could make such requests. The entity must provide the 1095-B within 30 days of a submitted request.

Applicable large employers who sponsor self-funded group health plans can use the simplified statement method only for non-full-time employees and non-employees receiving minimum essential

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coverage. Full-time employees must continue to be provided a form 1095C with all three parts completed.

For additional information, see HRB 153 and HRB 154 (pages 486-490 in this [comprehensive HRB document \(cbiz.com\)](#))

As a reminder, if an individual's health insurance premium meets affordability standards, the individual is not eligible for premium tax credits. For plan years beginning in calendar year 2022, the ACA required contribution percentage is 9.61%. This is a reduction from the 2021 required contribution percentage (9.83%).

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