

## *IRS Releases Draft Forms and Instructions for 2019 ACA Reporting*

December 1, 2019

### QUICK FACTS

- The Internal Revenue Service (IRS) recently released draft Forms and Instructions for 2019 Affordable Care Act (ACA) reporting, due in 2020.
- The draft 2019 forms and instructions reflect minor changes compared to 2018.
- The IRS expects to release final forms and instructions by year end.
- Despite efforts to repeal or modify the ACA, applicable large employers and plan sponsors must continue to comply with ACA reporting.

The Internal Revenue Service (IRS) recently released 2019 draft forms and instructions for reporting under Internal Revenue Code (Code) Sections 6055 and 6056. The IRS expects to release final 2019 forms and instructions by the end of the year – in time for the next Affordable Care Act (ACA) reporting cycle in early 2020.

### Background

The ACA created new reporting requirements under Code Sections 6055 and 6056. Under these rules, certain employers must provide information to the IRS about health plan coverage they did or did not offer or provide to their employees during the prior calendar year. Each reporting entity must file annually:

- a separate statement (Form 1095-B or 1095-C) for each individual who was provided with minimum essential coverage (for providers reporting under Section 6055), or for each full-time employee (for ALEs reporting under Section 6056), respectively; and
- a transmittal form (Form 1094-B or 1094-C) for all of the returns filed for a given calendar year with the IRS.

### Due dates

Reporting entities must furnish individual statements (Form 1095-B, 1095-C, or a substitute form) to full-time employees and individuals covered under self-insured health plans. The individual statements are due on or before January 31 of the year immediately following the calendar year to which the statements relate. Reporting entities must file forms with the IRS by February 28 if filed by paper and by March 31 if filed electronically.

# COMPLIANCE ALERT

## Key changes

The 2019 draft forms and instructions are largely unchanged from the final 2018 versions. However, employers should take note of the following items.

- **Purpose of Form.** The draft instructions modify the description of the purpose of information reporting and clarify that an employee's eligibility for certain types of minimum essential coverage can affect a taxpayer's eligibility for the premium tax credit. This statement replaces prior language that generally indicated that a purpose of information reporting was to establish whether a taxpayer was liable for a penalty under the ACA's individual shared responsibility rules.
- **Information reporting penalties.** The draft instructions include updated penalty amounts for failures to file returns and furnish statements. The adjusted penalty amount is \$270 per violation, with an annual maximum of \$3,339,000 (up from a maximum of \$3,275,500, for 2018).

No additional changes were included in the 2019 draft instructions. However, the final 2019 instructions for these forms may include additional changes or clarifications.

## No changes to reporting requirements

Despite ongoing efforts to repeal or modify the ACA, ALEs and plan sponsors should know that ACA reporting and all other employer-related mandates remain intact and are fully applicable for now. Consequently, ALEs and self-insured health plan sponsors must continue to comply with their ACA-related obligations.

## Additional resources

The IRS previously released the following materials which provide helpful guidance for employers subject to the reporting rules:

- [Q&As on Section 6055](#)
- [Q&As on Section 6056](#)
- [Q&As on Employer Reporting Using Form 1094-C and Form 1095-C](#)

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