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On November 29, 2018, the IRS issued Notice 2018-94, which provides a limited extension of time for employers to provide 2018 Forms 1095-C to individuals. It also extends good-faith transition relief from certain penalties for the 2018 reporting year. The deadline for employers to provide Forms 1094-C and 1095-C to the IRS was not extended.

Q1: What was Extended?

2018 Forms 1095-C statements must be furnished to individuals by **March 4, 2019** (rather than January 31, 2019). This extension of time also applies to carriers providing Forms 1095-B to individuals in insured plans.

Q2: Were the deadlines for reporting to the IRS extended?

No.

The 2018 Form 1094-C and all supporting Forms 1095-C (collectively, “the return”) is due to the IRS by April 1, 2019 if filing electronically (or February 28, 2019 if filing by paper). These deadlines **were not extended** as part of the relief announced in Notice 2018-94. Per the Notice, the government determined there was no similar need for additional time for employers to file these Forms with the IRS.

As a reminder, employers that file at least 250 Forms 1095-C must file electronically. The IRS encourages all filers to submit returns electronically.

Q3: Is there penalty relief?

Yes.

Notice 2018-94 extends transition relief from penalties to reporting entities that have made good-faith efforts to comply with the information reporting requirements for the 2018 reporting year, both for furnishing the Form 1095-C to individuals and for filing with the IRS. Specifically, this relief applies to missing or inaccurate taxpayer identification numbers and dates of birth, as well as other information required on the return or statement.

No relief is available if the reporting entity does not make a good-faith effort to comply with the regulations or for a failure to file a return or furnish a statement by the applicable due dates.

This relief does not absolve an employer from correcting an incorrect Form if so instructed by the IRS

Q4: What if the submissions are late?

Employers that do not comply with these due dates are subject to penalties. However, employers should still furnish and file the forms and the IRS will take such furnishing and filing into consideration when determining whether to abate penalties.

Q5: What if employees do not have Forms 1095-C (or Forms 1095-B from the carrier) before they file their tax returns?

Some taxpayers may not receive their Form 1095-C (or 1095-B from the carrier) by the time they are ready to file their personal tax return for 2018. Taxpayers do not need to wait until they receive their Form 1095-C (or 1095-B) to file their annual tax return, and may rely on other information from their employer (or carrier) for purpose of filing individual taxes. Individuals need not send this information to the IRS when filing their returns but should keep it with their tax records.

Q6: Will the IRS offer this relief for 2019 reporting?

According to the Notice, because the individual shared responsibility payment is reduced to zero for months beginning after December 31, 2018, the Departments are looking into whether the reporting requirements should change, if at all, for future years.