

IRS Penalty Transition Relief for 2019



On 12/2/19, the IRS announced Notice 2019-63, providing penalty relief for Affordable Care Act (ACA) information reporting under IRC §6055 and §6056 for the 2019 tax year. This transition relief largely follows prior years' guidance. The IRS is encouraging filing entities to furnish statements as soon as they are able.

FURNISHING STATEMENTS TO INDIVIDUALS.

As in years past, the deadline for furnishing Forms 1095-B and 1095-C to individuals has been extended from Jan. 31, 2020 to March 2, 2020. Filers are not required to submit a request to the IRS to take advantage of the extended furnishing due date. No further extensions for furnishing statements to individuals may be obtained.

FILING RETURNS WITH THE IRS.

The transition relief does not apply to filings with the IRS. The deadlines will continue to be Feb. 28, 2020 for paper filings and March 31, 2020 for electronic filings. Filers may extend these deadlines by application to the IRS.

"GOOD FAITH" PENALTY RELIEF.

Additional penalty relief is available for reporting incorrect or incomplete information to the IRS if the entity can show they made good faith efforts to comply with the reporting requirements. This relief applies to statements furnished to individuals and returns filed with the IRS. Penalty relief is not available to entities that fail to furnish statements, fail to file returns, miss an applicable deadline or otherwise are not making good faith efforts to comply.

FURNISHING ENROLLMENT INFORMATION (FORM 1095-B).

The IRS has expanded relief for reporting 2019 enrollment information on form 1095-B. Because the individual shared responsibility penalty was reduced to zero starting in 2019, individuals no longer need this information to file a federal income tax return.

The IRS will not assess a penalty against coverage providers that fail to automatically furnish Forms 1095-B to individuals as long as the form is furnished within 30 days after an individual's request. The coverage provider must also prominently post a notice on its website stating that responsible individuals may receive copies of their Form 1095-B upon request, along with providing certain contact information for inquiries.

Coverage providers generally report enrollment information to individuals using Form 1095-B. Applicable large employers (ALEs) sponsoring self-insured health coverage may instead report enrollment information for employees on Part III of Form 1095-C. The furnishing penalty relief does not apply to the requirement to furnish form 1095-C to full-time employees. However, the furnishing penalty relief does apply to the requirement to furnish form 1095-C to any non-full-time employees enrolled in an ALE's self-insured health plan, subject to the requirements of the penalty relief.

Note that this penalty relief does not affect the requirement or deadline to file forms 1094-B, 1095-B, 1094-C or 1095-C with the IRS.

FOR MORE INFORMATION ABOUT IRS NOTICE 2019-63:

[Read the full notice here.](#)

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