



November 21, 2016

Automatic Extension for Form 1095 and Related Relief

The IRS has [announced](#) a 30-day automatic extension for the furnishing of 2016 IRS Forms [1095-B](#) (Health Coverage) and [1095-C](#) (Employer-Provided Health Insurance Offer and Coverage) to individuals, from January 31, 2017 to March 2, 2017. "Automatic" means that requests for extension do not have to be sent to the IRS. According to the IRS, further extensions of the due date will not be available. The IRS will also not be formally responding to extensions that have already been requested by reporting entities.

Due Date Not Extended for IRS Reporting. IRS has also confirmed that the due date is NOT extended for filing 1094s and 1095s with the IRS, which remains February 28, 2017 if not filing electronically, and March 31, 2017 if filing electronically. Automatic extensions will still be available by filing a [Form 8809](#).

The IRS also indicates that, while failure to furnish and file the Forms on a timely basis may subject employers and other coverage providers to penalties, such entities should still attempt to furnish and file even after the applicable due date as the IRS will take such action into consideration when determining whether to abate penalties.

Reporting Chart

2016 Report	Original Deadline	Extended Deadline
Forms Sent to Individuals Form 1095-B Form 1095-C	January 31, 2017	March 2, 2017
Forms Filed with the IRS Forms 1094-B and 1095-B Forms 1094-C and 1095-C	February 28, 2017 – paper March 31, 2017 – electronic	N/A N/A

Good Faith Transition Relief Provided for 2016 Reporting. Additionally, the IRS announced that good faith reporting standards will apply for 2016 reporting. This means that reporting entities will not be subject to reporting penalties for incorrect or incomplete information if they can show that they have made good faith efforts to comply with the information-reporting requirements for 2016 (both for furnishing to individuals and for filing with the IRS). This relief applies to missing and inaccurate taxpayer identification numbers and dates of birth, as well as other information required on the return or statement. No relief is provided in the case of reporting entities that do not make a good-faith effort to comply with the reporting requirements or where there has been a failure to file an information return or furnish a statement by the applicable due date (as extended).

Individual Taxpayer Reporting. The notice also explains that because of the extension, some employees and other taxpayers may not receive a Form 1095-B or Form 1095-C by the time they are ready to file their 2016 tax return. Taxpayers may rely on other information received from their employer or other coverage provider for purposes of filing their returns, including determining eligibility for the premium tax credit. Thus, employers who take advantage of the extension and receive employee requests for 2016 Forms 1095-C before the extended due date should refer their employees to the [IRS guidance](#).

This IRS announcement provides welcome relief for plan sponsors facing significant challenges in consolidating year-end data in time to satisfy the original January 31, 2017 furnishing deadline. Please contact your Conner Strong & Buckelew account representative toll free at 1-877-861-3220 with any questions. For a complete list of Legislative Updates issued by Conner Strong & Buckelew, visit our online [Resource Center](#).



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