

NOVEMBER 28, 2016**IRS EXTENDS DEADLINE FOR FURNISHING
1095-C STATEMENTS AND GOOD FAITH TRANSITION RELIEF**

It has long been a practice of the federal government to dump bad news on the public on Friday afternoons. So when we received an email on the afternoon of Friday, November 18, 2016, that the IRS was announcing changes to the Affordable Care Act (“ACA”) health care reporting requirements, we were naturally apprehensive. It turns out, though, that the news was generally quite good.

In Notice 2016-70, the IRS extended the deadline for employers and other coverage providers to furnish the 2016 Form 1095-B or 1095-C (as applicable) to those individuals for whom reporting is required. Specifically, the IRS moved the deadline from January 31, 2017 to **March 2, 2017**. Employers overcome with a sense of panic (or at least angst) at having to complete all these forms right after the holiday season should feel a bit of relief.

Bear in mind that the deadlines for filing the 2016 Forms 1094 and 1095 *with the IRS* did not change. Applicable large employers (who must file a Form 1094-C and Forms 1095-C) and non-applicable large employers with self-insured group health plans (who must file a Form 1094-B and Forms 1095-B) still must file their forms with the IRS no later than February 28, 2017 (if filing by paper) or March 31, 2017 (if filing electronically).

The other piece of good news in Notice 2016-70 is that the IRS extended the good faith transition relief for the 2016 returns. In other words, filers that can show they made good faith efforts to comply with the ACA reporting requirements for the 2016 tax year will not face penalties under either Code § 6721 (for late, incomplete, or incorrect filings with the IRS) or Code § 6722 (for late, incomplete, or incorrect furnishings of statements to individual taxpayers). This relief would presumably apply to missing and/or inaccurate social security numbers, a source of great consternation to many of our employer clients. If an employer does not make a good faith effort to comply, however, all of the usual penalties will be fully applicable.

We will be discussing this new IRS relief, as well as all the other changes to the health care reporting requirements for the 2016 tax year, at our upcoming workshops. They will be held next week in Wichita on December 6 and 7. To sign up, please click [here](#).

If you have any questions regarding the new IRS reporting requirements or health care reform compliance for employers in general, please feel free to call [Eric Namee](#), [Brad Schlozman](#), or [Steven Smith](#) at (316) 267-2000.

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