



COMPLIANCE ALERT



EMPLOYEE BENEFITS | NOVEMBER 19, 2019

IRS Releases Draft 2019 ACA Reporting Forms and Instructions

The IRS has released draft forms and instructions for the 2019 B-Series and C-Series reporting forms (Forms 1094-B, 1095-B, 1094-C and 1095-C) used by employers and coverage providers to report certain information to full-time employees and the Internal Revenue Service (IRS).

As background, the Affordable Care Act (ACA) added Sections 6055 and 6056 to the Internal Revenue Code. These sections require employers, plans, and health insurance issuers to report health coverage information to the IRS and to participants annually. Section 6055 reporting requirements apply to insurers, employers that sponsor self-insured group health plans, and other entities that provide minimum essential coverage (such as multiemployer plans). Section 6056 reporting requirements apply to “applicable large employers” or “ALEs” (generally, employers with 50 or more full-time employees) and require reporting of health care coverage provided to the employer’s full-time employees.

Reporting under Sections 6055 and 6056 involves two sets of forms: the “B-Series” (Forms 1094-B and 1095-B); and the “C-Series” (Forms 1094-C and 1095-C). Each includes a transmittal form (Form 1094-B or 1094-C), which serves as a cover page and provides aggregate information, and an individualized form (Form 1095-B or 1095-C) for each employee for whom the employer is required to report.

The forms for calendar year 2019 are due to employees by January 31, 2020. Forms are due to the IRS by February 28, 2020 if filing by paper and by March 31, 2020 if filing electronically. The forms that must be filed and distributed depend on whether the employer is an ALE and the type of coverage provided. Employers filing 250 or more of a particular form are required to file with the IRS electronically. The following table summarizes the responsible parties and forms applicable to the ACA’s reporting requirements.

Responsible Entity	Fully Insured Plan	2019 (single/family)
Applicable Large Employer (ALE) 50 or more full-time equivalent employees on average in prior calendar year	Forms 1094-C and 1095-C (Parts I and II of Form 1095-C)	Forms 1094-C and 1095-C (Parts I, II, and III of Form 1095-C) Either B-Series or C-Series Forms for covered non-employees
Non-ALE Fewer than 50 full-time equivalent employees on average in prior calendar year	Not required to file	Forms 1094-B and 1095-B
Insurance Carrier	Forms 1094-B and 1095-B	Not Applicable

2019 Draft Instructions

The draft forms and instructions can be found here:

- [Form 1094-B](#)
- [Form 1095-B](#)
- [B-Series Instructions](#)
- [Form 1094-C](#)
- [Form 1095-C](#)
- [C-Series Instructions](#)

The draft instructions reflect the newly increased penalty structure (generally leaving the penalty at \$270 per return, but increasing the penalty cap from \$3.275 million to \$3.339 million).

Note Regarding 2019 Form 1095-C, Line 15. The section 4980H “affordability” safe harbor percentage threshold is adjusted to 9.86% for plan years beginning in 2019, up from 9.56%.

Employers should continue to work closely with their insurance broker and other trusted advisors when determining how their organization will address the reporting requirements. Unless extended, 1095-C and 1095-B forms for the 2019 calendar year are due to participants by January 31, 2020. Forms 1094/1095-C and 1094/1095-B are due to the IRS by February 28, 2020 if filing by paper and by March 31, 2020 if filing electronically. Employers should endeavor to file timely, as the IRS has begun enforcing penalties against employers who have failed to file timely or file electronically when required.

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