



National Compliance Update

USI EMPLOYEE BENEFITS

December 13, 2019

Final Forms 1094-C and 1095-C Issued

The IRS released final 2019 Form 1094-C, Form 1095-C and applicable instructions. Applicable large employers ("ALEs")¹ must furnish the Form 1095-C to full-time employees² and file Forms 1094-C and all 1095-Cs with the IRS.³

WHAT'S NEW

While the Forms remain substantially the same to last year's versions, the instructions highlight recent changes as announced in Notice 2019-63:

- **Extension of due date to furnish Form 1095-C.** 2019 Form 1095-C is due to employees by *March 2, 2020* (instead of January 31, 2020).
- **Relief for failure to furnish 1095-Cs to certain employees enrolled in self-insured health plan.** The IRS will not impose a penalty for failure to furnish Form 1095-C to any employee enrolled in an ALE member's self-insured health plan who is not a full-time employee for any month of 2019 if certain conditions are met.
- **Extension of good faith relief for reporting and furnishing.** The IRS will not impose a penalty for incorrect or incomplete information on Form 1095-C, if there is a good faith effort to comply with the information reporting requirements.

For more details on these changes, review our [National Compliance Update from December 5, 2019](#).

¹ An applicable large employer (ALE) is defined as an employer that employed on average at least 50 full-time employees, including full-time equivalent employees, during the preceding calendar year.

² A full-time employee under the Affordable Care Act means an employee who is employed an average of at least 30 hours of service per week (or 130 hours of service per month) as determined under the applicable measurement method (look-back or monthly).

³ The IRS also issued final 2019 [Forms 1095-B](#), [1094-B](#) and [applicable instructions](#). This article does not discuss these forms. Note, in most cases the "B" Forms are used by carriers and in some cases self-funded health plan sponsored by employers with fewer than 50 employees.

DEADLINES

ALEs should begin to prepare for calendar year 2019 reporting. Forms and filings are due as follow:

Deadlines	Comments for Self-Funded Plans Providing Coverage to Individuals Other Than Full-Time Employees
Forms 1095-C due to ACA full-time employees by March 2, 2020 .	ALEs sponsoring a self-funded health plan that provides coverage to individuals who are not full-time employees will either need to provide a Form 1095-C to these individuals by March 2, 2020 or satisfy the requirements of the relief announced in Notice 2019-63 by posting a website notice and upon request, providing the Form 1095-C within 30 days.
Form 1094-C and all corresponding Forms 1095-C must be filed electronically with the IRS by March 31, 2020 ; employers filing fewer than 250 statements may file by paper to the IRS no later than February 28, 2020 .	If a self-funded employer takes advantage of the relief available in Notice 2019-63, the employer must still file the Forms 2019-C with the IRS for individuals who are not full-time employees but were covered by the self-funded health plan in 2019.

PENALTIES

Failure to furnish a correct Form 1095-C may result in penalties of \$270/Form with an annual calendar year maximum of \$3,339,000. Failure to file correct Forms 1095-C and 1094-C with the IRS may result in penalties of \$270/Form with an annual calendar year maximum of \$3,339,000.

RESOURCES

- 2019 Form 1095-C, <https://www.irs.gov/pub/irs-prior/f1095c--2019.pdf>
- 2019 Form 1094-C, <https://www.irs.gov/pub/irs-prior/f1094c--2019.pdf>
- Instructions to 2019 Form 1094-C and 1095-C, <https://www.irs.gov/pub/irs-prior/i109495c--2019.pdf>

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