

February 2016

ACA Reporting Deadlines Delayed

On Dec. 28, 2015, the Internal Revenue Service (IRS) announced that deadlines for 2015 Section 6055 and 6056 reporting have been delayed.

The new deadlines are as follows:

- **March 31, 2016** – Deadline for furnishing Forms 1095-B and 1095-C to individuals (previous due date was Feb. 1, 2016)
- **May 31, 2016** – Deadline for filing Forms 1094-B, 1095-B, 1094-C and 1095-C with the IRS (previous due date was Feb. 29, 2016)
- **June 30, 2016** – Deadline for electronically filing Forms 1094-B, 1095-B, 1094-C and 1095-C (previous due date was March 31, 2016)

These deadlines have been extended to give employers and other providers more time to analyze and report coverage information.

Section 6055 applies to providers of minimum essential coverage, such as health insurance issuers and employers with self-insured health plans. These entities will generally use Forms 1094-B and 1095-B to report information about coverage they provided during the previous year.

Section 6056 applies to applicable large employers (ALEs), or those with 50 or more full-time employees, including full-time equivalents, in the previous year. ALEs should use Forms 1094-C and 1095-C to report whether they offered coverage to their full-time employees.

The extended due dates are automatic, meaning employers are not required to submit any requests or documentation to the IRS to take advantage of these new deadlines. Any requests previously submitted will not receive formal approval from the IRS.

Despite this delay, employers should not put off completing these forms. The IRS is encouraging employers to furnish statements and file information returns as soon as they are ready.

For help completing these forms, or if you have questions about reporting requirements, contact Baldwin Krystyn Sherman Partners today.

DID YOU KNOW?

Due to the delay of the ACA reporting deadlines, some individuals may not receive Form 1095-C by the time they file their income tax returns.

For 2015 only, individuals who rely on this information from their employers to determine whether or not they are eligible for premium tax credits do **not** need to amend their tax returns once they receive Form 1095-C.

Instead, they should keep this form for their tax records. This exception also applies to individuals who may rely on Form 1095-B to prove they had minimum essential coverage all year.

HHS Proposes Increased Out-of-pocket Maximums

In December 2015, the Department of Health and Human Services (HHS) proposed out-of-pocket (OOP) maximums for 2017 nongrandfathered health plans.

The proposed OOP maximums are as follows:

- **Self-only coverage:** \$7,150 in 2017 (up from \$6,850 in 2016)
- **Family coverage:** \$14,300 in 2017 (up from \$13,700 in 2016)

The OOP maximum includes an individual's yearly deductible and any other cost-sharing responsibilities that he or she may incur after the deductible is met (for example, coinsurance or copays). The OOP maximum does **not** count towards premiums, cost-sharing for out-of-network care, or spending on nonessential health benefits.

This increase is based on methodology outlined in the ACA and is tied to increases in group health care plan premiums. The final rule is forthcoming (HHS' final rule on 2016 OOP maximums was released at the end of February last year).

