



# Affordable Care Act Update

## **ACA Relief for Filing Forms 1094/95 – B & C**

**The IRS recently released three different sets of guidance related to the Affordable Care Act's (ACA) Forms 1094/95 – B/C filing requirement:**

1. For the 2015 tax year (filed in 2016), the filing deadline is delayed, providing employers, issuers and offerors of Minimum Essential Coverage (MEC) additional time to file these forms with the Internal Revenue Service (IRS) and covered individuals. This delay is automatic.
2. For the 2016 tax year (filed in 2017) and beyond, extensions are available to filers of Forms 1094/95 – C, allowing an additional month to file these forms with the IRS. This extension is available upon filing Form 8809.
3. For the 2016 tax year and beyond, a waiver of the mandate to file electronically for employers issuing 250 or more Forms 1095 – C is available upon filing Form 8508.

**Comment:** This extension gives an employer time to complete the required forms however the recommendation is that employers strive to distribute the 1095 forms to all employees by February 1, 2016. This would provide employees with accurate data needed to file income tax returns with the IRS.

## **Cadillac Tax Delayed to 2020**

The Cadillac Tax, which was added to the Internal Revenue Code by the Affordable Care Act, will impose a 40% excise tax on employer-sponsored health plans that exceed stated annual indexed dollar limits. This tax was to be effective January 1<sup>st</sup>, 2018 but this delay has it now going into effect on January 1<sup>st</sup>, 2020 at earliest.

**Comment:** Although the Cadillac Tax has been delayed until January 1<sup>st</sup>, 2020, employers need to continue reviewing their health insurance coverage to assess whether or not changes need to be made to the plans in order to avoid this future tax.

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