

ACA Compliance Update



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Many employers were hoping for a pass or an extension on their filing and reporting responsibility in 2018. Unfortunately, at the writing of this newsletter, we have not received any guidance regarding IRS extensions to the Affordable Care Act (ACA) filing deadlines. The current mandates continue to be the law. If any new notices are published, we will share the information with you immediately.

For employers who may be new to ACA reporting and filing, it will be important to first determine if you are considered an Applicable Large Employer (ALE). Small employers with a self-funded health plan are subject to reporting as well. Working with a trusted broker or advisor experienced in ACA compliance will greatly reduce stress and financial liability to the employer.

What are the Penalties for ACA Reporting Failures?

There are penalties for failing to file returns on time, failing to include all required information, and filing incorrect information.

The penalty for not filing an information return or filing an incorrect statement with the IRS generally is \$260 for each return. Since there are separate penalties for each return, filing failures could easily result in double penalties. In most cases, the total penalty for all reporting failures cannot exceed \$3,193,000 per calendar year. Intentional disregard can increase per failure and there is no cap to the total penalty amount for intentional failure.

Upcoming Deadlines for ACA Reporting

The filing deadlines for Tax Year 2017 are:

1095B/1095C postmark to employees by:
January 31, 2018

1094/1095B, 1094/1095C postmark to the IRS by:
February 28, 2018 (employers filing less than 250 information returns are eligible for mailing to the IRS)

1094/1095B 1094/1095C electronic filing to the IRS by:
April 2, 2018* (employers filing 250 or more information returns must file electronically)

*The regular due date, March 31, 2018, falls on a Saturday. IRS filing instructions permit filing on the next business day.

There are many payroll companies and independent third parties that offer ACA tracking and reporting services. Some are better than others. If you need a recommendation, let us know. One of our partner companies is currently running a promotion. If you mention The DeChristopher Group, you will receive 10% off their standard pricing.

Additional questions on ACA reporting can be directed to Lucia Fan, Senior Consultant and Certified Health Care Reform Specialist ®.

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