
IRS Permanently Extends Due Date for Sending Form 1095-C to Individuals

December 2022

The Internal Revenue Service (IRS) is permanently extending by 30 days the reporting deadline for employers and insurers to furnish Forms 1095-C and 1095-B to individuals. The IRS by final rule adopts the 30-day extension and also marks the end of penalty relief for information reporting errors that were made in “good faith.”

Final Rule Implements Automatic Extension of Time to Furnish Forms 1095

The final rule confirms that, for the 2022 reporting year and all subsequent years, the federal deadline for furnishing Forms 1095-C and 1095-B to individuals is automatically extended 30 days after January 31 (to March 2). If the extended deadline falls on a weekend or legal holiday, the Forms 1095 will be timely if they are furnished on the next business day. The extended deadline to furnish the Forms 1095 is already reflected in the IRS’ [final](#) 2022 *Instructions for Forms 1094-C and 1095-C*.

However, the final rule does not extend the deadline for filing Forms 1094-B and 1094-C with the IRS. The filing deadline continues to be February 28 if not filing electronically and March 31 if filing electronically. Filers may request an automatic 30-day extension of time to file Forms 1094-B or 1094-C by submitting Form 8809 by the applicable due date. An additional 30-day extension of time to file may be available in cases of hardship.

Interaction With State Individual Mandate Reporting Requirements

Issuers and employers may need to furnish Forms 1095-B and 1095-C to comply with state individual reporting mandate requirements. New Jersey, Rhode Island, and Washington D.C. use the federal forms and have amended their deadline to conform with the new federal deadline to furnish Forms 1095. However, California is not expected to automatically extend the deadline for furnishing Form 1095-C to individuals beyond January 31.

Form 1095-B Reporting Relief

The final rule permanently adopted relief for the method of furnishing Form 1095-B to individuals that apply in taxable years when the individual shared responsibility payment amount is zero. The individual shared responsibility payment amount was reduced to zero beginning with the 2019 tax year. Form 1095-B is typically used by insurers to report months of coverage to individuals, although self-insured group health plans may also use Form 1095-B to report coverage to individuals who are not full-time employees under the Affordable Care Act, such as individuals covered under COBRA for the entire reporting year or retirees who were not active employees during the entire reporting year.

The IRS will not assess a penalty under Internal Revenue Code Section 6722 for reporting entities who fail to furnish Form 1095-B to individuals so long as the following conditions are met:

1. A clear and conspicuous notice is posted on the entity's website in a location that is reasonably accessible to all responsible individuals and maintained until October 15 after the end of the reporting year stating that responsible individuals may receive a Form 1095-B upon request along with an email address, physical address, and a telephone number responsible individuals can use to request a Form 1095-B; and
2. A Form 1095-B is furnished to any responsible individual upon request within 30 days of the date the request is received.

The final regulations provide sample language that can be used by employers and issuers to satisfy the notice requirement.

This relief does not apply to self-insured employers who use Part III of Form 1095-C to list full-time employees and their dependents who are covered under their plan. However, this relief does apply to self-insured employers who use Form 1095-C to report coverage for individuals who were not full-time employees for any month of the year (i.e., part-time employees for every month of the year or retirees covered under the plan who retired in a previous year).

Good Faith Compliance Penalty Relief Ends

The IRS has provided transitional good faith compliance penalty relief from information reporting penalties under Internal Revenue Code Sections 6721 and 6722 since 2015 for incorrect and incomplete information reported on Forms 1094 and 1095. This relief applied to missing and inaccurate taxpayer identification numbers and dates of birth, as well as other information required on the return or statement.

The final rule ends the transitional good faith effort penalty relief for Forms 1094 and 1095 reporting for the 2022 and subsequent reporting years. Information reported on Forms 1094 and 1095 going forward must be correct and complete, and the employer must promptly correct any inaccuracies.

Employers and other reporting entities may still rely on the reasonable cause exception under Internal Revenue Code Section 6724 that provides relief from penalties under Sections 6721 and 6722 for filers who demonstrate reasonable cause for failing to timely or accurately complete their reporting obligations.

Resources

The final rule can be found in the *Federal Register* [here](#).



About Aon:

[Aon plc](#) (NYSE: AON) exists to shape decisions for the better — to protect and enrich the lives of people around the world. Our colleagues provide our clients in over 120 countries with advice and solutions that give them the clarity and confidence to make better decisions to protect and grow their business.

Follow Aon on [Twitter](#) and [LinkedIn](#). Stay up-to-date by visiting the [Aon Newsroom](#) and sign up for News Alerts [here](#).