



Eye On Washington Health Care Reform Update



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IRS Releases Updated Affordable Care Act (ACA) Tax Provisions Questions and Answers

On December 22, 2016, the Internal Revenue Service (IRS) updated the [Affordable Care Act \(ACA\) Tax Provisions](#) web page with both new and revised Questions and Answers. The information published specifically expands upon the topics of the [Employer Shared Responsibility Provision, Information Reporting by Employers on Forms 1094-C and 1095-C](#) and [Reporting on Offers of Health Insurance Coverage by Employers](#).

The IRS frequently asked questions incorporate information included in the [2016 Instructions for Forms 1094-C and 1095-C](#) and are to be used in conjunction with the instructions when completing Forms 1094-C and 1095-C for the 2016 tax year. IRS Notice 2016-70 is referenced which extended the due date for furnishing Forms 1095-C and the good faith transition relief for tax year 2016. Also, see ADP's *Eye on Washington* titled [New IRS Guidance Extends ACA Information Reporting Due Dates](#) for more information.

The Questions and Answers on [Reporting Offers of COBRA Continuation Coverage](#) that were removed last February were also revised and included again as part of this update. The IRS clarifies how reporting should be completed for offers of COBRA made to terminated employees and active employees that are no longer eligible for benefits under the employer's plan. Several scenario-based examples are included.

For Applicable Large Employers with non-calendar year plans (plans with a start date other than January 1), certain relief may be available for months in 2016 that are part of the 2015 plan year. See the frequently asked questions on [Limited Transition Relief in 2016](#) for further details.

In Question and Answer 56 and 57 under the [Making An Employer Shared Responsibility Payment](#) section, the IRS reiterates that letters regarding potential liability for employer shared responsibility payments will be mailed to employers in early 2017. In addition, the IRS states they expect to issue additional guidance describing the payment procedures before any letters are mailed. Recently the IRS started sending letters to organizations that may be Applicable Large Employers, but did not file 2015 Forms 1094-C and 1095-C. The IRS requires letter recipients to respond to non-filing letters within 30 days of the date of the letter.

To view these Questions and Answers mentioned above and others, visit the IRS' [Affordable Care Act \(ACA\) Tax Provisions](#) web page.

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