

ACA Information Returns May Continue to Be Filed After June 30, 2016

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The IRS just announced that although the deadline to electronically file ACA information returns (Form 1094-C with related Forms 1095-C) with the IRS is midnight ET on June 30, 2016, the ACA Information Returns (AIR) system will remain up and running after the deadline. If an employer is not able to submit all required ACA information returns by June 30, 2016, the IRS has indicated that the employer should complete the filing after the deadline.

It is important to note the following:

- The AIR system will continue to accept information returns filed after June 30, 2016. In addition, an employer can still complete required system testing after June 30, 2016.
- If any of an employer's transmissions or submissions were rejected by the AIR system, an employer has 60 days from the date of rejection to submit a replacement and have the rejected submission treated as timely filed.
- If an employer submitted and received "Accepted with Errors" messages, the employer may continue to submit corrections after June 30, 2016.

■ Penalties For Late Filing

The IRS acknowledges that some filers are still in the process of completing their 2015 tax year filings. The IRS has reiterated that filers of Forms 1094-B, 1095-B, 1094-C and 1095-C that miss the June 30, 2016 due date will not generally be assessed late filing penalties under section 6721, if the reporting entity has made legitimate efforts to register with the AIR system and to file its information returns, and it continues to make such efforts and completes the process as soon as possible. In addition, consistent with existing information reporting rules, filers that are assessed penalties may still meet the criteria for a reasonable cause waiver from the penalties.

If an employer is not an electronic filer and missed the May 31, 2016, paper filing deadline for ACA information returns, that employer should also complete the filing of its paper returns as soon as possible.