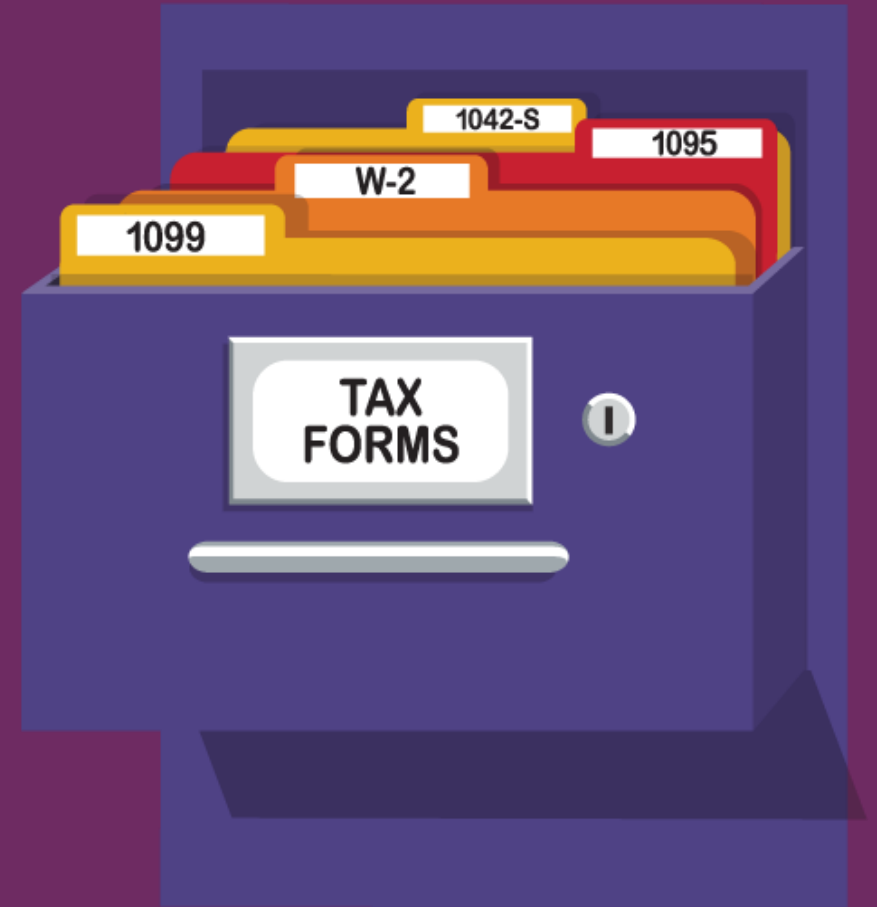


# 1099s, W-2s and ACA Forms

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New Tax Season, New Priorities for  
Fast, Fully Compliant Filing

November 2019



# Welcome!

Before we get started...

- Use the chat box on the left to ask questions
- Audio for today's webinar will come through your computer speakers. Please be sure your speakers are turned on and you have the volume turned up
- If you are signed on more than once, please locate the duplicate log-in and close it. This will create a better audio experience
- All attendees will receive a link to the presentation and slides in a follow-up email

# What We'll Cover

- 2020 deadlines for submitting forms
- Increased penalties for failing to file
- Why the IRS is encouraging more businesses to file electronically
- Recent Affordable Care Act (ACA) developments
- An efficient, end-to-end solution to easily meet your requirements

# Countdown to Compliance

- **Deadlines for 1099s with data in Box 7**
  - To recipients – January 31
  - Paper filing – January 31
  - E-filing - January 31
- **Deadlines for W-2s**
  - To recipients - January 31
  - Paper filing - January 31
  - E-filing - January 31

# Increased Penalties

	Within 30 days of filing due date: January 31, 2020	After 30 days of due date but before August 1, 2020	After August 1, 2020
Penalty per form	<b>\$50</b>	<b>\$110</b>	<b>\$270</b>
W-2 & Other Forms maximum penalty	<b>\$556,000</b> (\$194,500 for small businesses)	<b>\$1,669,500</b> (\$556,500 for small businesses)	<b>\$3,339,500</b> (\$1,113,000 for small businesses)

# New E-Filing Thresholds

- The Taxpayer First Act requires more businesses to e-file informational returns
- Many businesses will no longer be able to submit paper forms
- Currently, electronic filing is mandatory if the employer has 250 or more forms to complete
- The threshold will be reduced over the next three years

# New E-Filing Thresholds

- In 2020, companies filing 250 or more forms must e-file
- In 2021, the number drops to 100 forms
- In 2022, businesses filing just 10 or more forms must electronically file

# ACA Reporting Updates

- The individual mandate no longer applies for the 2019 Tax Year
- However, the Affordable Care Act requirements *for employers* are very much in play
- Applicable Large Employers (or ALEs) with 50 or more full-time or full-time equivalent employees must provide access to qualifying health coverage.
- Employers also must file 1095-C annual information returns with the IRS and send summary statements to employees



# 1. ACA Penalties Are Increasing

- An ALE may be penalized if it doesn't offer minimum essential coverage (MEC) to at least 95% of its full-time employees and their dependents
- For tax year 2019, the per-employee penalty for not offering MEC to eligible employees increased to \$2,570 annually per full-time employee
- A second penalty may occur if coverage is offered, but it isn't affordable or doesn't provide the minimum value
- This penalty increased to \$3,860 annually per full-time employee who receives a tax credit for tax year 2019

## 2. Increased Penalties for Delays

- In addition, ALEs must report information to the IRS and send summary statements to employees via the 1095-C form (and 1094-C transmittal)
- Late filings can result in a \$50-\$270 penalty, with intentional disregard costing as much as \$540 per form
- Penalties are incurred per form, which includes the IRS information return and the employee statement
- If employers fail to file a correct 1095-C with the IRS and don't provide a correct statement to the recipient/employee, they may face two penalties

# 3. Increased IRS Enforcement

- The IRS is now sending out Letter 226J to notify employers of any penalty assessments
- To date, over 30,000 letters have been sent levying over \$4 billion in fines
- The IRS has finished sending letters for tax year 2016 and is now focusing on letters for 2017 and 2018 tax year filings

## 4. ACA Filing Deadlines

The deadlines for filing for the 2019 tax year are:

- February 28, 2020 — IRS paper-filing deadline
- January 31, 2020 — Mail 1095 copies to recipients/employees
- March 31, 2020 — IRS e-filing deadline

# E-Filing Advantages

- Helps ensure accuracy
- Forms are stored online
- Gives you instant notification of government receipt
- Eliminates the need to buy paper forms, software
- Reduces trips to the office supply store

# E-Filing Advantages

- Eliminates paper jams or misaligned forms in printers
- Provides last-minute option to meet the January 31, 2020 deadlines
- Gives you a one-stop shop for e-filing, printing and mailing

# Selecting the Right Partner

- Does the e-file provider have considerable tax form experience?
- Is the provider an IRS authorized e-filer?
- Has the e-filing, print and mail process achieved SOC certification from the American Institute of Certified Public Accountants?

# Selecting the Right Partner

- Is the facility HIPAA compliant?
- Does the e-file site give you the ability to make online corrections?
- Do they store your information year after year?



# ComplyRight Solutions

## Easily File and Deliver 1099 and W-2 Forms Online



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# Questions



*Reminder: All attendees will receive a link to the presentation and slides in a follow-up email.*