

## Two Major Employee Benefits Changes

On Dec. 22, 2017, the IRS issued a notice that delays the furnishing deadline for 2017 Affordable Care Act (ACA) reporting and President Donald Trump signed the tax reform bill, called the [Tax Cuts and Jobs Act](#), into law, eliminating the individual mandate penalty beginning in 2019. This article briefly summarizes the implications of both of these actions.

### IRS Delays Furnishing Deadline

The IRS' [Notice 2018-06](#) extends the following:

- The due date for furnishing forms under Sections 6055 and 6056 for 2017 for 30 days, from Jan. 31, 2018, to March 2, 2018
- The good-faith transition relief

from penalties related to 2017 information reporting under Sections 6055 and 6056

However, Notice 2018-06 does not extend the due date for filing forms with the IRS for 2017. The due date for filing with the IRS under Sections 6055 and 6056 remains Feb. 28, 2018 (April 2, 2018, if filing electronically).

### Repeal of the Individual Mandate Penalty

The Tax Cuts and Jobs Act makes significant changes to the federal tax code. The bill does not impact the majority of the ACA tax provisions. However, it does reduce the ACA's individual shared responsibility (or individual mandate) penalty to zero, effective beginning in 2019.

Individuals continue to be required to comply with the mandate (or pay a penalty) for 2017 and 2018. A failure to obtain acceptable health insurance coverage for these years may still result in a penalty for the individual.

### For More Information

For additional information regarding Notice 2018-06 or the Tax Cuts and Jobs Act, please contact Deutsch & Associates, LLC.

## DID YOU KNOW?

The Tax Cuts and Jobs Act, signed into effect late December, creates a new tax credit for wages paid by employers in 2018 and 2019 to employees while on family and medical leave, as defined by the Family and Medical Leave Act (FMLA).

The tax credit will range from 12.5 percent to 25 percent of the cost of each hour of paid leave, depending on how much of a worker's regular earnings the benefit replaces. Any leave besides FMLA leave or leave paid for or mandated by a state or local government may not be taken into account for purposes of the credit.

## DOL Civil Penalties Increase for 2018

On Jan. 2, 2018, the Department of Labor (DOL) published a final rule that sets forth its annual inflation adjustments to civil monetary penalties. The DOL is required to adjust these penalties for inflation no later than Jan. 15 each year.

In order to compute the 2018 annual adjustment, the DOL multiplied the most recent penalty amount for each applicable penalty by the multiplier, 1.02041, and rounded to the nearest dollar.

The increased penalty levels apply to any penalties assessed after the effective date of this rule. Accordingly, for penalties assessed after Jan. 2, 2018, whose associated violations occurred after Nov. 2, 2015, the higher penalty amounts outlined in this rule will apply.

Calculated penalty amounts for specific violations can be viewed [here](#). For more information, contact Deutsch & Associates, LLC.