



February 1, 2021

Submitted electronically via: [www.regulations.gov](http://www.regulations.gov)

Internal Revenue Service  
Attn: CC:PA:LPD:PR (Notice 2020-76)  
Room 5203  
P.O. Box 7604  
Ben Franklin Station  
Washington DC 20044

**Re: Notice 2020-76 – Transition Relief Related to Health Coverage Reporting Required by Sections 6055 and 6056**

Dear Sir or Madam:

Business Group on Health appreciates the opportunity to provide comments on the information reporting requirements under sections 6055 and 6056 of the Internal Revenue Code and related penalty relief.

The Business Group represents [428 primarily large employers](#), including 74 of the Fortune 100, who voluntarily provide health, leave, disability, and other benefits to over 55 million American employees, retirees, and their families. Our members employ and provide benefits to employees in a wide variety of industries, including retail, manufacturing, banking, technology, and health care, among others. Our members' employee populations are large and extend across many (frequently all 50) states, and benefit offerings often are tailored to the specific needs of their lines of business.

In the past months, the unprecedented public health and economic conditions of the COVID-19 pandemic have only emphasized the need for affordable, high-quality health coverage. Business Group members remain committed to providing this coverage and driving the health care system toward greater efficiency, better health outcomes, and lower costs. To these ends, Business Group members prioritize:

- Providing competitive, cost-effective benefits while ensuring access to high-quality health care and comprehensive benefits packages;

- Engaging employees in an increasingly complex health care and benefits environment as part of an overall strategy to maintain a productive and competitive workforce; and
- Minimizing the administrative and cost burdens associated with compliance obligations.

In line with these priorities, we urge the Service to:

- Extend the due date for furnishing Forms 1095-C for the 2021 plan year to March 1, 2022; and
- Extend relief from section 6721 and 6722 penalties for incorrect or incomplete reporting under sections 6055 and 6056, provided group health plans make good faith efforts to comply with these reporting requirements. We recommend that this extension apply beyond the 2020 plan year—for the duration of the COVID-19 pandemic and beyond if necessary.

Business Group members have complied, in good faith, with the information reporting requirements of Code sections 6055 and 6056. However, the unique circumstances of the COVID-19 pandemic have created substantial workplace shifts such as reduced hours or furloughs for some employees and increased hours for others. These changes may be short- or longer-term, depending on the needs of employers' various lines of business. Many employees have changed workplaces mid-year. In many cases, employers have chosen to offer employer-sponsored health coverage even when employees do not meet the 30 hour per week threshold under Code section 4980H. At the same time, payroll processors and other third-party vendors that assist employers with reporting may not have had sufficient time to account for these hours and coverage changes in their reporting systems. These conditions increase the likelihood of inadvertent reporting errors, despite employers' and vendors' good faith efforts. Therefore, we believe that relief under Code sections 6055 and 6056 is appropriate, at least for the duration of the COVID-19 pandemic.

For the long-term, we also encourage the Service to consider reevaluating and reforming requirements under Code sections 6055, 6056, and 4980H as follows:

- Coordinate with federally-facilitated and state-based Exchanges to verify individuals' premium tax credit eligibility and employer information.
- Allow prospective reporting by plan sponsors regarding coverage offered to full-time employees.
- Provide penalty relief related to furnishing Forms 1095-C to plan participants, consistent with relief available for Forms 1095-B.

- Require review of information reported by plan sponsors under code Section 6055 and 6056 before initiating the 4980H penalty process and issuing 226-J letters to plan sponsors.
- Require review of information that individuals report to federally-facilitated and state-based Exchanges and determine individuals' household income for Code section 36B and 4980H purposes before initiating the 4980H penalty process and issuing 226-J letters to plan sponsors.
- Allow 60-90 days (rather than 30) for plan sponsors to file appeals related to 226-J letters to allow sufficient time for plan sponsors to receive and respond to the letters.

We believe that the above recommendations, if implemented, will reduce regulatory burdens for employers, reduce employee confusion related to Forms 1095-C and premium tax credit eligibility, and result in a more efficient reporting system for Code section 4980H purposes.

Thank you for considering our comments and recommendations. We would be happy to provide additional details and work with the Service on group health plan reporting matters. Please feel free to contact me ([kelsay@businessgrouphealth.org](mailto:kelsay@businessgrouphealth.org)) or Debbie Harrison ([harrison@businessgrouphealth.org](mailto:harrison@businessgrouphealth.org)), the Business Group's Director, Regulatory and Government Affairs, to discuss.

Sincerely,



Ellen Kelsay  
President & CEO