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# bailey benefit news



## 2015 IRS Penalty Notification Letter

### *VERY IMPORTANT – PLEASE READ*

The IRS is going to start sending employer mandate penalty notices (formerly known as employer shared responsibility payment) via IRS Form 226J. If your company receives this notice, you only have 30 days to either accept the penalty or contest it.

The IRS is sending this notice depending upon the information reported on IRS Forms 1094C and 1095C and as well as information from the IRS regarding full-time employees who received a premium tax credit.

Within Form 226J, it will outline the employees on a month by month basis for which the company is being assessed a penalty. As the employer, you have 30 days to submit a statement and supporting documentation to explain why you do not agree with the proposed penalty. The supporting documentation can include any changes that you would like to make to the information reported on Form 1094C and/or 1095C.

After you respond to the IRS, they will send you a description of any further action that you may need to take with respect to any proposed penalty. You will also be given an opportunity to request a “pre-assessment conference” with the IRS Office of Appeals if you still disagree with the proposed penalty.

In anticipation of this letter potentially arriving and the short-time frame in which you have to respond, we recommend that you have the 1094 and 1095 forms you filed with the IRS readily available. If you have multiple locations you need to notify them to be on the lookout for this letter as an employee may have indicated their employee location versus the company headquarters when applying for a premium tax credit. It is extremely important that you reply within 30 days of receipt of the notification. Below is a sample of the communication from the IRS:

As always, we are here to assist you if you need assistance or any clarification if you receive an IRS notification.



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513-579-9800  
www.baileyandco.com

**This update is sent periodically to keep you informed of employee benefit plan issues that may impact your organization.**