

## Just In Time For The Holidays, The IRS Issues Employer Mandate Tax Assessment Guidance

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The IRS recently updated its **FAQ guidance** on employer shared responsibility payments under the Affordable Care Act to describe in more detail how the IRS plans to assess such payments against “applicable large employers” (50 or more full-time or full-time equivalent employees) who failed to offer health coverage, or failed to offer affordable coverage to full-time employees who received subsidized coverage through a health insurance exchange or marketplace. The updated FAQs summarize the process for responding to or appealing such assessments and the process for making the payments. Key takeaways from this guidance include that **Letter 226J**, which will be used to notify employers of these assessments, will be issued in “late 2017” for 2015 coverage penalties, and that a response to Letter 226J will be due only 30 days after the date of the letter. It is unclear at this point whether the IRS will permit extensions of the 30-day deadline, which may prove to be a narrow time frame in which to collect and analyze the necessary data and prepare a response to the IRS. Employers receiving Letter 226J need to act quickly if a response or appeal is needed.

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