Undeliverable 1095-C’s: What To Do With Returned Mail

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Although the IRS announced on December 28, 2015 that the deadlines for employers to send Form 1095-C to employees was delayed to March 31, 2016, many employers have already distributed the new form to employees or are working through the process now. Once the forms are out the door, however, some employers will have to deal with a new problem: What to do with 1095-C’s that come back as returned mail?

Unfortunately, the IRS instructions for Form 1095-C do not provide much guidance on undeliverable forms. They are clear that employers meet the IRS’s requirements as long as the 1095-C is appropriately addressed and mailed on or before the due date (now March 31, 2016). The instructions also say “statements must be furnished on paper by mail (or hand delivered), unless the recipient affirmatively consents to receive the statement in an electronic format. If mailed, the statement must be sent to the employee’s last known permanent address, or if no permanent address is known, to the employee’s temporary address.” What the IRS does not say is what an employer should do if they don’t have the correct permanent or temporary address.

The IRS may provide more detailed guidance for undeliverable 1095-C’s in the future. For now, employers could adopt the same guidance the IRS uses for undeliverable W-2s. The 2016 W-2 instructions tell employers: “Keep for 4 years any employee copies of Forms W-2 that you tried to but could not deliver.”