



SPECIAL Alert

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In this third McGraw Wentworth Special Alert for 2011, we review the recently released guidance for requesting an extension in filing Form 8928. Form 8928 is a form employers complete to self-report specific compliance failures and to pay any applicable penalties or excise taxes.

The extension will provide employers more time to complete and submit Form 8928, but they will still have to pay any estimated tax penalties in a timely fashion.

We welcome your comments and suggestions regarding this issue of our Special Alert. For more information on this article, please contact your Account Manager or visit the McGraw Wentworth web site at www.mcgrawwentworth.com.

“Extension for Filing Form 8928”

The IRS recently released guidance allowing employers an automatic extension for filing Form 8928. Certain excise taxes, due for violations of various requirements relating to health plan coverage (such as COBRA notice violations), are self-reported by employers on this form. Additional details regarding what is reported on Form 8928 can be found in our Benefit Advisor at http://www.mcwent.com/BenefitAdvisor/2010/BA_Issue_9.pdf.

dressed in the latest guidance. Employers are allowed an automatic extension of six months. To obtain the extension, employers must submit an application called Form 7004, found at <http://www.irs.gov/pub/irs-pdf/f7004.pdf>.

The extension must be filed before the due date for Form 8928 (i.e., prior to the filing of the corporate tax return). In addition, if the employer or plan owes any

penalties, the estimated amount of the excise tax must be paid prior to the filing’s original due date. The IRS can terminate the extension upon written notice to the employer or plan.

Applying for the extension by completing Form 7004 is fairly simple. It will be more difficult to remember to pay any estimated tax penalty prior to the original due date of Form 8928.

If you have any questions, please contact your McGraw Wentworth Account Manager. **MW**

This relatively new requirement was effective on January 1, 2010. Employers should make sure they are closely monitoring compliance activity, and correcting any failures as necessary. They will have to file Form 8928 only if a failure to comply with any of the specific requirements reportable on this form does not qualify as an exception as noted in the Benefit Advisor. Organizations are not required to file this form if they are compliant with the law or if they are unaware of a potential violation.

Organizations that need to file the form must do so on or before the due date for filing their corporate tax return. If you need more time, you can request an extension, which is ad-

8928		Return of Certain Excise Taxes Under Chapter 43 of the Internal Revenue Code	
<small>Form 8928 (December 2009) Department of the Treasury Internal Revenue Service (Under sections 4980B, 4980D, 4980E, and 4980G)</small>			
Filer tax year beginning		and ending	
A Name of filer (see instructions)			B Filer
Number, street, and room or suite no. (if a P.O. box, see instructions)			ret
City or town, state, and ZIP code			E Pla
C Name of plan			F Pla
D Name and address of plan sponsor			G Pla
Part I Tax on Failure To Satisfy Continuation Coverage Requirements Under Se			
<small>Complete a separate Part I, lines 1 through 6 for failures due to reasonable cause and separate Part I, lines 12 through 14, for other failures, for each qualifying event for which satisfactory continuation coverage requirements that occurred during the reporting period (i</small>			

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