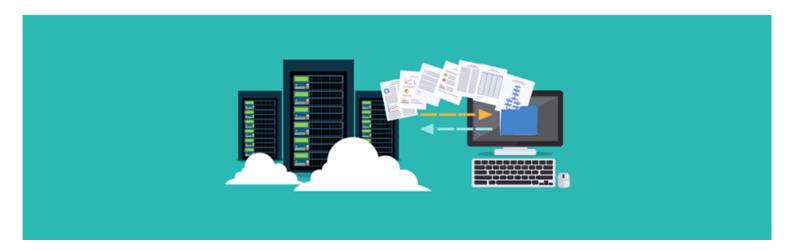# Regs would require e-filing for 250 or more info returns

Proposed regulations would require you to file all information returns electronically if in the aggregate you're filing 250 of any kind of information return—W-2s, 1099s, 1095, etc. These regs won't become effective until final regs are issued, but it's anticipated that they will become effective for information returns you're required to file in 2019. And that's not a lot of time. (*83 F.R. 24948, 5-31-18*)

Aggregation vs. disaggregation. Currently, if you file 150 W-2s, 150 1099-MISC forms and 50 1099-R forms you can file all the forms on paper because you haven't reached the 250-form threshold for any form. This is called disaggregration, and it was thought necessary, given the limits on technology that existed in 1986, when mag media (later e-filing) filing was first mandated.

The proposed regs, on the other hand, note that technology has advanced so significantly that the disaggregation rule is no longer necessary. Under these regs, if you file 150 W-2s, 150 1099-MISC forms and 50 1099-R forms you'd be required to e-file all forms. As under current regs, you could apply to the IRS for a hardship waiver.

The proposed regs would also require you to e-file corrected forms if your original forms were e-filed. But you wouldn't add up your corrected forms and original forms to determine whether you vaulted over the 250-form threshold.

A lot to do in a little bit of time. Since 2019 is just around the corner, you need to determine how these regs will affect your year-end processes. Consider the following:

- Ensure that you and your staff are trained in the three e-filing protocols—the SSA's EFW2 specs for W-2s, and the two IRS systems: FIRE for 1099s and AIR for 1095s.
- If IT can't devise an in-house solution to manage the new filing rules, start researching commercial software products or third-party providers.
- Assess the impact on state filing requirements.
- Set or revise your budget for year-end compliance.

A step-by-step payroll compliance guide to each pay period, month and calendar quarter of the year is now available. Download it free here.