

## 1095 FREQUENTLY ASKED QUESTIONS

### What is Form 1095?

The IRS uses information on Form 1095 to determine whether you or your employer may have to pay a fine for failing to comply with the Affordable Care Act (“ACA,” also known as Obamacare) by not having healthcare coverage for 2015.

This is a new reporting form that is required by federal law for eligible US citizens and qualifying employees and contains information you can use in filing your taxes starting in 2015 and each year thereafter. There are three versions of this form: 1095-A, 1095-B and 1095-C.

### What is Form 1095-C?

If you are eligible for healthcare coverage from your employer, Form 1095-C contains information about that healthcare coverage offered to you and your dependents by your employer.

Form 1095-C is used by qualifying employers with 50 or more full-time employees (including full-time equivalents) that are subject to the employer responsibility provisions of the ACA.

Form 1095-C contains information about the offer of health insurance coverage to employees and their dependents, the employee’s share of the lowest-cost premium, and other information related to employer responsibility provisions.

Information on this form is required to prepare and file your annual tax return.

### What is the difference between Form 1095-A, 1095-B and 1095-C?

The forms are very similar. The main difference is who sends it to you.

The entity that provides you with health insurance will be responsible for sending its version of Form 1095 to the IRS, so the IRS will know if you and your dependents have healthcare coverage or not.

- You will receive a copy of Form 1095-A if a federal or state marketplace (also called an exchange) covered your healthcare insurance and not your employer.
- You will receive a copy of Form 1095-B from your insurance carrier if you are enrolled in a fully insured, employer-sponsored healthcare plan OR if you were covered by other insurers, such as small, self-funded groups or employers who use the Small Business Health Options Program (“SHOP” overview here).
- You will receive a copy of Form 1095-C from your qualifying employer if you are (or were) a full-time employee, even if you don’t (didn’t) participate in the employer’s healthcare plan. You also will receive Form 1095-C if you were enrolled in a self-funded, employer-sponsored healthcare plan.

### Why did I get a Form 1095-C from my employer?

You were, at any time, or still are a full-time employee and/or enrolled in your employer’s health insurance plan during 2015. Full-time employee means those who work/ed an average of 30+ hours per week during the year.

## **Why have I never received Form 1095 before?**

The healthcare coverage reporting requirement is new for 2015. The forms sent to you by March 31, 2016 are for 2015 tax reporting. These forms are now standard and you will receive them to prepare and file your taxes every year.

## **I'm not covered under my employer's health plan. Why did I receive Form 1095-C?**

Even if you decided not to enroll for coverage under your employer's health plan, your employer is still required by law to provide a form to the IRS indicating whether or not they offered coverage to you, if you were a full-time employee. Full-time employee means those who work/ed an average of 30+ hours per week during the year. You will need this information to prepare and file your tax returns.

## **When will I get my Form(s) 1095?**

The appropriate Form(s) 1095 related to the 2015 tax year will be sent to you on or before March 31, 2016. Each year thereafter, forms will be sent on or before January 31.

## **I heard there's a delay in reporting for the 2015 tax year. How will this impact me?**

The IRS delayed the date by when employers and insurers are required to provide the 1095 forms to you until March 31, 2016. This delay is for the 2015 tax year only, and allows these entities more time to generate the forms as this is the first year they are required. You will still be required to file your individual income tax return (or file for an extension) by April 18, 2016 in most states (April 19 in Maine or Massachusetts). For more information from the IRS please [click here](#).

## **How can I file my taxes before I receive Form 1095?**

Your individual tax return (Form 1040) asks you to identify if you had qualifying health care coverage, also known as minimum essential coverage for the full year in 2015. Most people will be able to answer this question without receiving a Form 1095, and the IRS has declared that individuals may file their Form 1040 before they receive Form 1095. Employer-sponsored group health plans typically satisfy the definition of minimum essential coverage; examples of plans that do NOT qualify as minimum essential coverage are plans that provide dental or vision benefits only, worker's compensation, or accident/disability insurance only.

## **Why did I get more than one Form 1095?**

If you and/or your spouse were a full-time employee with more than one company or were on more than one employer's health insurance plan in any manner in 2015, you should receive a Form 1095 from each employer. In combination, these forms will help you validate your healthcare coverage for each month of 2015 when preparing and filing your tax return.

## **Who receives Form 1095-C?**

Employees who work for Applicable Large Employers ("ALEs") or employers with 50+ full-time-equivalent employees and employees already enrolled in an employer health insurance plan will receive Form 1095-C. Full-time employee means those who work/ed an average of 30+ hours per week during the year.

## **Why did some of my co-workers get a Form 1095-C, but not me?**

Forms are provided to full-time employees working an average of 30+ hours per week during the year (whether or not they enroll in employer-offered healthcare coverage), as well as any other employees who may be enrolled in an employer's health insurance plan. If you did not receive Form 1095-C, it may be that you worked, on average, fewer than 30 hours per week and you were not enrolled in your employer's healthcare plan in 2015.

You may also not receive a 1095-C if you were not the primary party insured. For example, you will not receive your own Form 1095-C if you were listed as a dependent or spouse under an eligible family member's plan with his/her employer.

## **Why do I have to report my healthcare coverage to the IRS?**

The Affordable Care Act ("ACA") includes both the individual (you) mandate and the employer mandate, which requires every eligible person in the USA to have healthcare coverage and provide proof of that insurance.

The individual mandate requires that most Americans have qualifying healthcare coverage or potentially face a fine.

The ACA employer mandate requires employers with 50 or more full-time-equivalent employees to offer healthcare coverage to their full-time employees or potentially face a fine.

Healthcare coverage information also helps validate an individual's eligibility to receive a federal tax credit to assist in paying for coverage on a healthcare marketplace/exchange.

If you, or a family member, were enrolled in healthcare coverage at any time in 2015, you will receive a Form 1095 from the entity that provided you the coverage. For example, if you were determined to be a full-time employee or were enrolled in coverage through your employer, you will receive a 1095-C from your employer.

## **What do I need to do with Form 1095-C, 1095-B or 1095-A?**

Each form provides information you need to prepare and file your annual federal income tax return. Keep a copy of each form for your files, along with your other tax documentation, and provide a copy of all forms received to your tax preparer.

## **Do I need to submit Form 1095-C to the IRS?**

If you were employed and enrolled in coverage from your employer(s) at any point in 2015, you will need both your W-2 form(s) and information from your 1095-C form(s) to prepare, complete and file your tax return.

Form 1095-C is submitted to the IRS directly by your employer. You do not have to submit a copy of the form to the IRS. And it is recommended that you always keep a copy of each Form 1095 for your files, just in case you need to reference them in the future.

## **Will the IRS fine me if I did not receive a Form 1095-C from my employer?**

You may need Form 1095-A, B or C when preparing and filing your taxes each year to show proof of your health insurance coverage and to avoid fines and penalties. However, only employers with 50+ full-time employees are required by federal law to send you Form 1095-C. If you believe you can claim a healthcare insurance coverage exemption, please see next question.

## **Can I claim a healthcare coverage exemption for me and/or my dependents and avoid Form 1095 altogether?**

In most cases, the answer is no. BUT, if you did not (or do not) have qualifying health insurance for you and your dependents through your employer or a healthcare marketplace/exchange, in some cases, you can claim an exemption. To find out if you qualify for an exemption and learn more, review the IRS Health Coverage Exemptions Form 8965 by visiting:

- [www.irs.gov](http://www.irs.gov) or <https://www.irs.gov/uac/About-Form-8965>
- [www.healthcare.gov](http://www.healthcare.gov) or <https://www.healthcare.gov/taxes/tools/>

## **Will Form 1095-C information impact my taxes?**

In most cases, Form 1095-C information will prevent additional fines and individuals with qualifying health insurance should not be required to pay any additional taxes. BUT, if you did not (or do not) have healthcare coverage and do not qualify for an exemption (per above), you may be subject to a fine/penalty when you file your taxes.

However, if you purchased coverage on the public exchange and you received a tax credit from the government to help pay for that coverage, you should discuss it with your tax advisor and consult:

<https://www.healthcare.gov/glossary/premium-tax-credit/>

Notes:

1. Individuals whose employers offer healthcare that meets Affordable Care Act requirements are generally not eligible to receive a subsidy on coverage purchased on the exchange.
2. Make sure the information reported to the IRS accurately reflects your healthcare enrollment for 2015.

## **How do I know what forms to expect to receive?**

Depending on your employer's plan, you may receive a Form 1095-B from the insurer in addition to Form 1095-C from your employer, or you may just receive a Form 1095-C from your employer. Additionally, if you (or your spouse) were offered coverage by another employer at any point in 2015, you may receive forms relating to that other employer's coverage. In combination, the forms should give you a complete picture of your health coverage for the entire year.

If you had coverage on a healthcare marketplace or exchange and not through your employer, you will receive Form 1095-A via the exchange. If you do not receive this form by the time you are ready to file your taxes, contact the exchange directly to send you Form 1095-A. Here are resources to assist:

## **What to do if you have not received Form 1095-A?**

- <http://obamacarefacts.com/questions/i-havent-gotten-my-1095a-form-what-do-i-do/>

## **What if I don't work for my employer anymore or if I changed jobs?**

The forms you receive this year reflect your offer of coverage and healthcare coverage for the prior calendar year, as indicated by the date in the upper-right-hand corner of the form.

If your former employer offered you coverage for any period of time in 2015, you should receive a form from that employer. You should use information found on all forms received from each employer to fill out your tax return to show proof of the months that you and your dependents were or were not covered.

## **What happens if I did not have health coverage for a certain month during the year?**

Form 1095 A, B and C each verify that you and your dependents had and have at least the minimum qualifying health insurance coverage every month through either your employer or a health marketplace/exchange.

If you and your dependents had a break in coverage during the tax year for any reason, you may have to pay an individual shared-responsibility payment, also known as a tax penalty. If this situation pertains to you, please see the link below for an overview of possible fines for not having health insurance for you, your spouse and/or tax dependents: <https://www.healthcare.gov/fees/fee-for-not-being-covered/>

## **What if I received a "substitute" form to Form 1095-C?**

Employers whose healthcare plan meets certain requirements are permitted to issue a simplified statement to employees in lieu of Form 1095-C.

If you receive a substitute form, you should: (1) use it to prepare your taxes, (2) provide a copy of the substitute form to your tax preparer, and (3) keep a copy for your files.

## **What do all of the codes, fields and sections mean on Form 1095-C?**

Here is a visual breakdown of each section of Form 1095-C and what each area means:

<http://www.mytaxform.com/form-1095-decoder> (provided via Equifax Workforce Solutions)

## **What information is provided?**

- Employee and Employer Information (Part I)
- Employee Offer and Coverage (Part II) – information about healthcare insurance coverage offered to you and your dependents, the affordability of coverage offered, and any reasons you were or were not offered coverage by your employer
- Covered Individuals (Part III) – employee and his/her dependents covered under an employer health plan

## **What do the codes in Part II, Line 14 mean?**

- These codes describe the offer of coverage for each month, or for the full year, an employee is covered

- There may be some months that an employee was not covered pending being a new hire or termination date. See “Instructions for Recipient” on the back of Form 1095-C for a complete description of the codes

### **What do the codes in Part II, Line 16 mean?**

- These codes help the IRS determine if your employer was in compliance with the ACA’s Employer Mandate. For example, did your employer comply with the “Employer Shared-Responsibility Provisions” mandated by the IRS?

### **The dollar amount in Part II, Line 15 is not the same as the amount I pay for medical insurance. Why not?**

- This amount is the monthly employee contribution for single coverage in the lowest-cost plan offered to you
- The IRS uses this amount to determine if your employer offers an “affordable” plan that meets the requirements of the ACA law. You may have actually enrolled in a different plan and/or you may cover other family members under a different plan that may be more expensive

### **Why was Part III left blank?**

- No one was enrolled in coverage for any month by the employer
- Health insurance coverage is through a fully insured plan
- Health insurance coverage is through COBRA
- You are a union employee