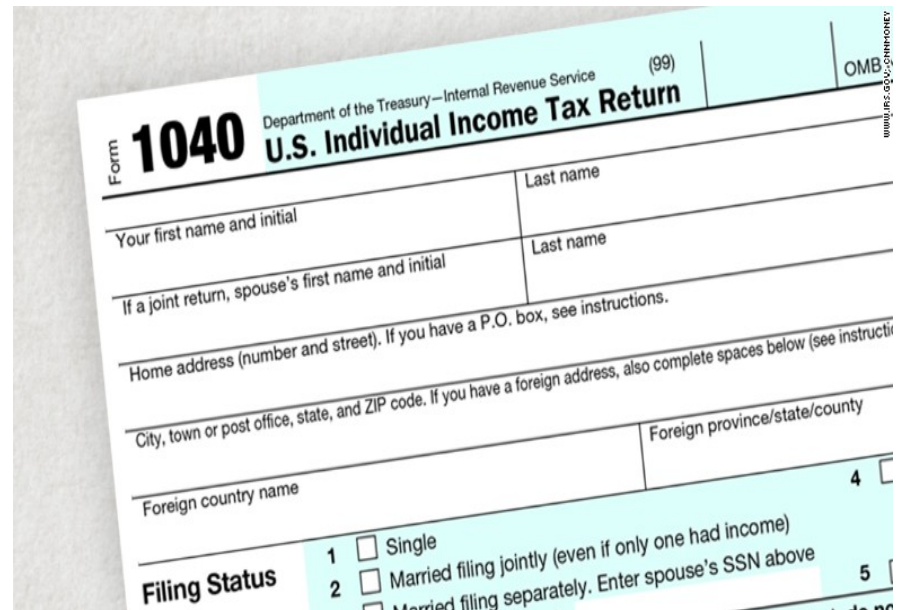


# The ABCs of FORM 1095

## For Brokers

March 10, 2016



Form **1040** Department of the Treasury—Internal Revenue Service (99) OMB

**U.S. Individual Income Tax Return**

Your first name and initial Last name

If a joint return, spouse's first name and initial Last name

Home address (number and street). If you have a P.O. box, see instructions.

City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions)

Foreign country name Foreign province/state/county

**Filing Status**

1  Single

2  Married filing jointly (even if only one had income)

3  Married filing separately. Enter spouse's SSN above

4 [ ]

5 [ ]

# 2015 Tax Season: 3 Kinds of 1095s

Know the ABCs of 1095 Forms

Type of Health Coverage	Federal Tax Form
Individual/Family coverage purchased through HSRI (or other exchange/marketplace)	Form 1095-A
Medicaid, Medicare or through your job if you work for a small employer (including SHOP coverage thru HSRI): and individual/family coverage purchased directly from a carrier	Form 1095-B
Through your job if you work for a Large Employer (Generally 50 +)	Form 1095-C

## 2015 Tax Season: Keeping it simple

- ◆ Everyone who is eligible must have health insurance for 2015  
*Vast majority of tax filers will simply “check the box” on their return*
- ◆ Most people will receive a 1095 Form
  - SHOP enrollees will receive Form 1095-B from their carrier
  - Purpose: To document coverage by month, by family member to help taxpayer answer question on Line 61 of Form 1040
- ◆ No coverage?  
Penalty applies (unless customer qualifies for an exemption)
- ◆ Exemptions  
Qualifying reasons and how to get an exemption

# Most Taxpayers Will Simply Check the Box on Form 1040

## Form 1040 Other Taxes section showing line 61 "full-year coverage" checked

Other Taxes				
57	Self-employment tax. Attach Schedule SE . . . . .		57	
58	Unreported social security and Medicare tax from Form: a <input type="checkbox"/> 4137 b <input type="checkbox"/> 8919 . . . . .		58	
59	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required . . . . .		59	
60a	Household employment taxes from Schedule H . . . . .		60a	
b	First-time homebuyer credit repayment. Attach Form 5405 if required . . . . .		60b	
61	Health care: individual responsibility (see Instructions) Full-year coverage <input checked="" type="checkbox"/> . . . . .		61	
62	Taxes from: a <input type="checkbox"/> Form 8959 b <input type="checkbox"/> Form 8960 c <input type="checkbox"/> Instructions, enter code(s) . . . . .		62	
63	Add lines 56 through 62. This is your total tax . . . . . ▶		63	

If anyone in the taxpayer's household did not have minimum essential coverage for each month of the year, the taxpayer will claim a coverage exemption or calculate an individual shared responsibility payment.

Line 61 on Form 1040 – Many will just  the box

# Form 1095-B for SHOP Enrollees

## ...What you need to know



- ◆ Original due date to furnish form to enrollee: Feb 1, 2016
- ◆ Revised due date to furnish form to enrollee: March 31, 2016
- ◆ Extension of due dates for I.R.C. § § 6055 and 6056 contained in Notice 2016-4, released by IRS on 12/28/15
  - Based on belief carriers and employers needed more time to comply
- ◆ Taxpayers do NOT need to wait for their form to file their federal return
- ◆ Taxpayer can rely on other carrier information to complete Line 61
- ◆ If customer relies on other carrier information and then receives Form 1095-B with different information, taxpayer does NOT need to amend return
- ◆ Form 1095-B does NOT get attached to Form 1040/1040EZ
  - Proof of coverage not needed as part of return
  - Carrier submits coverage information directly to IRS
  - IRS will (ultimately) reconcile taxpayer response with info provided

## Extension of Time to Prepare 1095-B (and C)

- ◆ The IRS Q&A clarifies that taxpayers do not need to wait until they receive 1095-B or 1095-C forms before they file their taxes.
- ◆ Other forms of documentation might also provide evidence of coverage. These include:
  - insurance cards,
  - explanation of benefit forms,
  - W-2 or payroll statements, or
  - other statements from insurers
- ◆ Taxpayers comply with minimum essential coverage filing requirements if they simply check a box on their 1040 that they had coverage for the year — they do not need to file any evidence of coverage with their tax forms
- ◆ Taxpayers do NOT attach the 1095-B form to their return!

# Extension of Time to Prepare 1095-B (and C)

Similarly, some individual taxpayers may be affected by the extension of the due date for providers of minimum essential coverage to furnish information under section 6055 on either Form 1095-B or Form 1095-C. Individuals generally use this information to confirm that they had minimum essential coverage for purposes of sections 36B and 5000A. Because, as a result of the extension, individuals may not have received this information before they file their income tax returns, for 2015 only individuals who rely upon other information received from their coverage providers about their coverage for purposes of filing their returns need not amend their returns once they receive the Form 1095-B or Form 1095-C or any corrections. Individuals need not send this information to the Service when filing their returns but should keep it with their tax records.

Excerpted from Notice 2016-4: Extension of the due dates for 2015 Information Reporting Under I.R.C. §§ 6055 and 6056

VOID

OMB No. 1545-0047

CORRECTED

**2015**

**Part I Responsible Individual**

1 Name of responsible individual		2 Social security number (SSN)	3 Date of birth (if SSN is not available)
4 Street address (including apartment no.)	5 City or town	6 State or province	7 Country and ZIP or foreign postal code
8 Enter letter identifying Origin of the Policy (see instructions for codes): . . . . . <b>A</b>		9 Small Business Health Options Program (SHOP) Marketplace identifier, if applicable	

**Part II Employer Sponsored Coverage (see instructions)**

10 Employer name			11 Employer identification number (EIN)
12 Street address (including room or suite no.)	13 City or town	14 State or province	15 Country and ZIP or foreign postal code

**Part III Issuer or Other Coverage Provider (see instructions)**

16 Name		17 Employer identification number (EIN)	18 Contact telephone number
19 Street address (including room or suite no.)	20 City or town	21 State or province	22 Country and ZIP or foreign postal code

**Part IV Covered Individuals (Enter the information for each covered individual(s).)**

(a) Name of covered individual(s)	(b) SSN	(c) DOB (if SSN is not available)	(d) Covered all 12 months	(e) Months of coverage												
				Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
23			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
24			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
25			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
26			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
27			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
28			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SHOP code = A



## Penalties If No Coverage in 2015

- ◆ Shared Responsibility Payment (sometimes referred to as the ‘penalty’):
  - Greater of 2% of household income above the tax return threshold for the taxpayer’s filing status\*, OR
  - Flat dollar amount of \$325 per adult and \$162.50 per child (under age 18), limited to a family maximum of \$975
- ◆ Computed on monthly basis (i.e., taxpayer owes 1/12<sup>th</sup> of annual amount for each month with no coverage or exemption)
- ◆ Penalty capped at national average premium for a bronze level QHP
- ◆ If covered for at least one day in the month, law gives credit for full month
- ◆ Short coverage gap allowed under Exemptions (gap of less than 3 consecutive months):
  - Example: You had coverage from 1/1/15-10/31/15 but not for Nov and Dec. You may use Form 8965 to apply for the short term coverage gap (Use code B for the exemption type in Part III of the form)

\* About \$10,000 for an individual

\*\*For 2016: Greater of 2.5% of household income above the tax return threshold for the taxpayer’s filing status, OR Flat dollar amount of \$695 per adult and \$347.50 per child (under age 18), limited to a family maximum of \$ 2,085

# Excellent Resources

- ◆ <https://www.healthcare.gov/taxes/>
- ◆ <http://www.irs.gov/Affordable-Care-Act>
- ◆ <http://www.healthreformbeyondthebasics.org/home/for-tax-preparers/>
- ◆ <http://economicprogressri.org/Issues/AffordableHealthCare/RIHealthCoverageProject/tabid/266/Default.aspx>
- ◆ <http://healthcarerightsri.org/resource-hub/2015-taxes-and-healthcare/>
- ◆ <http://healthsourceri.com/get-help-tax-season/>  
HSRI has a special section on the website called, “Get Help During Tax Season” – available now