

The ABCs of Form 1095

Form **1095-B**

Department of the Treasury
Internal Revenue Service

Part I Responsible Individual

1 Name of responsible individual

this is the covered insured

Street address (including apartment no.)

Three different types of 1095s

Type of Health Coverage	Federal Tax Form
Individual & Family coverage purchased through HealthSource RI or other exchange/marketplace	Form 1095-A (from Marketplace)
Medicaid, Medicare, through a small employer or individual and family coverage purchased directly from a carrier	Form 1095-B (From Carrier)
Through your employer if you work for a large employer (50+ employees)	Form 1095-C (From Carrier)

Keeping it Simple

- Everyone who is eligible must have had coverage throughout 2016.
 - **The majority of tax filers will just check the box on their return**
- Most people will receive a 1095 form
 - SHOP members will receive Form 1095-B from their carrier
 - The purpose of the 1095 is to document coverage by month and by family member to help answer Line 61 on Form 1040
- No Coverage?
 - Penalty applies if you don't have coverage for 2 or more consecutive months
 - \$695 per adult, \$347.50 per child up to \$2,085 for a family
 - 2.5% of your household income above tax return filing threshold for your filing status which ever is greater.
- Exemptions
 - Income-related exemptions
 - Hardship exemptions
 - Group membership

Most Taxpayers Will Simply Check the Box

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 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 you didn't have continuous coverage throughout 2016, you'll need to calculate your penalty and fill in the box on the far right of line 61.

	Year 2016	Year 2017
Percentage amount	2.5% of income above filing threshold*	2.5% of income above filing threshold*
Flat dollar amount**	\$695 per adult \$347.50 per child Family maximum: \$2,085	\$695 per adult \$347.50 per child Family maximum: \$2,085

Shared Responsibility Payment

- Shared Responsibility Payment (sometimes referred to as the ‘penalty’):
 - 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
- Computed on monthly basis (i.e., taxpayer owes 1/12th of annual amount for each month with no coverage or exemption)
- Penalty capped at national average premium for a bronze level QHP (Qualified Health Plan)
 - \$2,676 per year for an individual and \$13,380 for a family.
- 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

Form 1095-B for SHOP members

ACA Information Reporting Forms	2016 Tax Year Deadlines	
Forms 1095-B and 1095-C due to employees (to be postmarked if mailed, or sent by e-mail if applicable conditions met).	Jan. 31, 2017 March 2, 2017	IRS issued notice 2016-70 on November 18 th to extend the deadline of those providing Forms 1095-B and 1095-C
Forms 1094-B, 1095-B, 1094-C and 1095-C due to IRS if filing on paper.	Feb. 28, 2017	
Forms 1094-B, 1095-B, 1094-C and 1095-C due to IRS if filing electronically.*	March 31, 2017	

Advice for your clients

- Taxpayers do NOT need to wait for their form to file their federal return
- Taxpayers can rely on other carrier information to complete Line 61.
 - If they are HSRI SHOP members that don't have their 1905-B yet, they can call us to find out whether or not they had continuous coverage.
 - If the customer relies on other carrier information, and their 1095-B is different, they do NOT need to file an amendment
- Form 1095-B does NOT get attached to their 1040 or 1040EZ
 - Proof of coverage not needed as part of the return
 - Carriers submit coverage information directly to the IRS
 - IRS will (eventually) reconcile taxpayer response with info provided

- <http://healthsourceri.com/get-help-tax-season/>
- <https://www.irs.gov/affordable-care-act>
- <http://economicprogressri.org/index.php/rhode-island-health-coverage-project-3/>
- <http://www.healthreformbeyondthebasics.org/home/for-tax-preparers/>