

CLIENT ALERT

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Information about Questions that your Employees may ask their employers about the Health Care Information Forms - Forms 1095-A, 1095-B, and 1095-C

Individuals who have health insurance coverage either through the Marketplace or thorough their employer will receive at least one and in some case two new forms.

The information below is intended to help you answer questions your employees may have about these forms and how the delay granted by the IRS may affect their ability to file their returns.

This Client Alert is not meant to take the place of a discussion by your employees with a qualified Tax Accountant.

Starting early in 2016, your employees may receive one or more forms providing information about the health care coverage that they had or were offered during 2015. These new health care forms provide information that may be needed for individuals to file their income tax return. Like Forms W-2 and 1099, these new forms will be provided to the IRS as well.

The new forms are:

[Form 1095-A](#), *Health Insurance Marketplace Statement*. The Health Insurance Marketplace (Marketplace) sends this form to individuals who enrolled in coverage there, with information about the coverage, who was covered and when.

[Form 1095-B](#), *Health Coverage*. Health insurance providers (for example, health insurance companies) send this form to individuals they cover, with information about who was covered and when. *****This form is also provided by employers who are not considered an Applicable Large Employer, but do self-insure their coverage*****

[Form 1095-C](#), *Employer-Provided Health Insurance Offer and Coverage*. *****Applicable Large Employers must complete Sections I and II if they offer fully insured medical coverage and Sections I, II and III if they offer self insured medical coverage. This form includes information about what coverage the employer offered and its affordability*****

Deadline for these forms

The deadline for the Marketplace to provide Form 1095-A is February 1, 2016. The deadline for insurers, other coverage providers and applicable **employers** to provide Forms 1095-B and 1095-C was extended to March 31, 2016.

Individual taxpayers will generally not be affected by this extension and should file their returns as they normally would.

If you are an Applicable Large Employer and you have employees that enrolled in a health plan in the Marketplace, they will need the information in Part II of Form 1095-C to help determine your eligibility for the premium tax credit.

Employees do not need to wait until they receive the forms from the employer to file their taxes

Employees that are expecting to receive a Form 1095-A should be told to wait to file their 2015 income tax return until receipt of the form. **However, the IRS has stated that it is not necessary to wait for Forms 1095-B or 1095-C in order to file.**

Due to the extension given to employers to file and send the 1095 B or 1095 C forms, employees may not receive the form by the time they are ready to file their 2015 tax return. While the information on these forms may assist in preparing a return, they are not required. Individual taxpayers will generally not be affected by this extension and should file their returns as they normally would.

Explanation of the health care tax forms that an employee might receive and question you on.

Health Care Form	Sent To	Sent By	What to do with this form
Form 1095-A , Health Insurance Marketplace Statement	Individuals who enrolled in health coverage for themselves or their family members through the Marketplace	Marketplace	This form provides information about the Marketplace coverage. Use Form 1095-A to complete Form 8962 and reconcile advance payments of the premium tax credit or claim the premium tax credit. Use Form 1095-A for information on who in the family had coverage that satisfies the individual shared responsibility provision .
Form 1095-B , Health Coverage	Individuals who had health coverage for themselves or their family members that is not reported on Form 1095-A or Form 1095-C.	Employers who provide “self-insured coverage”, who are not required because of size to send Form 1095-C Health Coverage Providers – Insurance companies outside the Marketplace Government agencies - Medicare or CHIP	This form provides information about health coverage. Use Form 1095-B for information on who had health coverage that satisfies the individual shared responsibility provision .
Form 1095-C , Employer-Provided Health Insurance Offer and Coverage	Certain employees of applicable large employers	Applicable large employers—generally those with 50 or more full-time employees, including full-time equivalent employees	Form 1095-C provides information about the health coverage offered by the employer, the affordability of the coverage and whether the employee enrolled in coverage. For self insured ALE Employers, the form will also show each dependent that was covered.

Some employees will get more than one form.

Employees are likely to get more than one form if they had coverage from more than one coverage provider or if they worked for more than one employer that offered coverage, or if they changed coverage or employers during the year or if different members of the family received coverage from different coverage providers.

Employees of **Fully Insured Applicable Large Employers** will receive both a 1095C from the employer and a 1095 B from the Insurance Carrier.

Employees of **Self Insured Applicable Large Employers** will receive a fully completed 1095C from the employer.

Employees of **Self Insured NON Applicable Large Employers** will receive a 1095 B from the employer.

These forms are used to...

- Verify who in a family had coverage for each month during the year.
- Verify who in a family had minimum essential coverage for each month during the year.
- Verify who may be eligible for premium tax credits

Tax returns may be filed even if the employees have not received their 1095 B or 1095 C forms.

Although information from the Form 1095-C – information about an offer of employer provided coverage - can assist the employee in determining eligibility for the premium tax credit, it is not necessary to have Form 1095-C for them to file their return.

Your employees do not have to wait for either Form 1095-B or 1095-C to file their individual income tax return. They can use other forms of documentation, in lieu of the Form 1095 information returns to prepare their tax return. Other forms of documentation that would provide proof of insurance coverage include:

- insurance cards,
- explanation of benefits
- statements from your insurer,
- W-2 or payroll statements reflecting health insurance deductions,
- records of advance payments of the premium tax credit and
- other statements indicating that health care coverage was inforce.

Form 1095-A, 1095-B or 1095-C should not be attached to the tax return

Although the information on the forms is used to complete the tax return, these forms should not be attached to the return or sent to the IRS. The issuers of the forms are required to send the information to the IRS separately.

DISCLAIMER: This e-mail/Client Alert is informational only and is not meant to advise you of your entire obligations for filing the 1095-1094 B or C forms. Should you want more information regarding determining your obligations under these filings, please do not hesitate to contact us.

This information is not considered insurance, legal or tax advice.

Employees should be directed to their accountant for additional advice or assistance.