

# FAQ for IRS Tax Form 1095-B

## Overview:

### What is Form 1095-B?

Form 1095-B shows the months that HUSKY Health beneficiaries were enrolled in Medicaid or the Children's Health Insurance Program. This form is needed to prepare for filing a federal tax return. When filing taxes, most people are required to report if they had minimum essential coverage during the year -- or they must pay an Internal Revenue Service (IRS) federal tax penalty for tax year 2015.

### Why will Department of Social Services (DSS) enrollees be sent Form 1095-B?

As a provider of medical coverage, DSS is required by the federal government to send this IRS form to enrollees in the HUSKY Health program (Medicaid beneficiaries and parents of children who are beneficiaries of the Children's Health Insurance Program). This form is needed to prepare for filing a federal tax return.

### What is Form 1095-B used for?

The information on Form 1095-B is used to complete your federal tax returns for 2015. The information on the form verifies that a person had minimum essential coverage as required by the Affordable Care Act.

### What does Form 1095-B look like?

You may see what this form looks like by visiting the website below:

<https://www.irs.gov/pub/irs-prior/f1095b--2015.pdf>

<https://www.irs.gov/pub/irs-prior/i109495b--2015.pdf> (instructions)

### When I receive Form 1095-B, do I have to send it to the IRS with my federal tax return?

No. According to IRS guidance, the 1095-B form is not required to be sent in to the IRS. The information on the form helps you to complete your tax return. DSS will also send an electronic file directly to the IRS containing the same information.

## The Importance of Minimum Essential Coverage:

### What is Minimum Essential Coverage?

This is the type of health coverage an individual needs to meet the “individual responsibility requirement” under the Affordable Care Act. Individuals are considered as having minimum essential coverage for the month as long as they are enrolled in and entitled to receive health benefits under a plan or program identified as minimum essential coverage for at least one day during that month. This includes HUSKY Health (Medicaid and Children’s Health Insurance Program).

### **Why is Minimum Essential Coverage important?**

The ACA requires that minimum essential coverage health plans pay for at least 60% of medical expenses on average for a standard population. The federal Department of Health and Human Services has released a minimum value calculator for employers and plans to use for this testing. For more complicated plans, such as the self-insured market, there is a “safe harbor” checklist that plans can use. Most employer-sponsored plans today will easily pass this requirement. In addition, full-coverage Medicaid programs like Connecticut’s meet the requirements of minimum essential coverage.

### **What are the different types of Minimum Essential Coverage?**

- Specified government-sponsored programs (e.g., Medicare Part A, Medicare Advantage, most Medicaid programs, Children’s Health Insurance Program, most TRICARE programs, and comprehensive health care coverage of veterans).
- Employer-sponsored coverage under a group health plan (including self-insured plans).
- Individual market coverage (e.g., a qualified health plan purchased through the health insurance marketplace, Access Health CT) or individual health coverage purchased directly from an insurance company).
- Grandfathered health plans (in general, certain plans that existed before the Affordable Care Act and have not changed since the ACA was passed).
- Other plans or programs that the Department of Health and Human Services recognizes as minimum essential coverage for the purposes of the ACA.

### **About Individual Shared Responsibility and potential tax penalty:**

#### **What is the Individual Shared Responsibility provision?**

The individual shared responsibility provision requires you and each member of your family do one of the following:

- Have qualifying health coverage called minimum essential coverage; or
- Qualify for a health coverage exemption; or
- Make a “shared responsibility payment” when you file your federal income tax return.

A shared responsibility payment is also referred to as a tax penalty.

Many people already have minimum essential coverage and do not need to do anything more than maintain that coverage and report their coverage when they file their tax returns.

### **What is a health insurance marketplace?**

In Connecticut, health insurance marketplace refers to Access Health CT ([www.AccesshealthCT.com](http://www.AccesshealthCT.com)), where people can purchase medical insurance from multiple insurance companies or apply for insurance affordability programs, including Medicaid and the Children’s Health Insurance Program. Under the Affordable Care Act, Connecticut chose to create its own insurance marketplace rather than having the federal government create one.

### **Exemptions from meeting the Minimum Essential Coverage level:**

#### **What is a health care exemption?**

The Affordable Care Act allows certain exemptions for not meeting the minimum essential coverage requirement. If you meet certain criteria for a tax year, you may be exempt or excused from the requirement to have qualifying health coverage. If you are exempt, you will not have to make a shared responsibility payment (pay a penalty) when you file your federal income tax return. For any month that you do not qualify for a coverage exemption, you will need to have minimum essential coverage or make a shared responsibility payment.

#### **How do you qualify for a health care exemption?**

You can obtain some exemptions from Access Health CT or claim them on your tax return. If you get an exemption, you will report it when you file your tax return. You may be exempt if you meet one of the following criteria:

- The minimum amount you must pay for the annual premiums is more than eight percent of your household income; or
- You have a gap in coverage that is less than three consecutive months; or

- You will not file a tax return because your income is below the tax filing threshold. For the 2015 tax year, filing threshold is \$10,300 for individuals and \$20,600 for married persons filing a joint return; or
- You participate in a health care sharing ministry or are a member of a recognized religious sect with objections to health insurance; or
- You are a member of a federally recognized Indian tribe; or
- You are incarcerated; or
- you have experienced a hardship such as homelessness, death of a close family member, bankruptcy, substantial recent medical debt, or disasters that severely damaged the individuals property that makes it difficult to purchase insurance; or
- You are a U.S. citizen or resident who spent at least 330 full days outside of the U.S. during a 12-month period; or
- You are a U.S. citizen who was a bona fide resident of a foreign country or U.S. territory; or
- You are a resident alien who was a citizen of a foreign country with which the U.S. has an income tax treaty with a nondiscrimination clause, and you were a bona fide resident of a foreign country for the tax year; or
- You are not a U.S. citizen, not a U.S. national, and not an alien lawfully present in the U.S. (For this purpose, an immigrant with Deferred Action for Childhood Arrivals status is not considered lawfully present and therefore is eligible for this exemption.)

### **Where does an individual apply for an exemption?**

Individuals can apply for an exemption from AccessHealthCT at:

<http://learn.accesshealthct.com/exemptions/> . If Access Health CT grants your coverage exemption, they will send you a notice with your own Exemption Certificate Number (ECN).

### **How does an individual claim an exemption?**

Exemptions are claimed on IRS Form 8965, Health Care Coverage Exemptions. This form is attached to IRS Form 1040, Form 1040A, or Form 1040EZ. Go to

<https://www.irs.gov/uac/About-Form-8965> for information.

### **For additional information:**

<https://www.irs.gov/Affordable-Care-Act/Individuals-and-Families/ACA-Individual-Shared-Responsibility-Provision-Exemptions>

What is the tax penalty for not having Minimum Essential Coverage during the tax reporting year?

The tax penalty, also known as an individual shared responsibility payment, for not having minimum essential coverage, is either a flat amount, or a percentage of household income, whichever is greater. The penalty has been phased in since 2014.

For health coverage year 2015, the penalty is the greater of;

- \$325 for each adult and \$162.50 for each child under 18, up to \$975 per family,
- 2% of family income above the federal tax filing threshold, which is \$10,300 for a single filer, \$20,600 for people who file jointly.

For health coverage year 2016, the penalty will be the greater amount of:

- \$695 for each adult and \$347.50 for each child under 18, up to a maximum of three people in your tax household; or
- 2.5% of family income above the federal tax filing threshold

In all years, the penalty is also capped at an amount equal to the national average premium for the median cost bronze health plan available through Access Health CT. The penalty is assessed based on “coverage months.” This means that each month an individual is uninsured; they may owe 1/12<sup>th</sup> of the annual penalty.

**If I have two or more gaps in coverage during the year but less than the allowable three months, am I penalized?**

The federal rule for short coverage gaps is that only the first short coverage gap in a year will be recognized. For example, an individual wouldn't be penalized for lacking coverage in March, but may owe a penalty for a second gap in coverage that occurred in August if the individual does not otherwise qualify for an exemption during that period.

**How Form 1095-B will be sent:**

**Who will send Form 1095-B to Department of Social Services' (DSS) beneficiaries?**

DSS will send the form.

**When will Form 1095-B be sent?**

DSS will mail the forms no later than January 31, 2016.

### **Who should I contact if I do not receive Form 1095-B?**

Individuals may call 1-844-503-6871 Monday through Friday from 8:00am to 6:00pm.

### **Is Form 1095-B offered in Spanish or other languages?**

No, the form is offered in English only by the IRS. For Spanish-speaking individuals the IRS provides a website (<https://www.irs.gov/Spanish>) to offer assistance with tax-related questions and guidance.

### **I am a Medicaid recipient and a non-citizen residing in Connecticut. Will I receive Form 1095-B?**

Yes.

### **Are there other 1095 forms that I may receive?**

Yes, the other forms are 1095-A and 1095-C.

### **Other health care tax forms:**

#### **What is Form 1095-A used for?**

Form 1095-A is an IRS form for individuals who enroll in a Qualified Health Plan (QHP) through a health insurance marketplace. In CT, the health insurance marketplace is Access Health CT. Typically, it is sent to individuals who had QHP coverage to allow them to:

- Claim Premium Tax Credits; and
- Reconcile the credit on their returns with Advanced Premium Tax Credit Payments; and
- File accurate tax returns in general, as this information can be used to help determine exemptions and the fee.

Generally, 1095 forms, including the 1095-A form, are completed by the health insurance marketplace, insurers, or an employer.

#### **What is Form 1095-C used for?**

Form 1095-C is furnished to those individuals who had employer-sponsored medical coverage. Large employers with 50 or more full time employees are required to provide this form for each employee who was a full-time employee of the employer for any month of the calendar year.

### **Are 1095-B Tax Forms needed for state income tax returns?**

No. Form 1095-B is a federal form used to verify Minimum Essential Coverage to the IRS.

### **Will Qualified Medicare Beneficiaries get a 1095-B form?**

.For tax year 2015, the federal Centers for Medicare and Medicaid Services (CMS), which oversees the Medicare program, states it will mail notices to Medicare beneficiaries who most need the information for tax filing purposes. These individuals include Medicare Part A beneficiaries under 65, those who enrolled in Part A for the first time in 2015 or those who had Part A for only a portion of 2015. CMS is instructing beneficiaries over age 65 who have had Medicare Part A for more than one year to simply check the appropriate box on their return.

### **Resources:**

For more information:

<https://www.cms.gov/Medicare/Eligibility-and-Enrollment/Medicare-and-the-Marketplace/Overview1.html>

1-800-MEDICARE; 1-800-633-42273

### **What do I do if I did not receive a 1095-B form, lost my form, or the form has outdated or erroneous information?**

Please contact the DSS 1095-B Information Center at 1-844-503-6871

### **How do I contact the IRS with Affordable Care Act tax-related questions?**

Visit the IRS website at [www.irs.gov/aca](http://www.irs.gov/aca) or call the IRS toll free at 1-800-829-1040. Assistance is provided in both English and Spanish.

### **Is there a website with information on Form 1095-B?**

Yes, it is: <https://www.irs.gov/uac/About-Form-1095-B>

### **Where can I find federal tax forms?**

The IRS or tax preparers can provide forms. Local libraries or post offices may also have some federal tax forms. Blank copies of tax forms can be downloaded at [www.irs.gov](http://www.irs.gov).

**Where can I go for more information or free tax help?**

**Please visit the following websites:**

- <https://www.irs.gov/uac/Do-I-Need-to-File-a-Tax-Return%3F>
- <https://www.irs.gov/uac/About-Form-1095-B>
- <http://www.211ct.org>
- <http://www.ct.gov/drs/cwp/view.asp?a=1462&q=289046>