

Frequently Asked Questions and Answers on IRS Forms 1095-B and 1095-C

Q-1. What is Form 1095-C?

A-1: The IRS will use the information provided on Form 1095-C to administer the Employer Shared Responsibility provisions of the Affordable Care Act (“ACA”). Under the ACA, large employers must either offer health insurance coverage, or they could be required to pay a penalty to the IRS. This is often called the Employer Mandate. In order to determine whether an employer is subject to a penalty under the Employer Mandate, large employers must file a form with the IRS called Form 1095-C. The IRS will also use the information provided on Form 1095-C to determine who is eligible for a premium tax credit for coverage purchased through the Marketplace.

Q-2: Why am I receiving Form 1095-C?

A-2: Beginning in 2016, we must file Forms 1095-C with the IRS to report information about the offers of health coverage made to our full-time employees during the previous calendar year and provide copies of Forms 1095-C to those employees. You will receive a copy of Form 1095-C because you were a full-time employee for all or some months of the prior calendar year. You are receiving a copy of the Form 1095-C so you know what information has been reported to the IRS about the *offer* of health coverage made to you and your family. Form 1095-C does not contain information about the actual coverage provided. If you enrolled in coverage, this information is reported on a separate form (Form 1095-B), which will be sent to you by your insurance carrier.

Q-3: What is Form 1095-B?

A-3: Similar to the requirement that employers offer coverage or face a penalty under the ACA, individuals who don’t purchase their own health insurance coverage must pay a penalty to the IRS unless they fall within an exception. This is called the Individual Mandate. The information provided on Form 1095-B contains information that enables the IRS to determine whether an individual has complied with the Individual Mandate or whether that person is subject to a penalty.

Q-4: Why am I receiving Form 1095-B?

A-4: Beginning in 2016, the insurance carrier must file one copy of Form 1095-B with the IRS and provide a copy to the individual included on the Form filed with the IRS for coverage provided during the previous calendar year. You are receiving a Form 1095-B because the insurance carrier provided either you or your family member(s) with health coverage during the previous calendar year. Form 1095-B also documents your compliance with the Individual Mandate, meaning that you or your family member(s) may not be liable for a penalty. See Q&A-8 for more information.

Q-5: Isn’t my health coverage information already included on my Form W-2 using Box 12, code DD?

A-5: The information included on your Form W-2, Box 12, code DD only states the total cost of employer-sponsored health insurance you actually enrolled in during a single calendar year. It does not show the months in which you enrolled in coverage or the lowest cost employee-only coverage offered to you. Forms 1095-B and 1095-C show information on a monthly basis and include information about the lowest cost employee-only coverage *offered* to you, not information about the coverage you may have actually enrolled in (unless you enrolled in the lowest cost employee-only coverage). Thus, your Form W-2 contains different information from your Forms 1095-B and 1095-C.

Q-6: When should I receive copies of my Forms 1095-B and/or 1095-C?

A-6: Generally, copies of Forms 1095-B and/or 1095-C should be delivered or, if mailed, postmarked by January 31 of the year following the year to which the Forms apply. The first Forms are due to be distributed by March 31, 2016 because the federal government extended the deadline.

Q-7: Should my spouse or dependents receive their own copies of Forms 1095-B and 1095-C?

A-7: Generally, no. Forms 1095-C are only required to be provided to full-time employees. As for Form 1095-B, all family members that are covered through your enrollment (for example, because you elected family coverage) should appear on the same Form, which is required to be provided to you as the “responsible individual.” However, in some instances, a spouse and/or dependent may receive his/her own copy of Form 1095-B if he/she independently enrolls in COBRA coverage and you do not enroll in COBRA coverage (e.g., in case of a divorce).

Q-8: What should I do with my Forms 1095-B and 1095-C?

A-8: You should retain both your Forms 1095-B and 1095-C for your records. In addition, you or your tax preparer will enter information contained on your Form on your federal income tax return for 2015 to demonstrate that you satisfied the ACA’s obligation to have health insurance.

The IRS will also receive copies of your Forms so that it can verify the information you report on your federal income tax return about your health coverage for 2015.

Q-9: How will the IRS know that I enrolled in coverage that fulfills the Individual Mandate and allows me to avoid paying a penalty to the IRS?

A-9: Part IV of your Form 1095-B contains information indicating which month you and/or your family member(s) enrolled in coverage for any day in a particular month. Part IV contains the name, Social Security Number (“SSN”) or other Taxpayer Identification Number (“TIN”), and the months of enrollment for each covered individual. A date of birth will be entered in column (c) only if an SSN or other TIN isn’t entered in column (b). Column (d) will be checked if an individual was covered for at least one day in every month of the year. For individuals who were covered for some but not all months, information will be entered in column (e) indicating the months for which those individuals were covered. Here’s an example of what Part IV may look like:

| Part IV Covered Individuals (Enter the information for each covered individual(s).) | | | | (e) Months of coverage | | | | | | | | | | | |
|--|----------------|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| (a) Name of covered individual(s) | (b) SSN | (c) DOB (if SSN is not available) | (d) Covered all 12 months | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
| 23 Jeremy Knight | 123-45-6788 | | <input checked="" 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 Madeleine Knight | 123-46-9999 | | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 25 Jeremy Knight, Jr. | 222-33-4444 | | <input checked="" 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"/> |
| 27 | | | <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"/> |

Q-10: What do the codes mean on line 14 of Part II on my Form 1095-C?

A-10: The codes used on line 14 on your Form 1095-C are intended to provide information about the type of coverage that is *offered* to you. Generally, the codes explain whether the health coverage we offer to you, your spouse, and your dependent children is considered to be “minimum essential coverage” (“MEC”) and provides “minimum value.”

MEC is generally any type of employer-sponsored health coverage, certain types of governmental coverage such as Medicare or Medicaid, and other types of health coverage specifically identified by the Department of Health and Human Services. “Minimum value” is provided by the plan if it pays for at least 60% of the costs of benefits and provides inpatient hospitalization services and physician services.

The type of coverage we report on Form 1095-C is employer-sponsored coverage. You can find an explanation of the codes on the back of your Form 1095-C.

Q-11: What is the dollar amount on line 15 of Part II on my Form 1095-C?

A-11: The dollar amount on line 15 of your Form 1095-C represents the lowest cost that an employee pays for employee-only health coverage that we offer under our plan that also provides minimum value. This may or may not be the coverage you are actually enrolled in. For example, you may be enrolled in the District’s Kaiser HMO Plan - \$20 Copay option for yourself and your family, but the lowest cost plan we offer is the Western Health Advantage High Ded w/HSA, so we will report the Western Health Advantage High Ded w/HSA coverage on your Form, even if you are not actually enrolled in that plan option.

Q-12: Who can I contact for more information or if information on the Forms is incorrect?

A-12: Please contact our Benefits Coordinator, Susan Pierson, at (916) 782-6565 x1028.

Q-13: If information is incorrectly entered on the Forms, will I receive corrected copies?

A-13: Yes, you will receive a corrected copy if any of the information below is entered incorrectly.

a) Form 1095-C

- Name, SSN or other TIN, Employer EIN
- Offer of coverage
- Premium amount
- Safe harbor and other relief code