



## FAQs on 1095 Forms

*These FAQs are provided to our employer clients as a resource to help answer some questions they may receive from employees.*

### **Individual Mandate**

#### **Q: I thought the Individual Mandate on health insurance was repealed. Why are we still getting these forms?**

- Congress passed legislation in December 2017 that eliminates the tax penalty of the Individual Mandate, but that change is NOT effective until 2019.
- That means the Individual Mandate continues, and you can be assessed a tax penalty for 2018 if you did not have health insurance for yourself, your spouse and your other tax dependents during the year of 2018.
- In addition, the IRS stated last year that they will not process returns that are submitted without having the health insurance question answered. That means you must state as part of your return whether you had coverage, had an exemption or will make a penalty payment.

#### **Q: If I didn't have health insurance in 2018 on myself and/or my spouse/dependents, will I owe money to the IRS?**

- Yes, in many cases, you may owe a penalty for not having health insurance coverage. Whether you owe a penalty and the amount of any penalty will depend on your income. Here's how it is explained on [www.healthcare.gov](http://www.healthcare.gov):
  - If you can afford health insurance but choose not to buy it, you must pay a fee called the individual shared responsibility payment. (The fee is sometimes called the "penalty," "fine," or "individual mandate.")
  - You owe the fee for any month you, your spouse, or your tax dependents didn't have qualifying health coverage (sometimes called "minimum essential coverage").
  - You pay the fee when you file your federal tax return.
  - In some cases, you may qualify for a health coverage exemption from the requirement to have insurance. If you qualify, you won't have to pay the fee.
- For 2018, the penalty/fee is whichever is the greater of:
  - 2.5% of your household income, up to a Maximum: Total yearly premium for the national average price of a Bronze plan sold through the Marketplace
  - OR
  - Per person: \$695 per adult + \$347.50 per child under 18, up to a family Maximum: \$2,085
- For more information on the Individual Mandate and penalty, go to: <https://www.healthcare.gov/fees/fee-for-not-being-covered/>

## Who Receives 1095 Forms?

**Q: If full-time employees are supposed to get these forms, how do I know if I'm "full-time"? Is that 40 hours a week?**

- For this reporting, the "Affordable Care Act" (ACA) definition of "full-time" is used: employed on average at least 30 hours of service per week, or 130 hours of service per month.

**Q: Why did I receive two 1095 forms? Which one do I use?**

- The 1095 form(s) you receive depend on your employer in 2018 and what type of health insurance coverage you may have had during 2018—either through your employer or otherwise. If you receive 1095 forms before you file your income tax return, you should take all 1095 forms you receive to your income tax preparer or refer to all of them if you complete your income tax return yourself.
- You may receive more than one 1095 because employers and insurance companies are required to file some of these forms.

### **[ADDITIONAL RESPONSE INFO, IF EMPLOYEES REQUEST MORE DETAILS]:**

- The reasons you may receive more than one 1095 form:
  - All employers with 50 or more full-time employees are required to send 1095 forms to all their full-time employees.
  - Depending on the type of health plan you had, you also may receive a different 1095 form from the insurance company that insures your plan.
- In addition, you could receive two 1095 forms—or even more than two—in a number of specific situations, such as:
  - If your employer changed its health plan during the year, you may receive more than one 1095: one from the employer and one from an insurance company, OR one form from each of two insurance companies.
  - If you worked for more than one employer in 2018, you may receive more than one 1095 form.
  - If you purchased a health plan on the public Health Insurance Marketplace for part of 2018, and you had employer-sponsored coverage for part of the year, you could receive more than one 1095 form.
- There also may be other situations in which you would receive more than one 1095 form.

## How Are the 1095 Form(s) to Be Used?

**Q: What do I do with the 1095 form(s) I receive?**

- You should do two things with the 1095 form(s) you receive:
  - Review carefully each 1095 form you receive to see if you think all the information is correct. If you have any questions, ask questions as soon as possible of your Human Resources staff or the insurance company that sent you the form.  
**--You do not need to attach 1095 forms to your tax return.**
  - --If you receive your 1095 form(s) before you file your income tax return for 2018, you can use them to help you answer the questions about health insurance coverage that will be on your income tax return. 1095 forms will show if you (and your spouse and dependent children, if applicable) had health insurance coverage for the entire year of 2018. If not, the information on the forms can help you

calculate any Individual Mandate penalty that you may need to include on your income tax return. If you are subject to a penalty, it will likely be deducted from any income tax refund you otherwise would receive.

--If you receive your 1095 form(s) after you file your income tax return, just keep the forms in a file, in case you need them in the future. You do NOT have to refile your taxes.

**Q: If I file my income tax return before I receive my 1095 form(s), how do I answer the questions about health insurance on my tax return?**

- Most employees know whether they had health insurance during 2018. If you are not sure or you need additional information, contact [redacted] in [Human Resources], and we can help answer your specific questions.
- ***Last year the IRS stated that in order NOT to have the processing of your tax return delayed, you must state as part of your return whether you had coverage, had an exemption or will make a penalty payment.***

**Q: My 23-year-old daughter is covered on my plan, but she files her own income tax return. Will she receive a 1095 form?**

- She will not receive a separate 1095 form. If she was covered in 2018 on your employer-sponsored health plan, you can make a copy of the 1095 form you receive that has her listed as covered. She can use that in completing her own income tax return.

**What Information Is on the Form(s)?**

**Q: My 1095-C doesn't list my spouse and children, and they are covered on my health plan. Do I need to get a corrected form?**

- No, you do not need to get a corrected copy of your 1095-C for 2018. If you receive a 1095-B from the insurance company for your health plan, that 1095-B should list all your covered family members. However, if you do not receive a 1095-B from your insurance company, contact your Human Resources department and ask about this.

**Q: Line 15 on my 1095-C shows a lower monthly premium amount than I paid last year. Do I need to get this corrected?**

- If Line 15 on the 1095-C form has a dollar amount, it is not necessarily the amount that you paid per month for your employer-sponsored coverage. The government requires employers that need to complete this section to show the employee's cost for employee-only coverage in the lowest-cost plan offered that meets the minimum standards. If you selected a different plan or you had spouse and/or family coverage, the amount on Line 15 will be different than what you actually paid each month.

**Q: What does Line 16 on my 1095-C mean? What's a "Safe Harbor"?**

- If you receive a 1095-C form, part of the form shows what your employer is reporting to the IRS about what health insurance coverage was offered to you, whether you enrolled in the coverage and whether the employee-only coverage was "affordable" according to the government's standards in the "Affordable Care Act" law.

- The “Safe Harbors” that might be shown by certain codes on Line 16 are there only to show the IRS how your employer determined that the employee-only coverage offered was “affordable.” This is shown with any of the following codes: 2F, 2G and 2H.
  - If “2C” is shown on Line 16, it tells the IRS that you enrolled in the coverage your employer offered.
  - If “2A” or “2B” is shown on Line 16 in any of the months, you either were not employed or were not a full-time employee during the month(s) so marked.
  - If “2D” is shown on Line 16 in any of the months, you were in a waiting period or another period during which your employer was not required to offer you coverage.
  - Any other codes in Line 16 refer to special situations related to the Employer Mandate, but they do not impact your offer of coverage or its “affordability” to you in terms of your requirement to have health insurance coverage.

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