



Taxes & the Health Insurance Marketplace

*Overview for Marketplace Assisters
January 2017*

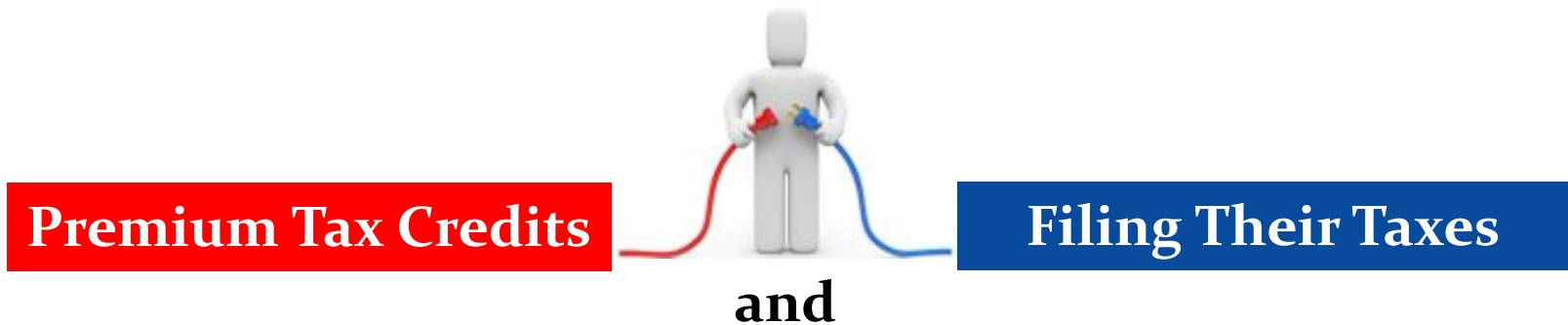
This presentation is for the use of Navigators, non-Navigator assistance personnel (“in-person assister”), or certified application counselors (collectively, assisters) in states with a Federally-facilitated Marketplace or State Partnership Marketplace.

Outline

- Anatomy of Form 1095-A
- What Assisters Need to Know
- Tax Communications
- Tax Tools
- Reprints and Corrections
- Resources & Definitions

What Consumers Need to Know

Consumers need help making the connection between




Many consumers are unaware that:


- (1) **They must reconcile their advance payments of the premium tax credit or claim the premium tax credit for the first time,**
- (2) **They may have to pay a fee if they did not maintain minimum essential coverage, or**
- (3) **They may qualify for an exemption from the fee**

Premium Tax Credit Process


1. Marketplace Eligibility & Enrollment Process: CMS oversees the enrollment of eligible consumers into QHPs through the Marketplace, which pays APTC to QHP issuers on consumers' behalf



2. CMS Form 1095-A Process: At the end of the plan year, CMS provides information via Form 1095-A to consumers and the IRS about consumers' enrollment and APTC



3. Federal Income Tax Filing Process: Consumers use the information provided on Form 1095-A to file their federal income tax return with the IRS, reconcile APTC, and/or claim PTC



4. APTC Reconciliation Process: The IRS processes consumers' claims for a PTC via the income tax process

Form 1095-A

- Form 1095-A is a prepopulated tax form that the Marketplace will send to consumers (like a W-2)
- Form 1095-A provides consumers with information about their health coverage so they can:
 - File their taxes
 - Reconcile advance payments of the premium tax credit (APTC)
 - Claim the premium tax credit (PTC)
- Consumers need the information on Form 1095-A to complete Form 8962
 - Consumers must complete Form 8962 and file it with their tax return if they want to claim the PTC or if they received premium assistance through APTC (whether or not consumers otherwise are required to file a tax return)

What Consumers Will Receive

By January 31, 2017, the FFM will mail an envelope labeled “Important Tax or Health Coverage Information Inside”, which will include:

- Cover letter
 - Available in either English or Spanish, depending on user’s language preference
- Form 1095-A instructions
 - Line-by-line instructions developed by IRS
- Form 1095-A
 - A separate Form 1095-A will be generated for each policy in which the household enrolled
 - Each member of a tax household, who is on the same policy, will be listed together on one Form 1095-A
 - Households of more than 5 enrolled members will receive an additional Form 1095-A that continue Part II

FFM Dissemination of Form 1095-A

- By January 31, 2017, the FFM will:
 - Mail a paper copy of Form 1095-A to the last known address of each tax filer or other responsible adult; and
 - Upload Form 1095-A to consumers' online website account
- IRS will also receive the information included on Form 1095-A from the Marketplace

A tax filer is someone who:

- Enrolled in a qualified health plan (QHP) on behalf of one or more individuals, and **received APTC**

Other responsible adult is someone who:

- Enrolled in a QHP on behalf of one or more individuals, but **did not receive APTC**

Receipt of and Inclusion on Form 1095-A

Who receives the form	Who is included on the form:
Tax filers or other responsible adults	All members of a tax household who enrolled in a qualified health plan (QHP) <ul style="list-style-type: none">• Members of the household will be included on the form regardless of whether they received financial assistance (i.e., APTC)

Note: Form 1095-A will **not** be generated for Marketplace consumers who were enrolled in **catastrophic plans** or received an **exemption** and did not enroll in QHP coverage

Availability of Form 1095-A in Languages Other than English

- Currently Form 1095-A will only be available in English; however, the envelope and the cover letter accompanying Form 1095-A will be available in English and Spanish
- Each Form 1095-A will contain a notice tagline addendum that provides instructions in 15 additional languages for consumers to call 1-800-318-2596 if they need assistance interpreting or understanding Form 1095-A

Anatomy of Form 1095-A

Form 1095-A Elements

Information about a tax filer or other relevant adult, and his or her tax household, who were enrolled in a Marketplace QHP

Information that can be used to complete a federal income tax return (e.g., monthly premium amount)

The amount of APTC that was paid to an issuer on a consumer's behalf

APTC Reconciliation

- Enrollees who receive advance payments of the premium tax credit (APTC) are required to file an income tax return including the IRS Form 8962 to compare the amount of tax credit paid in advance based on estimated income with the final tax credit (i.e., the premium tax credit (PTC)) the enrollee is eligible for based on actual income for the year during which they receive APTC.
- 2016 Form 1095-A and instructions: <https://www.irs.gov/uac/about-form-1095-a>
- 2016 8962 with instructions: <https://www.irs.gov/uac/about-form-8965>

Excess APTC Repayment Limitation

If a consumer receives excess APTC, the amount of repayment may be capped based on actual annual household income

Household Income as a Percent of the Federal Poverty Level(FPL)	Limitation of Excess APTC Repayment for 2016 Single Filing Status	Limitation of Excess APTC Repayment for 2016 Any Other Filing Status
Less than 200%	\$300	\$600
At least 200% but less than 300%	\$750	\$1,500
At least 300% but less than 400%	\$1,275	\$2,550
400% or more	No repayment limitation	No repayment limitation

The excess APTC repayment limitation applies only to excess APTC for coverage of lawfully present individuals. Excess APTC that relates to the coverage of individuals who are not lawfully present must be repaid without limitation

Form 1095-A, Part I: Recipient Information

Part I, lines 1–15, reports information about:

- ▶ The tax filer or other relevant adult
- ▶ The insurance company that issued the policy
- ▶ The Marketplace where they enrolled in coverage

Part I Recipient Information

1 Marketplace identifier	2 Marketplace-assigned policy number	3 Policy issuer's name	
4 Recipient's name	5 Recipient's SSN	6 Recipient's date of birth	
7 Recipient's spouse's name	8 Recipient's spouse's SSN	9 Recipient's spouse's date of birth	
10 Policy start date	11 Policy termination date	12 Street address (including apartment no.)	
13 City or town	14 State or province	15 Country and ZIP or foreign postal code	

Form 1095-A, Part III: Coverage Information

- ▶ Part III, lines 21-33, reports information about the tax filer's insurance coverage that they will need to complete Form 8962 to claim the PTC and reconcile APTC, including monthly:
 - Enrollment premiums
 - Second Lowest Cost Silver Plan (SLCSP) premium
 - APTC

Part III Coverage Information

Month	A. Monthly enrollment premiums	B. Monthly second lowest cost silver plan (SLCSP) premium	C. Monthly advance payment of premium tax credit
21 January			
22 February			
23 March			

Monthly APTC on Form 1095-A

- The monthly APTC amount (included in Part III Column C) is the monthly amount of payments that were made to the insurance company to pay for all or part of the premiums for the tax filer's coverage
- The FFM will enter "0" in this column if no APTC payments were made

Monthly Premium Amount on Form 1095-A

- Consumers may not recognize the monthly premium amount listed on Form 1095-A:
 - Because the monthly premium amount is reduced for premiums allocated to benefits exceeding essential health benefits (EHBs)
 - If consumers were also enrolled in a SADP, the monthly premium amount also includes the pediatric, EHB portion of stand-alone dental plan (SADP) monthly premium amounts
 - If issuers prorated the monthly premium for enrollees in cases such as mid-month additions (i.e., birth/adoption) or mid-month terminations (i.e., death, voluntary termination)

What Assisters Need to Know

The Role of Assisters During Tax Season

- Assisters may:
 - Help consumers understand what Form 1095-A is and what it means for the consumer as they prepare their taxes
 - Help consumers understand the timing for receiving Form 1095-A, what to look for in the mail, and that it is an important tax document
 - Show consumers how to access Form 1095-A in their online account
 - Help consumers understand how Form 1095-A relates to the Form 8962
 - Explain how to review Form 1095-A for accuracy
 - Ensure consumers are aware of the potential implications of not providing the information on their taxes
 - Help consumers understand how to reconcile their APTC and PTC
- Assisters may not provide assistance with filing taxes

Consumer Questions that Should be Directed to the Marketplace

Consumer Questions that Should be Directed to the Marketplace

Why did I receive this Form 1095-A?

I never received a Form 1095-A. How can I get the form or the information I need?

Where can I find Form 1095-A in my online account?

How do I get another copy of my Form 1095-A?

What do I need to do with this Form 1095-A?

What does this information on the Form 1095-A mean?

I heard there was a form I should have received, where do I get mine?

I think my Form 1095-A may have gone to the wrong address. What should I do?

Why did I get more than one Form 1095-A?

This information does not look correct. How can I change it?

I added a dependent, but they are not on my Form 1095-A. What should I do?

Consumer Questions that Should be Directed to the IRS

Consumer Questions that Should be Directed to the IRS

Do I qualify for the PTC?

Do I owe an individual shared responsibility payment?

What are the requirements for the individual shared responsibility provision?

How do I report health care coverage on my income tax return?

Will IRS verify that consumers had minimum essential coverage (MEC)?

I received a Form 1095-A. How should I report this on my income tax return?

Can you help me complete my income tax return?

How do I use the Form 1095-A to fill out my Form 8962?

Can I get a copy of the Form 8965 or 8962?

I received a corrected Form 1095-A. Do I need to amend my income tax return?

What happens if I don't file my income tax return?

I can't file/can't pay my tax liabilities by April 15th. What should I do?

Tax Communications

General Consumer Outreach

CMS will provide general outreach to consumers regarding the timeline for receipt of Form 1095-A, and make them aware of the upcoming tax season process

- “If over the past year you received APTC and you:
 - Dropped your coverage before 12/31/2016;
 - Changed your coverage to a different QHP;
 - Change the amount of assistance you were getting; or
 - Added or dropped members in your plan,......then you should log onto HealthCare.gov or contact your issuer to confirm that your information is correct”

Outreach to Consumers with Prior Coverage Year Corrections

- The FFM will identify consumers who needed Form 1095-A corrections during the previous coverage year and send them a targeted communication in order to reduce corrections volume for the current coverage year
 - “Last year you needed a correction to your Form 1095-A. Here are some things you can check in advance so you will receive a more timely Form 1095-A this year...”

Log In To “My Account” to Access Your Form 1095-A

Create an account to obtain your tax form

The screenshot shows the HealthCare.gov website interface. At the top, there are navigation tabs for 'Individuals & Families', 'Small Businesses', 'Log In', and 'Español'. Below the navigation, there are buttons for 'Get Coverage', 'Keep or Change Your Plan', 'Get Answers', and a search bar. A large banner for 'Act by Dec. 15 to stay covered Jan. 1' is visible, with buttons for 'SEE PLANS & PRICES' and 'SEE HOW TO STAY COVERED'. On the right side, there is a 'DON'T HAVE AN ACCOUNT?' link. Below this, there is a login form with fields for 'Username' (containing 'miles.scott@yopmail.com') and 'Password' (masked with dots). A red arrow points to the 'LOG IN' button. At the bottom, there is a note about using shared computers.

HealthCare.gov Individuals & Families Small Businesses Log In Español

Get Coverage Keep or Change Your Plan Get Answers SEARCH

Act by Dec. 15 to stay covered Jan. 1
Update your application, look for better plans & prices, and renew or enroll by December 15

SEE PLANS & PRICES SEE HOW TO STAY COVERED

LIVE IN IDAHO, NEVADA, OR OREGON? [Learn more](#)

DON'T HAVE AN ACCOUNT?

Username may be your email
to apply or enroll over the phone, call

miles.scott@yopmail.com

Important: Please complete this required field

LOG IN

[Forgot your username?](#) | [Forgot your password?](#) | [Having trouble logging in?](#)

Note: If you're using a shared computer or a computer in a public place, like a library or community center, don't forget to close all browser windows and tabs and log out when you're done. This will help keep your information secure.

Tax Tools

Tax Tools

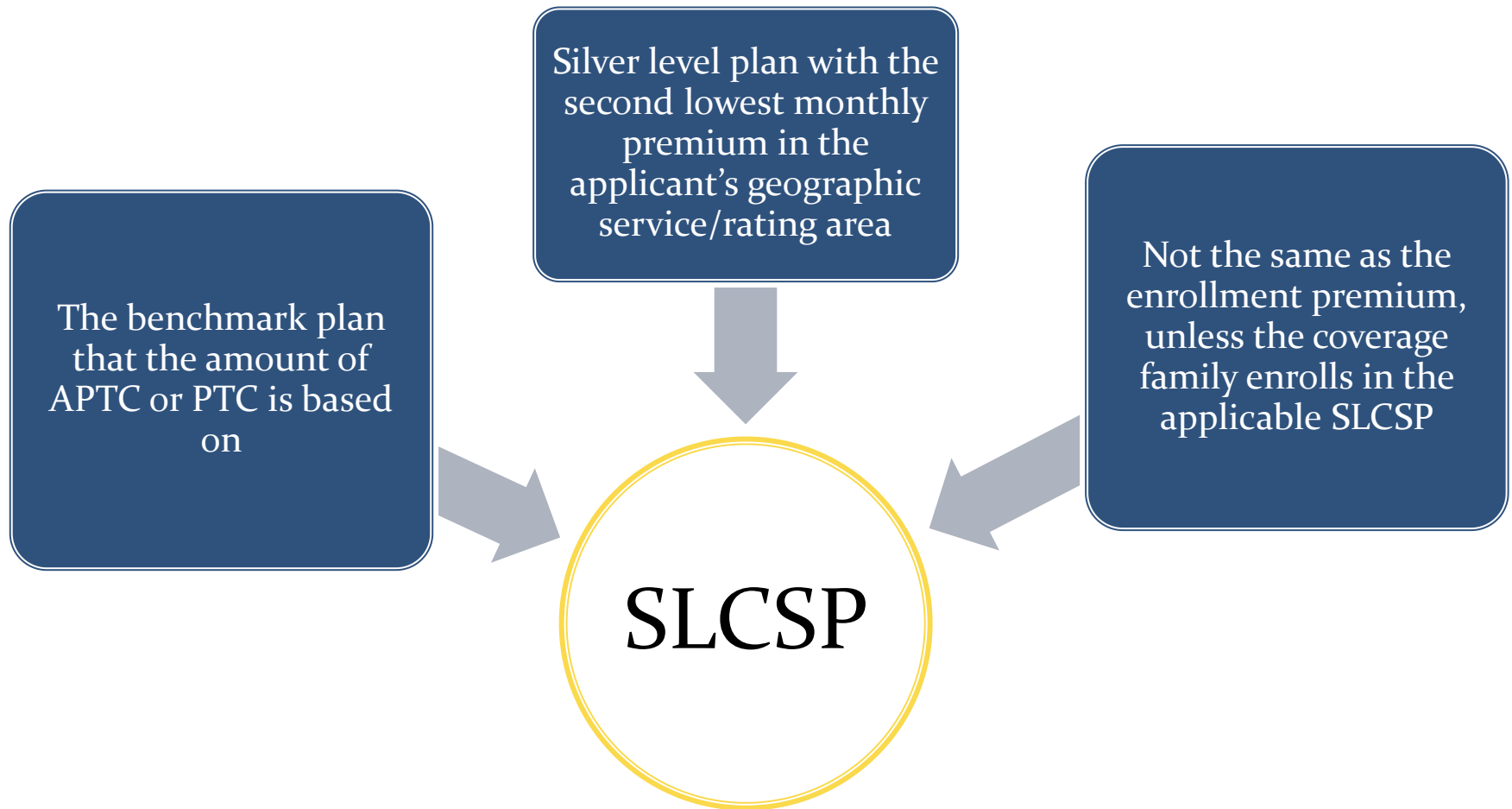
- Tax tools help consumers claim the affordability exemption and calculate their premium tax credit (PTC)
- Tax tools provide:
 - A step in filing taxes for certain consumers to find essential info that might not appear on Form 1095-A
 - A report with monthly break down of the Second lowest cost Silver plan (SLCSP) or Lowest cost Bronze plan (LCBP) using 2014 and/or 2015 plan data
- Tax tools do not:
 - Provide advance premium tax credit (APTC), PTC, or eligibility
 - Require an account or login (i.e., anonymous)

Types of Tax Tools

Available Tools	Use	Available at:
Second lowest cost Silver plan (SLCSP) Tool	If you didn't take/qualify for APTC and want to see if you can qualify for PTC	https://www.healthcare.gov/tax-tool/
Lowest cost Bronze plan (LCBP) Tool	To see if you qualify for an exemption	https://www.cuidadodesalud.gov/es/tax-tool/

Additional information about tax filing and the ACA is available from IRS:
<https://www.irs.gov/Affordable-Care-Act>

Second Lowest Cost Silver Plan (SLCSP)



Second Lowest Cost Silver Plan (SLCSP) Tool

- Consumers should use the SLCSP tool if they:
 - Are enrolled in a qualified health plan (QHP) but didn't apply for advance premium tax credit (APTC) or didn't originally qualify for APTC, and now want to get the premium tax credit (PTC); or
 - Didn't report changes to coverage family information in the Federally-facilitated Marketplace (FFM) during the coverage year; or
 - Have zeros in Form 1095-A, Part III, Column B for the months they had coverage

- Consumers should enter the information from the SLCSP tool results into Form 8962 "Premium Tax Credit (PTC)." Then, attach it to Form 1040, 1040A, or 1040NR

Lowest Cost Bronze Plan (LCBP) Tool

- Consumers should use the LCBP tool if they:
 - Didn't enroll in a qualified health plan (QHP) and want to see if they are eligible for an exemption; or
 - Want to request an affordability exemption
- Consumers should enter the information from the LCBP tool results into Form 8965 "Health Coverage Exemptions." Then, attach to Form 1040, Form 1040A, or Form 1040EZ



Reprints & Corrections

What to do if You didn't Receive Form 1095-A or Need Another Copy from the FFM

- Consumers should access their Form 1095-A from their online account in the tax form section
- If consumers do not have online accounts, they can create one to view their Form 1095-A
- If consumers experience issues when creating their online accounts or their Form 1095-A is not posted in their online account, they should contact the Marketplace Call Center

Corrections to information on Form 1095-A from FFM

- Demographic information that is incorrect on Form 1095-A can be updated directly by the consumer when they file their federal income tax return without the need to generate a corrected Form 1095-A

- For enrollment related information that consumers believe may be incorrect on Form 1095-A, consumers should contact the Marketplace Call Center for research and resolution
 - The FFM will:
 - Research the consumer reported inquiry
 - Update incorrect information when appropriate
 - Mail and Upload to a consumer's online account a corrected Form 1095-A
 - Send IRS the corrected Form 1095-A information

Demographic information on Form 1095-A

Form 1095-A Line Number	Demographic information on Form 1095-A
4	Recipient's name
5	Recipient's SSN
6	Recipient's date of birth
7	Recipient's spouse's name
8	Recipient's spouse's SSN
9	Recipient's spouse's date of birth
12 - 15	Permanent address
16-20 A	Covered Individual Name
16-20 B	Covered Individual SSN
16-20 C	Covered Individual Date of Birth
16-20 D	Covered Individual Start Date

Consumers can update their information on their federal income tax return, and on their 2016 Marketplace application

Enrollment information on Form 1095-A

Form 1095-A Line Number	Enrollment information on Form 1095-A
2	Marketplace-assigned policy number
3	Policy issuer's name
10	Policy start date
11	Policy end date
16-20D	Covered Individual Start Date
16-20E	Covered Individual Termination Date
21A	Monthly Premium Amount
21B	Monthly Premium Amount of Second Lowest Cost Silver Plan (SLCSP)
21C	Monthly Advance Payment of Premium Tax Credit
N/A	Mailing Address

Consumers should contact the Marketplace if they believe any enrollment information on their Form 1095-A is incorrect.

Corrected Form 1095-As

- Beginning in February 2017, corrected Form 1095-As from the FFM will be mailed and uploaded to consumers' HealthCare.gov accounts
- The updated Form 1095-A will have the "corrected" check box marked
- CMS will also report corrected information to the IRS



Resources & Definitions

Resources

- For more information about how your Marketplace coverage will affect your taxes:
 - Visit <https://www.HealthCare.gov/taxes/> or
 - Call the Marketplace Call Center at 1-800-318-2596 (TTY: 1-855-889-4325)
- Many people who signed up for Marketplace coverage can get free assistance with filling out their taxes
- If you have questions about your taxes, need Form 8962 or 8965, or want to learn more about the fee for not having health coverage, visit [IRS.gov](https://www.irs.gov). A toll-free line is also available for routine customer service at (800) 829-1040
 - Consumers who call this toll-free line may receive live or automated assistance (recorded answers)

More Information

- More information is available:
 - On [HealthCare.gov](https://www.healthcare.gov)
 - Spanish version of Healthcare.gov (<https://www.cuidadodesalud.gov/es/>)
 - On the [Tax Information section](https://www.marketplace.cms.gov) of [Marketplace.cms.gov](https://www.marketplace.cms.gov)
 - In upcoming weekly assister newsletters

Free Tax Preparation

Volunteer Income Tax Assistance (VITA)

<http://www.irs.gov/Individuals/Find-a-Location-for-Free-Tax-Prep>

AARP – Tax Aide

<http://www.aarp.org/applications/VMISLocator/searchTaxAideLocations.action>

Additional Resources

Resource	Link
Form 1095-A	https://www.irs.gov/uac/about-form-1095-a
Form 8962	https://www.irs.gov/uac/about-form-8962
Affordable Care Act (ACA) Tax Provisions	https://www.irs.gov/Affordable-Care-Act
Tax Facts about the Affordable Care Act for Individuals and Families	http://www.irs.gov/uac/Newsroom/Tax-Facts-about-the-Affordable-Care-Act-for-Individuals-and-Families
Individual Shared Responsibility Provision – Exemptions: Claiming or Reporting	https://www.irs.gov/Affordable-Care-Act/Individuals-and-Families/ACA-Individual-Shared-Responsibility-Provision-Exemptions

Additional Resources, Cont.

Resource	Link
Find health coverage exemptions that apply to you	https://www.healthcare.gov/exemptions-tool/#/
IRS Publication 974	http://www.irs.gov/pub/irs-pdf/p974.pdf
SLCSP tax tool <i>In Spanish:</i>	https://www.healthcare.gov/tax-tool/ https://www.cuidadodesalud.gov/es/tax-tool/
LCBP tax tool <i>In Spanish:</i>	https://www.healthcare.gov/tax-tool/ https://www.cuidadodesalud.gov/es/tax-tool/
The Health Insurance Marketplace	http://www.irs.gov/Affordable-Care-Act/Individuals-and-Families/The-Health-Insurance-Marketplace