



Form 1095-A and Exemptions Processing Overview



*Overview for Marketplace
Navigators and Assistors*

February 2019

The information provided in this document is intended only to be a general informal summary of technical legal standards. It is not intended to take the place of the statutes, regulations, or formal policy guidance that it is based upon. This document summarizes current policy and operations as of the date it was presented. We encourage readers to refer to the applicable statutes, regulations, and other interpretive materials for complete and current information. This communication was produced and disseminated at U.S. taxpayer expense.

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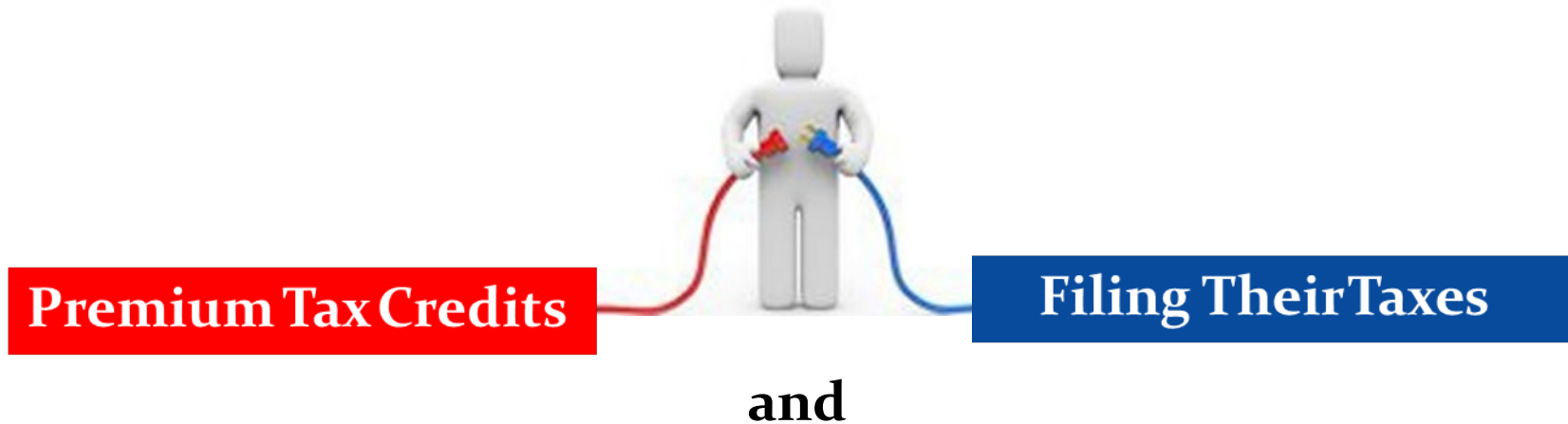
Form 1095-A Overview

Consumers Use Form 1095-A to File Their Federal Tax Return

- Form 1095-A is a prepopulated tax form (like a W-2) that the Marketplace sends to consumers
 - Form 1095-A will not be generated for Marketplace consumers who were enrolled in catastrophic plans, dental-only coverage, or received an exemption and did not enroll in QHP coverage
- 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 (Consumers receiving APTC are required to file a tax return)

What Consumers Need to Know

Consumers need help making the connection between



Many consumers are unaware that:

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

What Consumers Will Receive


- By January 31 each year, the Federally-facilitated Marketplace (FFM) mails an envelope labeled “Important Tax or Health Coverage Information Inside”, which includes:
 - 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 is a continuation of the first Form 1095-A and lists additional family members.

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**

 Consumers also can download a copy of their Form 1095-A from their ‘MyAccount’ on HealthCare.gov

Corrected Form 1095-As

- A corrected Form 1095-A is the updated version of the Form 1095-A, which is sent to consumers if there is an error on the initial Form 1095-A:
- Corrected Form 1095-As from the FFM will be mailed and uploaded to consumers' MyAccount page on HealthCare.gov. The updated Form 1095-A will have the "corrected" check box marked and CMS will also report the corrected information to the IRS
- 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
- Consumers should contact the Marketplace Call Center for research and resolution for information that consumers believe may be incorrect on their Form 1095-A. 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

What CMS will do if Consumers Think Data Elements are Wrong

- If consumers identify issues with the Form 1095-A they received from the FFM, they can call the Marketplace Call Center to request a correction. CMS will:
 - Research the issue to determine if a correction is necessary, and;
 - Update the FFM to correct the Form 1095-A, if necessary.
- Some data elements will not need to be updated in order for consumers to complete their tax returns
 - Changes to SSN, Name, and/or Date of Birth can be made online or with the assistance of the Call Center to change a consumer's current application

What if a Consumer didn't Receive Form 1095-A or Needs Another Copy from the FFM?

- Consumers should access their Form 1095-A from their online MyAccount on HealthCare.gov in the tax form section
- If consumers do not have online access to MyAccount, they can create an account on HealthCare.gov 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

Failure to File and Reconcile (FTR)

- **The Marketplace will not grant APTC/CSR for the upcoming coverage year for enrollees who received APTC for a prior tax year, but did not comply with the requirement to file an income tax return and reconcile APTC (or if the tax filer did not reconcile on the enrollee's behalf)**
- **According to CMS and IRS regulations (§155.305(f)(4) and 26 CFR 1.36B-4, respectively), Marketplaces must discontinue APTC and CSRs for tax filers who received APTC but did not comply with the requirement to file an income tax return and reconcile APTC**

Exemptions Processing

Exemptions Processing Overview

- Exemptions are available based on the three year rule meaning consumers can apply for an exemption for the current year and up to two prior years (2017 – 2019)
- For 2017, consumers should request a hardship, affordability, or religious sect exemption through the Marketplace by completing the paper application for tax years up to 2017 to apply for an exemption from the Individual Shared Responsibility Payment (fee)
- For tax year 2018, consumers can claim all hardship exemptions through the IRS when they file their taxes
- In 2019 the fee will be reduced to \$0 so consumers only need to request a hardship exemption (including affordability exemptions) if they are over the age of 30 and want to apply for catastrophic coverage. If a consumer is under 30, then they can apply for catastrophic coverage without obtaining an exemption

Role of Navigators and Assisters

Role of Navigators and Assisters During Tax Season

- Relating to Form 1095-A and the tax filing season, Navigators and assisters should:
 - 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
 - Explain how to access Form 1095-A in their online account
 - Help consumers understand how Form 1095-A relates to the Form 8962 (tell consumers to wait for Form 1095-A to file taxes)
 - 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 claim PTC
- Navigators and 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 from the Marketplace, 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?

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)
- 2018 Form 1095-A and instructions can be found here: <https://www.irs.gov/pub/irs-pdf/f1095a.pdf>
- 2018 Form 8962 with instructions can be found here: <https://www.irs.gov/pub/irs-pdf/i8962.pdf>
- 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 of [Marketplace.cms.gov](https://marketplace.cms.gov/technical-assistance-resources/tax-information.html) - <https://marketplace.cms.gov/technical-assistance-resources/tax-information.html>
 - 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 – TaxAide**
 - <http://www.aarp.org/applications/VMISLocator/searchTaxAideLocations.action>

Additional Resources

Resource	Link
2018 Form 1095-A	https://www.irs.gov/pub/irs-pdf/f1095a.pdf
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/#/
Premium Tax Credit	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