

# 2016 Affordable Care Act FAQs

## Q What is a Form 1095-C?

- A Form 1095-C is a new form required by the IRS as part of the Affordable Care Act (also referred to as Obamacare). The 1095-C form identifies employees who are full-time and provides information on the healthcare provided by Montgomery County to our full-time employees. These forms are supplied to employees as well as the IRS to satisfy reporting requirements.

Montgomery County will send all benefit eligible employees a Form 1095-C which shows the months of the year you were eligible for coverage and the cost for single coverage under the least expensive medical plan option. Please note, that the reporting is used to determine affordability and the IRS makes that determination based on the lowest cost option and single coverage. You may have elected a higher cost plan, or cover dependents, however, the amount shown on your 1095-C will be based on the affordability standards set forth within the ACA. You will receive a 1095-C even if you declined coverage. You will be required to submit this form with your Federal Tax return and will also want to keep copies for your records.

## Q Who receives a Form 1095-C?

- A Employers with 100 or more full-time equivalent employees are required to send 1095-Cs to any employee who was full-time (worked an average of 30 or more hours per week) or who was enrolled in their health insurance plan in 2015.

## Q Why did I get a Form 1095-C?

- A If you were full-time (worked an average of 30 or more hours per week) or were enrolled in health insurance through Montgomery County or another employer at any time during 2015, you should receive a 1095-C. Think of the form as your "proof of insurance" for the IRS.

## Q Why did I get more than one Form 1095-C?

- A If you worked at more than one company or franchise, you may receive a 1095-C from each company/employer.

## Q When will I receive the forms?

- A Montgomery County will send your Form 1095-C for the 2015 tax year on or before March 31, 2016 before the April 15 tax filing deadline.

## Q Why didn't I get a Form 1095-C?

- A If you were not full-time (worked an average of 30 or more hours per week) and were not enrolled in health care coverage through Montgomery County or another employer at any time during 2015, you should not receive a 1095-C. You may also not receive a 1095-C if you were not the primary insured.

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## Q Will I be fined if I did not receive a Form 1095-C?

A If you don't have qualifying health insurance, in some cases you can claim a health care coverage exemption. You can use the IRS Health Coverage Exemptions Form 8965 to find out if you qualify. Please visit [www.irs.gov](http://www.irs.gov) or [www.healthcare.gov](http://www.healthcare.gov) to learn more.

## Q Do I need my Form 1095-C and my W-2 to file my taxes?

A Yes, if you received a 1095-C, you will need both your W-2 and your 1095-C to complete your 2015 tax return.

## Q How will the Form 1095 impact my taxes?

A If you do not have health care coverage and do not qualify for an exemption, you may be subject to a fine when you file for your 2015 tax return. Or, if there's a discrepancy in the information that you and your employer report to the IRS about the health care coverage offered to you, your tax return may be delayed.

## Q How will I know if I owe a tax penalty?

A As you know, it is required that all US Citizens obtain Minimum Essential Coverage (MEC) for the entire year. There is a tax penalty to you if you do not have coverage. Part of the 1095-C reporting identifies US citizens with coverage who would not be subject to a tax penalty. It also identifies individuals who are not offered coverage or coverage is considered unaffordable and therefore able to receive subsidized coverage on the Exchange.

If you and your tax dependents had healthcare coverage for all of 2015, you will not owe a tax penalty. However, if you did not have coverage or if there was a gap in healthcare coverage of more than three months, you may have to pay a penalty when you file your Federal Tax return. If this applies to you, talk to a tax professional about whether you may qualify for an exemption due to financial hardship or other accepted reasons.

## Q What if my dependents or I had other coverage?

A If you are covered under your spouse or domestic partner's plan, these forms will be provided by his or her employer and/or insurance carrier. If you were covered by a healthcare marketplace plan, you would receive a similar form (1095-A) from your healthcare carrier. Regardless of your source of healthcare coverage, you must include information about your coverage with your Federal Tax return.

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## Q What information is on the Form 1095-C?

A There are three parts to the form:

- o **Part I: Employee and Employer Information**, reports information on you and Montgomery County
- o **Part II: Employee Offer and Coverage**, reports information about the coverage offered to you by Montgomery County, if it was affordable and the reason why you were or were not offered coverage
- o **Part III: Covered Individuals**, reports information about the individuals covered as dependents under your plan.

## Q What is the difference between a 1095-A, 1095-B, and 1095-C?

A The forms are very similar. The main difference is who sends the form to you. The entity that provides you with health insurance will be responsible for sending a Form 1095.

- o You will receive a 1095-A if you were covered by a federal or state marketplace (also called an exchange)
- o You will receive a 1095-B if you were covered by other insurers such as small self-funded groups or employers who use the Small Business Health Options Program (SHOP)
- o You will receive a 1095-C if you were covered by your employer

## Q Who can I contact with questions?

A A good place to find additional information on these forms, premium tax credits or the requirements for coverage is the IRS website at [www.irs.gov/Affordable-Care-Act](http://www.irs.gov/Affordable-Care-Act). There is a link to additional information for individuals and families including frequently asked questions and answers, a help and resource tab, and information on determining if you are eligible for the premium tax credit.