

Athens Insurance  
PO Box 809  
Athens, TN 37371  
Phone: 423-745-3062  
Fax: 423-745-8888  
Email:  
bshell@athensins.com

# Newsletter

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## FORM 1095 AND OTHER EMPLOYER REPORTING REQUIREMENTS

- **Form 1095-A** will be provided to individuals who accepted coverage through the federal marketplace (healthcare.gov). The federal marketplace is responsible for providing this form to all applicable individuals by January 31, 2015.
- **Form 1095-B** will be provided to individuals by the health insurance provider (insurer). The provider will also send a transmittal (1094-B) of coverage to IRS.
- **Form 1095-C** will be provided by large employers (50 or more FTE) to their employees. Large employers will also be required to send a transmittal (1094-C) to the IRS.
  - Reporting for the 1095-B and 1095-C Forms begins with calendar year 2015 (reports due to be filed in early 2016).
  - Form 1095-C is not required to be filed by any employer for 2014.
  - For each employee for whom the employer is reporting there must be only one Form 1095-C to reflect employment with that employer.
  - Filers of 250 or more Form 1095-C's are required to file the forms electronically.

Source: IRS.gov / healthcare.gov

Form <b>1095-A</b>	<b>Health Insurance</b>
Department of the Treasury Internal Revenue Service	► Information about Form 1095-A is at <a href="http://www.irs.gov/form1095a">www.irs.gov/form1095a</a> .
<b>Part I Recipient Information</b>	
1 Marketplace identifier	2 Marketplace-assigned pol...



# Reporting Forms: Sections 6055 & 6056

- **Section 6055**
    - Under Section 6055 of the ACA, health insurers, self-insuring employers, and other health coverage providers are required to provide the following information to the IRS:
      - ⇒ Information about the entity providing coverage
      - ⇒ Which individuals are enrolled in coverage, with identifying information and the months for which they were covered
  - **Section 6056**
    - Under Section 6056 of the ACA, large employers (50 or more FTE's) are required to provide the following information to the IRS:
      - ⇒ Information about the employer offering coverage
      - ⇒ For each full-time employee, information about the coverage (if any) offered to the employee, per month, including the lowest employee cost of self-only coverage offered.
- \* Reporting for 2014 is voluntary.
- \* **Reports must be completed beginning in 2016 for calendar year 2015.**

## Employer W-2 Reporting

- The ACA requires employers to report the cost of coverage under an employer-sponsored group health plan.
- The value of the health care coverage will be reported in Box 12 of the W-2 Form, with code DD to identify the amount.
- In general, the amount reported should include both the portion paid by the employer and the portion paid by the employee.
- **Transition relief** is being provided until further notice from the IRS for the following:
  - Employers filing **fewer than 250 W-2's** for previous calendar year
  - Multi-employer plans
  - Health Reimbursement Arrangements (HRA's)
  - Dental and Vision plans that either
    - Are not integrated into another group health plan or give participants the choice of declining the coverage or electing it and paying an additional premium
  - Self-insured plans of employers not subject to COBRA continuation
  - Employee assistance programs, on-site medical clinics, wellness programs, etc
  - Employers furnishing W-2's to employees who terminate before the end of a calendar year and request a Form W-2 before the end of that year

Source: IRS.gov

# Individual Tax Filing Options

- Individuals who are filing taxes and received health coverage outside of the federal marketplace (via employer, individual, Medicare, etc.) will have the following reporting options:

**Taxpayers filing a form 1040EZ will see the box at line 11:**

<b>Payments, Credits, and Tax</b>	7	Federal income tax withheld from Form(s) W-2 and 1099.	7	
	8a	Earned income credit (EIC) (see instructions)	8a	
	b	Nontaxable combat pay election.	8b	
	9	Add lines 7 and 8a. These are your <b>total payments and credits</b> .	9	
	10	<b>Tax.</b> Use the amount on <b>line 6 above</b> to find your tax in the tax table in the instructions. Then, enter the tax from the table on this line.	10	
	11	Health care: individual responsibility (see instructions) Full-year coverage <input type="checkbox"/>	11	
	12	Add lines 10 and 11. This is your <b>total tax</b> .	12	

**Taxpayers filing a form 1040A will see the box at line 38:**

37	Subtract line 36 from line 30. If line 36 is more than line 30, enter -0-.	37	
38	Health care: individual responsibility (see instructions). Full-year coverage <input type="checkbox"/>	38	
39	Add line 37 and line 38. This is your <b>total tax</b> .	39	

**Taxpayers filing a form 1040 will see the box at line 61:**

61	Health care: individual responsibility (see instructions) Full-year coverage <input type="checkbox"/>	61	
62	Taxes from: a <input type="checkbox"/> Form 8959 b <input type="checkbox"/> Form 8960 c <input type="checkbox"/> Instructions; enter code(s)	62	

Source: Forbes.com

- If you are required to file a tax return for 2014 and did not have coverage for all of 2014, then you will be required to file form 8965 to calculate penalty owed. You can also use this form to claim an exemption for the shared responsibility payment.

**Generally, you may qualify for an exemption if:**

- You're uninsured for less than 3 months of the year
- The lowest-priced coverage available to you would cost more than 8% of your household income
- You don't have to file a tax return because your income is too low
- You're a member of a federally recognized tribe or eligible for services through an Indian Health Services provider
- You're a member of a recognized health care sharing ministry
- You're a member of a recognized religious sect with religious objections to insurance, including Social Security and Medicare
- You're incarcerated, and not awaiting the disposition of charges against you
- You're not lawfully present in the U.S.

**Disclaimer:**

**The information in the newsletter above is subject to change and is for educational purposes only. Please contact your legal counsel for any tax or accounting questions.**