



IRS Data Recheck of Failure to File and Reconcile 2014 APTC Population: Overview for Assisters



May 2016

Failure to File and Reconcile (FTR): Refresher

- HHS regulations specify that a Marketplace may not determine a tax filer eligible for advance payments of the premium tax credit (APTC) if APTC was previously provided on behalf of the tax filer and the tax filer did not comply with the requirement to file an income tax return for the year during which APTC was provided and reconcile APTC.
 - Consumers who received APTC in 2014 but did not file a 2014 tax return were flagged as “failure to file and reconcile”—or FTR—by the Internal Revenue Service (IRS) when the Marketplace requested updated tax data.
- For the first time, beginning with Open Enrollment 2016, the Federally-facilitated Marketplace (“Marketplace”) discontinued APTC and income-based cost-sharing reductions (CSRs) for 2016 coverage for enrollees flagged as FTR.
- Due to lags in IRS data updates, the Marketplace included a new tax filing-related question starting with 2016 applications that allowed enrollees who received APTC for 2014 to attest, under penalty of perjury and other applicable laws, to having filed a 2014 tax return and reconciled APTC. This attestation allowed enrollees to maintain APTC even if IRS’ data has not yet reflected that they had filed.

Failure to File and Reconcile (FTR)

- This presentation provides an overview for assisters on the following:
 - How the Marketplace is verifying that enrollees who attested to having filed their 2014 tax return and reconciled APTC actually did so.
 - How the Marketplace is notifying consumers and removing APTC as appropriate.
 - How assisters can help and where they can find additional information.

FTR Recheck and Consumer Outreach

- In May 2016, the Marketplace will conduct a recheck of IRS data to identify 2016 applications of consumers:
 - 1) Who told the Marketplace that they filed and reconciled 2014 APTC; and
 - 2) For whom IRS data indicates they received APTC in 2014 but have not filed a 2014 tax return (“recheck population”).
- Following this recheck in May, the Marketplace will send an FTR warning notice to the household contact for applications for which IRS still indicates that they have not filed a 2014 tax return. This warning notice will tell consumers that they must, first, make sure they filed and reconciled 2014 APTC and if not, file and reconcile APTC immediately or the Marketplace will take action to end their APTC.

FTR Recheck and Ending APTC

- In August, the Marketplace will check IRS data again to confirm tax filing status of those consumers who received the FTR warning notice, and if IRS indicates the tax filer has still not filed a 2014 tax return, **the Marketplace will terminate APTC and income-based CSRs** for the tax household going forward.
- For these consumers whose APTC is terminated, the Marketplace will continue their enrollment them in a plan without APTC or income-based CSRs.
 - They will also receive a new eligibility determination notice (EDN).

FTR Recheck Timeline*

- **Early May 2016:** Marketplace rechecks IRS data
- **Mid/Late May 2016:** Marketplace sends the FTR warning notices to consumers
- **Late August 2016:** Marketplace performs a final check of IRS data to confirm filing status of the population that received the FTR warning notice
- **September 2016:** Marketplace will stop APTC for consumers who still have the FTR flag
- **October 2016:** Consumers whose APTC was stopped, will be re-enrolled in coverage without APTC and CSR (if applicable)

*All dates are tentative and subject to change

What Assisters Can Do Now

Assisters can take steps now when working with enrollees who receive the FTR recheck warning notice.

- Encourage enrollees who haven't yet filed their 2014 federal income taxes and who received APTC in 2014 to file and reconcile their APTC **as soon as possible**. **Filing in early June will best protect consumers from losing APTC.**
 - Remind enrollees that even if they usually don't have to file an income tax return, if they received APTC, they must file a return for that year.
- Help enrollees who haven't filed their taxes yet understand what steps to take, including helping them access their Forms 1095-A and report any errors.
 - Enrollees can log in to their respective Marketplace accounts to view or download their Form 1095-A (see screenshots in the following slides). **Note: enrollees will now see Forms 1095-A for the 2014 and 2015 tax years. They will need to select their 2014 application to locate the 2014 form under "Tax Tools" on the left-hand navigation bar.**
 - The Marketplace is processing 2014 Form 1095-A correction and reprint requests on an ongoing basis. If an enrollee recently requested a corrected or reprinted Form 1095-A for 2014, he or she should receive a response from the Marketplace within a couple of weeks. Once an enrollee receives his or her corrected Form 1095-A, the enrollee should keep a copy in case IRS has follow-up questions regarding his or her corrected form.

What Assistors Can Do Now (cont'd)

How to help enrollees who are unsure whether they are at risk for losing APTC because they did not file a tax return and reconcile their 2014 APTC.

- Encourage enrollees to check with all tax filers in their household if a 2014 tax return was filed.
- Encourage the enrollee to have the household's tax filer call the **IRS call center** at 1-800-829-1040 or use Interactive Tax Assistant at [http://www.irs.gov/uac/Interactive-Tax-Assistant-\(ITA\)-1](http://www.irs.gov/uac/Interactive-Tax-Assistant-(ITA)-1).
- Note that in order to protect federal tax information, the Marketplace Call Center does not have access to tax filing information and will not be able to tell consumers whether they are at risk for losing APTC because they failed to file and reconcile.

My Account- 2014 Coverage

2014 Application for Individuals & Families (ID: #123456789) View all applications

- My plans & programs
- Eligibility & appeals
- Application details
- Report a life change
- Communication preferences
- Authorized users
- Exemptions
- Tax forms**

Tax forms

Here's where you'll find your 1095-A forms. Each one has information you'll need to fill out your federal income tax return after the coverage year.

Your Form 1095-A for federal income taxes

Here's where you'll find your 1095-A forms. Each one has information you'll need to fill out your federal income tax return after the coverage year. These forms are sent to you in the mail by early February. Forms may be available here a little sooner.

The 1095-A includes:

- Information about everyone in your tax household who was enrolled in a Marketplace plan.
- Information about your plan premium that you'll need to fill out your federal income tax return.
- The amount of any advance payments of the premium tax credit paid to your health plan.

You may get more than one Form 1095-A, like if your household enrolled in more than one Marketplace health plan or if you reported a life change during the year.

You'll need information from each form this year when you're ready to file 2014 taxes for your household. Using Form 1095-A, you can:

- Complete questions about your Marketplace health coverage on your federal tax return.
- Confirm the amount of premium tax credit that you're eligible for, based on your actual income for the year.

Remember: If you got advance payments of the premium tax credit to help pay for your Marketplace health plan premium, you'll have to file a federal income tax return, even if you usually don't.

[Learn more about the 1095-A and how to use it.](#)

New
Section in
My Account

Previous Coverage Year (2014):
Instructional text to help the consumer understand what the 1095A is, when it'll be received, what they need to do and how to get help with next steps for the 2014 filing process.

My Account- Form 1095-A Download

New Section in My Account

Exemptions

Tax forms

Dynamic: Statement is displayed when one or more corrected 1095A forms are posted to the account.

Dynamic Table: Table is displayed once there is one 1095A available to the consumer.

If no 1095As have been generated and posted to the consumer's application / account then the table is not visible on the Tax Forms section.

Static: Help information below the table on what to do if the information is not correct

Remember: If you got advance payments of the premium tax credit to help pay for your Marketplace health plan premium, you'll have to file a federal income tax return, even if you usually don't.

[Learn more about the 1095-A and how to use it.](#)

You have at least one corrected Form 1095-A. If you have 2 versions of the same form, use the corrected form, which has the most recent date.

Your 1095-A forms

Name	Plan Name	Date Posted	Action
John, Jane, Marianne, Billyjoe, Sarahbeth...	Blue Cross and Blue Shield of Illinois Blue Choice Bronze PPO™ 006 <i>Coverage dates</i> 03/31/2014 - 12/31/2014	06/11/2014	Download
Mary	IlliniCare Health Ambetter Essential Care 1 Sinai Health Select Network <i>Coverage dates</i> 01/01/2014 - 03/31/2014	02/18/2014	Download
John, Jane, Marianne	Blue Cross and Blue Shield of Illinois Blue Precision Gold HMO™ 001 <i>Coverage dates</i> 01/01/2014 - 03/31/2014	01/14/2014	Download

[What to do if you think your Form 1095-A is wrong.](#)

Resources

- Guidance on Annual Eligibility Redeterminations and Re-enrollments for Marketplace Coverage for 2016:
<http://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/annual-redeterminations-for-coverage-42215.pdf>
- Guidance on Federal Standard Notices of Product Discontinuation and Renewal in Connection with the Open Enrollment Period for the 2016 Coverage Year:
<https://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/Guidance-on-Notices-of-Product-Discontinuation-and-Renewal-for-the-2016-Coverage-Year.pdf>
- IRS, Understanding Your Letter 5591:
<http://www.irs.gov/Individuals/Understanding-Your-Letter-5591>
- IRS, Letter with preliminary results from the 2015 filing season related to Affordable Care Act provisions - <http://www.irs.gov/pub/irs-utl/CommissionerLetterlwithcharts.pdf>