



Reporting Health Insurance Coverage for Individuals and Families:

Individual Shared Responsibility Provision

**Internal Revenue Service
Revised August 21, 2015**



The information contained in this presentation is current as of August 21, 2015:

- Visit IRS.gov for tax forms and instructions
- For the latest information about tax provisions of the Affordable Care Act, visit IRS.gov/ACA.



Individual Shared Responsibility



**Report
Health
Care Coverage**



**Claim
Exemption
from Coverage**



**Make
Shared
Responsibility
Payment**



Reporting Coverage

	56	Subtract line 55 from line 47. If line 55 is more than line 47, enter -0-			
	57	Self-employment tax. Attach Schedule SE			
Other Taxes	58	Unreported social security and Medicare tax from Form: a <input type="checkbox"/> 4137 b <input type="checkbox"/> 8919			
	59	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required			
	60a	Household employment taxes from Schedule H			
	60b	b First-time homebuyer credit repayment. Attach Form 5405 if required			
	61	Health care: individual responsibility (see instructions) Full-year coverage <input checked="" type="checkbox"/>			
	62	Taxes from: a <input type="checkbox"/> Form 8959 b <input type="checkbox"/> Form 8960 c <input type="checkbox"/> Instructions; enter code(s)			
	63	Add lines 56 through 62. This is your total tax			
Payments	64	Federal income tax withheld from Forms W-2 and 1099	64		

- ✓ Check box and leave entry space blank if everyone on the return had coverage for the full year



Minimum Essential Coverage

MEC coverage is:

- Offered by an employer, COBRA and retiree coverage
- Purchased through private insurance or Health Insurance Marketplace
- Provided by government-sponsored programs, including veteran's coverage, most Medicare and Medicaid



Information Statements

- **Marketplace** - Form 1095-A, *Health Insurance Marketplace Statement*
- **Insurers** - Form 1095-B, *Health Coverage*
- **Large Employers** – Form 1095-C, *Employer-Provided Health Insurance Coverage and Offer*



Form 1095-A

Form **1095-A**

Health Insurance Marketplace Statement

VOID

OMB No. 1545-2232

Department of the Treasury
Internal Revenue Service

► Information about Form 1095-A and its separate instructions
is at www.irs.gov/form1095a.

CORRECTED

2015

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		

Part II Covered Individuals

A. Covered individual name	B. Covered individual SSN	C. Covered individual	D. Coverage start date	E. Coverage termination date
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Form 1095-B

Form 1095-B Department of the Treasury Internal Revenue Service	Health Coverage ► Information about Form 1095-B and its separate instructions is at www.irs.gov/form1095b .	<input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED	560115 OMB No. 1545-2252 2015												
Part I Responsible Individual															
1 Name of responsible individual		2 Social security number (SSN)	3 Date of birth (if SSN is not available)												
4 Street address (including apartment no.)		5 City or town	6 State or province												
			7 Country and ZIP or foreign postal code												
8 Enter letter identifying Origin of the Policy (see instructions for codes): ► <input type="checkbox"/>		9 Small Business Health Options Program (SHOP) Marketplace identifier, if applicable													
Part II Employer Sponsored Coverage (see instructions)															
10 Employer name		11 Employer identification number (EIN)													
12 Street address (including room or suite no.)		13 City or town	14 State or province												
			15 Country and ZIP or foreign postal code												
Part III Issuer or Other Coverage Provider (see instructions)															
16 Name		17 Employer identification number (EIN)	18 Contact telephone number												
19 Street address (including room or suite no.)		20 City or town	21 State or province												
			22 Country and ZIP or foreign postal code												
Part IV Covered Individuals (Enter the information for each covered individual(s).)															
(a) Name of covered individual(s)	(b) SSN	(c) DOB (if SSN is not available)	(d) Covered all 12 months	(e) Months of coverage											
				Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec

DRAFT AS OF
August 6, 2015
DO NOT FILE



Form 1095-C

Form 1095-C Department of the Treasury Internal Revenue Service	Employer-Provided Health Insurance Offer and Coverage ► Information about Form 1095-C and its separate instructions is at www.irs.gov/1095c .	<input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED	600116 OMB No. 1545-2251 2015												
Part I Employee		Applicable Large Employer Member (Employer)													
1 Name of employee		2 Social security number (SSN)													
3 Street address (Including apartment no.)		7 Name of employer													
4 City or town		5 State or province													
6 Country and ZIP or foreign postal code		8 Employer identification number (EIN)													
9 Street address (Including room or suite no.)		10 Contact telephone number													
11 City or town		12 State or province													
13 Country and ZIP or foreign postal code		13 Country and ZIP or foreign postal code													
Part II Employee Offer and Coverage		Plan Start Month (Enter 2-digit number):													
	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec		
14 Offer of Coverage (enter required code)															
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)															
Part III Covered Individuals		If Employer provided self-insured coverage, check the box and enter the information for each covered individual. <input type="checkbox"/>													
(a) Name of covered individual(s)	(b) SSN	(c) DOB (if SSN is not available)	(d) Covered all 12 months	(e) Months of Coverage											
				Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
17			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

DRAFT AS OF
August 6, 2015
DO NOT FILE



Form 8965

Health Coverage Exemptions

Form 8965 Department of the Treasury Internal Revenue Service	Health Coverage Exemptions ▶ Attach to Form 1040, Form 1040A, or Form 1040EZ. ▶ Information about Form 8965 and its separate instructions is at www.irs.gov/form8965 .		OMB No. 1545-0074
			2015 Attachment Sequence No. 75
Name as shown on return		Your social security number	
Complete this form if you have a Marketplace-granted coverage exemption or you are claiming a coverage exemption on your return.			
Part I Marketplace-Granted Coverage Exemptions for Individuals. If you and/or a member of your tax household have an exemption granted by the Marketplace, complete Part I.			
	(a) Name of Individual	(b) SSN	(c) Exemption Certificate Number
1			

Submit Form 8965 with federal tax return to claim coverage exemptions granted by either the Health Insurance Marketplace or IRS



Coverage Exemptions

- Coverage Exemptions only available at filing
- Coverage Exemptions only available through the Marketplace
- Coverage Exemptions from Marketplace or IRS



Making an Individual Shared Responsibility Payment

Taxpayers calculate SRP if everyone on the return does not have:

- MEC for every month of the year, or
- Exemption for months without MEC



How is the 2015 Payment Calculated?

- For the year, based on the **greater** of the calculated:
 - percentage of income (2%) **or**
 - flat dollar amount (\$325 per adult)
 - Limited to maximum of \$975 per household
- Prorated for months without coverage/exemption
- Cannot exceed the national average premium for bronze level health plans



Return Preparer Interview Best Practices

- Use Form 1095-A, B or C to
 - verify coverage months and
 - who is covered
- Determine eligibility for exemption
 - Marketplace ECN
 - Income below return filing threshold or
 - IRS coverage exemptions



Common Errors

- Eligible for coverage exemption but did not claim
 - Income below filing threshold
 - Not lawfully present
 - Coverage gaps
- Miscalculated SRP
- SRP on dependent returns



2015: What You Need to Know

- Forms 1095-A, B and C
- Apply for Marketplace exemptions early
- ISRP amounts increase
- 2016 Marketplace enrollment
 - Nov 1, 2015 to January 31, 2016
 - Special Enrollment Periods



Resources

IRS.gov/ACA

The screenshot shows the IRS website's page for Affordable Care Act (ACA) tax provisions. At the top, there is the IRS logo and a search bar. Below the logo is a navigation menu with links for Filing, Payments, Refunds, Credits & Deductions, News & Events, Forms & Pubs, Help & Resources, and for Tax Pros. The main heading is "Affordable Care Act Tax Provisions" with a sub-heading "Affordable Care Act (ACA) Tax Provisions". A sidebar on the left lists "Affordable Care Act Topics" including Individuals and Families, Employers, Tax Professionals, What's Trending, News, Health Care Tax Tips, Questions and Answers, List of Tax Provisions, Legal Guidance and Other Resources, and Affordable Care Act Tax Provisions Home. The main content area features a "Find out what to do if you got a letter from the IRS asking for more information about your premium tax credit and a copy of your 1095-A" section, with sub-sections for "Individuals & Families" and "Employers". A "Forms and Publications" section lists Form 8965, Form 8962, and Publication 5187. A "Learn more..." button is visible at the bottom.

HealthCare.gov

The screenshot shows the HealthCare.gov website. At the top, there is the HealthCare.gov logo and navigation links for "Individuals & Families" and "Small Businesses". There is also a "Log in" link and a "Español" language option. Below the navigation is a search bar and a "SEARCH" button. The main heading is "You can still get 2015 health coverage" with a sub-heading "You can enroll if you have certain life changes — like getting married, having a baby, losing other coverage, or moving — or if you qualify for Medicaid or CHIP". A green button says "SEE IF YOU CAN GET COVERAGE". Below this is a "Want a quick overview first?" link. The bottom section has four columns: "TAX QUESTIONS?" with a "GET TOOLS & ANSWERS" button, "COVERAGE TO CARE" with a "SEE ROADMAP" button, "APPEAL A DECISION" with a "GO" button, and "CONTACT US" with a "GO" button.

- IRS.gov/TaxPros
- IRS.gov/DraftForms
- IRS.gov/Form8965 (links to Form and its instructions)