



Learning Series

Massachusetts HealthCare Training Forum (MTF)

Health Connector and MassHealth: Year-end tax filing process

January 2018

Agenda

During this presentation, the following information will be reviewed:

- What is the year-end tax filing process and why is it happening?
- What tax forms will members receive from the Health Connector and MassHealth?
- What should members do with the forms?
- When will forms be mailed?
- Where can members find help with tax preparation?

What is the year-end tax filing process and why is it happening?

Background



In Massachusetts, all residents are required to have health insurance.

In Massachusetts, Chapter 58 established an individual mandate in 2007, which requires adults in Massachusetts to purchase health insurance if it is affordable to them and meets Minimum Creditable Coverage (MCC) standards

Background (cont'd)



Change to Federal Individual Mandate

A tax law that was just signed by the President that includes the repeal of the federal individual mandate beginning in 2019.

- The Affordable Care Act (ACA) required individuals to have health insurance that meets a minimum standard called Minimum Essential Coverage (MEC)
- The penalties for that federal individual mandate to have health insurance were set to \$0 through the Tax Cuts and Jobs Act, effective in 2019
- The IRS is still enforcing the federal mandate for tax years 2017 and 2018.

The Health Connector wants to remind Massachusetts residents that Massachusetts still has its own state-based individual mandate, which will remain in effect.

Background (cont'd)



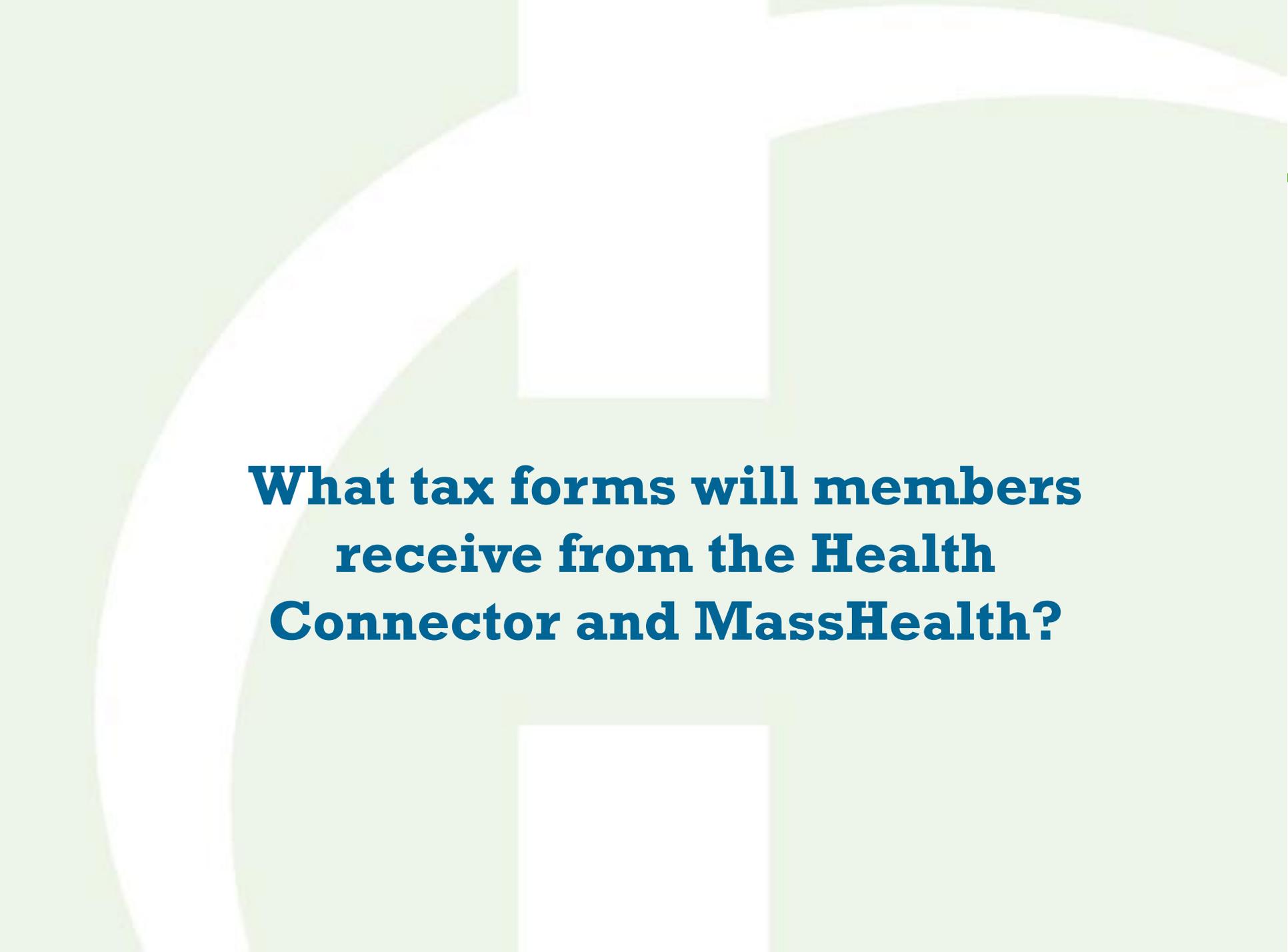
The repeal of the federal individual mandate means that:

- For **2017** and **2018**, consumers are still required to provide proof of their enrollment in health insurance coverage on both their state and federal tax returns or pay a penalty
- For **2019**, consumers will only be penalized for not having health insurance coverage on their state tax return
- Health Connector members should know that any plan sold through the Health Connector meets the state's individual mandate requirements
- Consumers that receive federal APTCs must still file and reconcile them on their federal tax return in order to continue to be eligible for them in future years

Taxes and health insurance overlap.

Certain individuals received federal premium tax credits to reduce their health insurance premiums

- Households that received advance premium tax credits during the year will have to “reconcile” what they received based on projected income against their actual annual income when they do their federal income taxes
 - If an individual does not reconcile advance premium tax credits received, that individual may be ineligible to receive APTCs in future years until the APTCs are reconciled
- Households that did not receive premium tax credits in advance may still claim a premium tax credit when they file their taxes, even if they did not request financial assistance when they applied



**What tax forms will members
receive from the Health
Connector and MassHealth?**

Coverage Reporting



- **State Coverage Reporting:** Plan sponsors, often employers, must send enrollees evidence of each month during the calendar year in which they were enrolled in MCC for at least 15 days. This report is known as the 1099-HC and is often sent by the health plan rather than the employer
 - Those enrolled in a Qualified Health Plan in 2017 (including ConnectorCare) will receive a Form 1099-HC from their health plan
 - Those enrolled in certain MassHealth programs in 2017 will receive a 1099-HC from MassHealth
- **Federal Coverage Reporting:** Any entity that provides coverage must send enrollees evidence of each month during the calendar year in which they were enrolled in MEC for at least 1 day. This report is known as the 1095
 - Health Connector will send Form 1095-A to non-group enrollees, while MassHealth, Carriers and others will send Form 1095-B

Form 1095 vs. 1099-HC



1095-A, B and C

- The 1095 forms shows the months the individual met the **federal** rules for Minimum Essential Coverage (MEC)
- May be needed to complete a **federal** tax return
- For questions about the need to fill out a federal tax return, or how they should complete their federal tax return with the **1095 information**, call the **IRS Call Center** at:
 - (800) 829-1040 OR
 - <https://www.irs.gov/aca>

1099-HC

- The 1099-HC form shows that individuals met the Massachusetts rules for coverage
- May be needed to complete a state income tax return
- Questions about the need to fill out a Massachusetts state tax return, or about how to complete a state tax return with the **MA 1099-HC information**, should be directed to the **Massachusetts DOR** website at:
 - www.mass.gov/dor/individuals

1095-B Questions



- If you or your client/patient have questions about why they received the Form 1095-B from MassHealth or, if they need a duplicate notice, contact the **MassHealth Customer Service Center** at:
 - 1-866-682-6745
 - TTY: 1-800-497-4648 (for people who are deaf, hard of hearing, or speech disabled)

Overview of 1095 Forms



	1095-A	1095-B	1095-C
Who sends it?	State-based or Federal Marketplaces	Carriers, Government programs (Medicare, Medicaid, VA, etc.), small employers	Large employers (more than 50 full-time equivalent employees)
Who receives it?	Individuals enrolled in Qualified Health Plans through the Health Connector or another Marketplace	Individuals not enrolled in a Marketplace or are not employed by a large employer: <ul style="list-style-type: none"> • Employees of small employers • MassHealth members • Individual market enrollees • Federal program recipients (e.g., Medicare, VA, Tricare) • Students 	Employees of large employers
Who does <u>not</u> receive it?	<ul style="list-style-type: none"> • Enrollees in catastrophic health plans or dental plans • Small group health options program (SHOP) enrollees 	People who did not have a plan meeting Minimum Essential Coverage (MEC) standards	People who did not have a plan meeting Minimum Essential Coverage (MEC) standards
What's different from the other 1095s?	Contains APTC amounts and other information needed to determine the correct amount of tax credits the household should have received based on their final income	"Simplest" 1095 because it only shows the months a household had coverage	Contains the same information as the 1095-B, plus information related to any offer of coverage from the employer

What forms will Health Connector members get?



Program	1095 info	1099-HC info
ConnectorCare	1095-A from the Health Connector	1099-HC from their health plan
QHP with APTC or unsub		
Catastrophic plan	1095-B from the carrier	
SHOP		

Form 1095-A



The Health Connector will send a Form 1095-A to non-group members enrolled in a Health Connector plan for at least one month of 2017.

- The Form 1095-A has important information about the months each member had health insurance coverage through the Health Connector, including the cost of monthly premiums, and any tax credits received during the year
- The Form 1095-A is used by the member or tax preparer when filing a federal tax return

Sample Form 1095-A



Form 1095-A		Health Insurance Marketplace Statement		<input type="checkbox"/> VOID	OMB No. 1545-2232
Department of the Treasury Internal Revenue Service		▶ Do not attach to your tax return. Keep for your records. ▶ Go to www.irs.gov/Form10954 for instructions and the latest information.		<input type="checkbox"/> CORRECTED	2017
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 date of birth	D. Coverage start date	E. Coverage termination date
16					
17					
18					
19					
20					
Part III Coverage Information					
Month	A. Monthly enrollment premiums	B. Monthly second lowest cost silver plan (SLCSP) premium	C. Monthly advance payment of premium tax credit		
21 January					
22 February					
23 March					
24 April					
25 May					
26 June					
27 July					
28 August					
29 September					
30 October					
31 November					
32 December					
33 Annual Totals					
For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.					
			Cat. No. 60703Q	Form 1095-A (2017)	

NEW! Download forms from Payment Center



- The Health Connector will continue to mail 1095 forms to members
- In addition, 1095 forms will be available for download from the **notices** section of the Payment Center website
- Members can View forms or Print them - *available in PDF format*
- Permissions for the Payment Center website varies by Assister type
 - Navigator can view notices and forms, Certified Application Counselors (CACs) cannot
 - Remember if a member has an Optum ID, they can log in on their own (or with your assistance) and view and print documents from their account

Requests for Duplicate and Corrected forms



- **Duplicate forms** - Members have the option of either going online to the payment center to download and print a copy or call the Health Connector call center to request a duplicate be mailed to them
- **Corrections** - Members should call the Health Connector Customer Service, and the representative will research if a mistake made
 - If so, they will further investigate and make the corrections needed.
 - Once the application is corrected a new Form 1095-A will be generated and mailed to the member
- For both the Duplicate and Corrected forms, the members mailing address will be confirmed
- All correction and duplicate requests for **Form 1099-HC** for Health Connector members should be referred to the member's health plan
- All correction and duplicate requests for MassHealth members should be referred to the MassHealth call center



MassHealth

Who gets what form(s)?

MassHealth



Program	1095 info	1099-HC info
Standard	1095-B from MassHealth	1099-HC from MassHealth, unless household member 18 years and over was <150% FPL all year
CarePlus	1095-B from MassHealth	1099-HC from MassHealth, unless household was <150% FPL all year
CommonHealth	1095-B from MassHealth	1099-HC from MassHealth, unless household was <150% FPL all year
Family Assistance	Varies depending on coverage.	Varies depending on coverage.
Health Safety Net	No form – not MEC	No form – not MCC
Limited	No form – not MEC	No form – not MCC

Form 1095-B:

- An Internal Revenue Service (IRS) form. It shows the months the individual met the **federal** rules for minimum essential coverage (MEC)
- Different from the **state's** 1099-HC form that has been sent the past several years, and that applies to the **state tax return**. 1095-B is federal and in addition to that form
- The 1095-B form(s) provides information the individual member may need to complete their **federal tax return**
- MassHealth will send the 1095-B to members in February who were covered by MassHealth for at least part of one month in 2017 – even if it was only one day of the month
 - By law, MassHealth and the Health Connector will send the individual member's 1095 information to the IRS.

Form 1095-B (cont'd)



560116

Form **1095-B**

Department of the Treasury
Internal Revenue Service

Health Coverage

▶ Do not attach to your tax return. Keep for your records.
▶ Go to www.irs.gov/Form1095B for instructions and the latest information.

VOID

OMB No. 1545-2252

CORRECTED

2017

Part I Responsible Individual

1 Name of responsible individual		2 Social security number (SSN) or other TIN	3 Date of birth (if SSN or other TIN 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 Health Coverage (see instructions for codes): . . . ▶ <input type="checkbox"/>		9 Reserved	

Part II Information About Certain 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.)

(a) Name of covered individual(s)	(b) SSN or other TIN	(c) DOB (if SSN or other TIN is not available)	(d) Covered all 12 months	(e) Months of coverage												
				Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
23			<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"/>	<input type="checkbox"/>
24			<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"/>	<input type="checkbox"/>
25			<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"/>	<input type="checkbox"/>
26			<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"/>	<input type="checkbox"/>
27			<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"/>	<input type="checkbox"/>
28			<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"/>	<input type="checkbox"/>

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 60704B

Form **1095-B** (2017)

Form 1095-B (cont'd)



- Part III of form 1095-B will be blank
- In Part IV of Form 1095-B, a box with a checkmark will indicate each month or part of a month that the individual had MassHealth coverage in 2017

Part IV Covered Individuals (Enter the information for each covered individual.)															
(a) Name of covered individual(s)	(b) SSN or other TIN	(c) DOB (if SSN or other TIN is not available)	(d) Covered all 12 months	(e) Months of coverage											
				Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
23			<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"/>

- The individual member will need the information in form 1095-B if they have to complete a **federal** income tax return

Please note: Each covered individual (not household) will receive a separate Form 1095-B from MassHealth



**What should members
do with these forms?**

Advance Premium Tax Credits

Members who received Advance Premium Tax Credits during the year (including through ConnectorCare)



Must complete Form 8962 when they file their taxes to see if they got the right amount of subsidy based on their final income for the year. They may get more money back or have to repay some money.

Failing to complete Form 8962 may result in being ineligible for APTCs in the future

Members who did not receive Advance Premium Tax Credits during the year



May complete Form 8962 when they file their taxes to see if they could get premium tax credits based on their final income for the year.

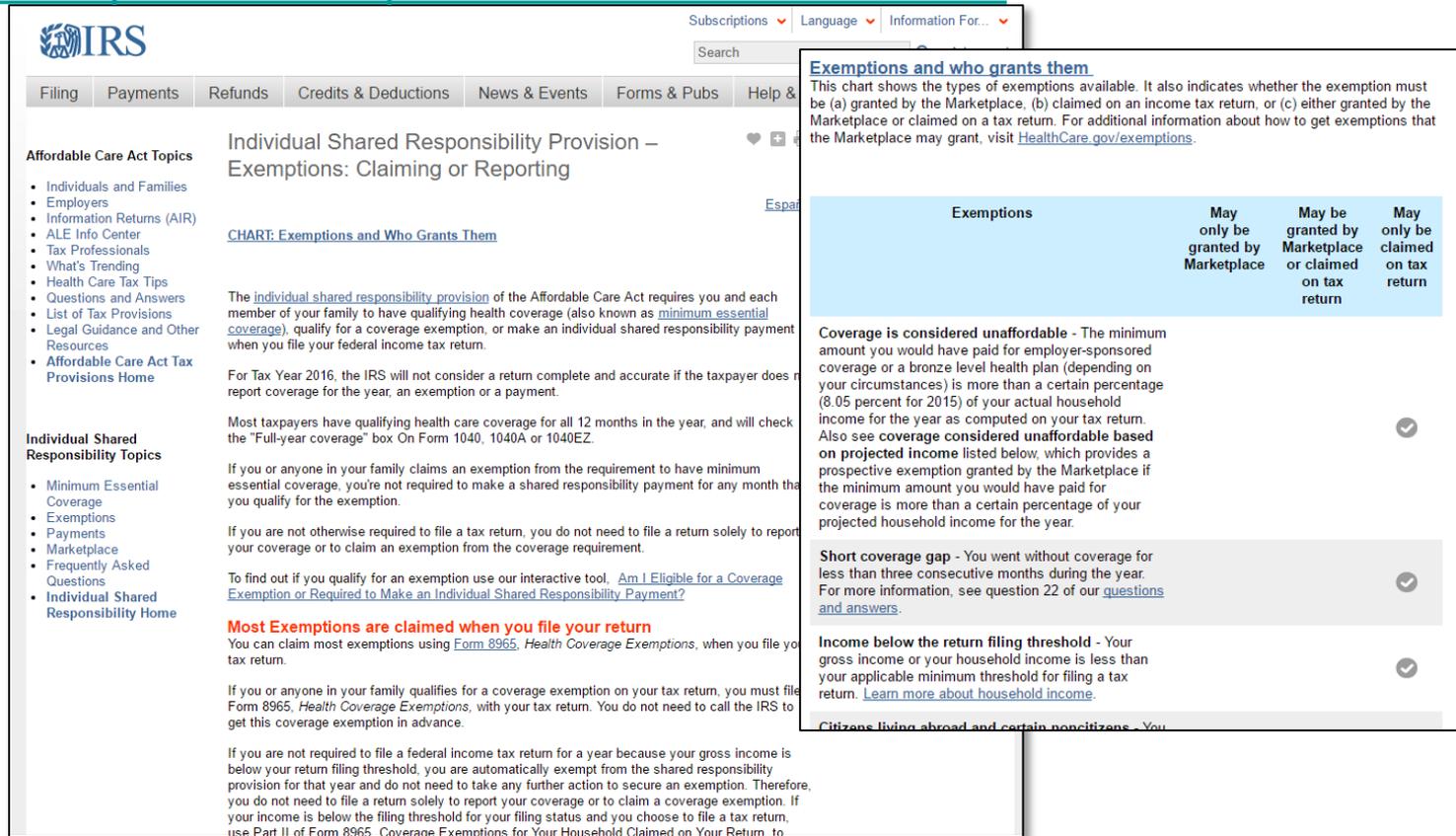
Complying with the Federal Individual Mandate



- If members had coverage for the full year, they can check a box for full year coverage on their **federal** income tax return
- If they did not have coverage for the full year, they should use the Form(s) 1095 they received to complete Form 8965 with their tax return
- Form 8965 will allow them to report their months of coverage as well as claim exemptions from the penalty
- If a member needs to apply for an exemption from the federal mandate that cannot be claimed through the IRS, they should go to healthcare.gov/exemptions BEFORE they file their return
 - This website has application instructions as well as a screening tool to help identify potential exemptions
 - Individuals who want to claim an exemption from the federal mandate due to financial hardship must have their exemption number to include on their return. That means they must apply to CMS for an exemption and receive their approval before filing their return
 - Individuals can file for an extension while CMS processes their application, or they can pay the penalty when they file and amend their return if CMS approves their request

Complying with the Federal Individual Mandate (cont'd)

- Some exemptions are granted by CMS and some by IRS. For more information on Exemptions and who grants them, visit: [irs.gov/affordable-care-act/individuals-and-families/aca-individual-shared-responsibility-provision-exemptions#Exemptions and Who Grants Them](https://www.irs.gov/affordable-care-act/individuals-and-families/aca-individual-shared-responsibility-provision-exemptions#Exemptions and Who Grants Them)



Individual Shared Responsibility Provision – Exemptions: Claiming or Reporting

CHART: Exemptions and Who Grants Them

The [individual shared responsibility provision](#) of the Affordable Care Act requires you and each member of your family to have qualifying health coverage (also known as [minimum essential coverage](#)), qualify for a coverage exemption, or make an individual shared responsibility payment when you file your federal income tax return.

For Tax Year 2016, the IRS will not consider a return complete and accurate if the taxpayer does not report coverage for the year, an exemption or a payment.

Most taxpayers have qualifying health care coverage for all 12 months in the year, and will check the "Full-year coverage" box On Form 1040, 1040A or 1040EZ.

If you or anyone in your family claims an exemption from the requirement to have minimum essential coverage, you're not required to make a shared responsibility payment for any month that you qualify for the exemption.

If you are not otherwise required to file a tax return, you do not need to file a return solely to report your coverage or to claim an exemption from the coverage requirement.

To find out if you qualify for an exemption use our interactive tool, [Am I Eligible for a Coverage Exemption or Required to Make an Individual Shared Responsibility Payment?](#)

Most Exemptions are claimed when you file your return

You can claim most exemptions using [Form 8965, Health Coverage Exemptions](#), when you file your tax return.

If you or anyone in your family qualifies for a coverage exemption on your tax return, you must file Form 8965, [Health Coverage Exemptions](#), with your tax return. You do not need to call the IRS to get this coverage exemption in advance.

If you are not required to file a federal income tax return for a year because your gross income is below your return filing threshold, you are automatically exempt from the shared responsibility provision for that year and do not need to take any further action to secure an exemption. Therefore, you do not need to file a return solely to report your coverage or to claim a coverage exemption. If your income is below the filing threshold for your filing status and you choose to file a tax return, use Part II of Form 8965, [Coverage Exemptions for Your Household Claimed on Your Return](#), to

Exemptions and who grants them

This chart shows the types of exemptions available. It also indicates whether the exemption must be (a) granted by the Marketplace, (b) claimed on an income tax return, or (c) either granted by the Marketplace or claimed on a tax return. For additional information about how to get exemptions that the Marketplace may grant, visit [HealthCare.gov/exemptions](https://www.healthcare.gov/exemptions).

Exemptions	May only be granted by Marketplace	May be granted by Marketplace or claimed on tax return	May only be claimed on tax return
Coverage is considered unaffordable - The minimum amount you would have paid for employer-sponsored coverage or a bronze level health plan (depending on your circumstances) is more than a certain percentage (8.05 percent for 2015) of your actual household income for the year as computed on your tax return. Also see coverage considered unaffordable based on projected income listed below, which provides a prospective exemption granted by the Marketplace if the minimum amount you would have paid for coverage is more than a certain percentage of your projected household income for the year.			✓
Short coverage gap - You went without coverage for less than three consecutive months during the year. For more information, see question 22 of our questions and answers .			✓
Income below the return filing threshold - Your gross income or your household income is less than your applicable minimum threshold for filing a tax return. Learn more about household income .			✓
Citizens living abroad and certain noncitizens - You			

Complying with the State Individual Mandate



- If members had coverage for the **full year**, they can check a box for full year coverage on their state income tax return
- If they did not have coverage for the full year, they should use the Form(s) 1099-HC they received to complete Schedule HC with their tax return
 - Schedule HC will allow them to report their months of coverage as well as claim exemptions from the penalty
- If a member needs to apply for an exemption from the state mandate, they can indicate their wish to appeal when they file their taxes
 - The Department of Revenue will send them a letter asking for more proof of their hardship, which the Health Connector will review
 - No penalty will be assessed until the Health Connector has made a decision

Members with Overlapping Health Connector and MassHealth Coverage



There will be some members who receive both a Form 1095-A from the Health Connector and a Form 1095-B from MassHealth showing overlapping coverage for a given month

- As a reminder, Health Connector plans with Advance Premium Tax Credits and ConnectorCare plans are for individuals who do not have access to other types of insurance
- In most cases, the online application is programmed to prevent someone from being determined eligible for coverage if they are already eligible for another coverage type
 - Generally, if a member takes tax credits even though they have other coverage, they must repay the tax credits for that month when they file their federal income taxes, subject to certain caps
 - However, there are certain situations when a member would not be considered ineligible for tax credits, even though they received two 1095 forms showing overlapping coverage for a given month. As an example, people who transitioned between MassHealth and Health Connector programs or those who received retroactive MassHealth eligibility

Members with Overlapping Health Connector and MassHealth Coverage

(cont'd)



- In general, if a member believes that their overlapping coverage was valid, it is proper to only report Health Connector coverage for that month when they file their taxes
 - They do not need a corrected form from MassHealth, even if they do not report the MassHealth coverage on their taxes
 - MassHealth has a responsibility to tell a member if they had coverage for at least one day in a month according to its records, but it is the members responsibility to determine if that coverage means they must repay tax credits
- Regulation from IRS says that if tax credits aren't ended for the month following a redetermination into Medicaid, the individual is treated as not being enrolled in MEC until the first day of the second month following the eligibility change and does not have to pay back the APTC for the first month

Members with Overlapping Health Connector and MassHealth Coverage (cont'd)



Example:

- Wendy has been enrolled in a QHP and receiving APTCs through the Health Connector, but she was determined disabled on July 16 and received her notification on July 20
- Wendy came to the Health Connector on July 24 and cancelled her coverage. The system assigns August 31 as her enrollment end date
- Wendy can continue to receive APTCs for August and will not have to reconcile this amount
- If Wendy was notified in July that her MassHealth was approved retroactively back to March, she would not be considered to have MEC that blocks her tax credits until September 1. She would not have to repay any tax credits claimed before 9/1.



When will forms be mailed?

Important Dates in 2018



Dates	Action
Mid-Late January	1095-A forms sent to all QHP members (including ConnectorCare members)
Early February	1095-B forms will be sent to certain MassHealth Members
March 1 st	Individuals are encouraged to report any corrections to 1095 or 1099-HC forms to the Health Connector and new forms to be sent out prior to the tax filing deadline
April 17, 2018*	Federal and State Tax filing deadline

*The regular tax return filing deadline is April 15. However, due to April 15 being on a Sunday and the Washington D.C. Emancipation Day holiday being observed on April 16 instead of April 15, 2018, Tax Day is on the following Tuesday.

Health Connector Communications



Date	Activity to Members
1/12/2017	What to Expect <u>Mailer</u> to members, without a known email address , reminding them to wait for all necessary forms before filing their taxes
1/4-1/6 & 1/11-1/13	What to Expect <u>Emails</u> going to all members who have an email on file , reminding them to wait for all necessary forms before filing their taxes
1/16-4/30	Call Center IVR messaging about filing taxes
1/17-1/30	1095-A with Cover Letter and FAQ (English & Spanish)
End of February	Email to inform members on how to request corrected 1095-A Forms & to remind them to file their taxes

Sample “What to expect” Mailer



Don't file your taxes until you have all of your 2017 health insurance tax forms!

We will send Health Connector members a *Form 1095-A* by the end of January. Members should wait to get a *Form 1095-A* before filing a federal income tax return.

If you had a 2017 ConnectorCare plan or had a monthly tax credit to lower your monthly premium in 2017, you must file a federal income tax return.

You must file even if you normally don't file a federal tax return because you have no income or your income is low.

What is *Form 1095-A*?

Form 1095-A has the following information about Health Connector members:

- Months covered by the Health Connector
- How much tax credit was applied to monthly premiums in 2017

You'll use the information from your *Form 1095-A* to answer questions for *Form 8962* when you file a federal tax return. *Form 8962* tells the IRS if you got the right amount of tax credit in 2017.



[Learn more](#)

Sent to members without emails on file.

Key messages:

- Don't file your taxes until you have all of your 2017 health insurance tax forms. We will send you a *Form 1095-A* by the end of January. Wait until you get this form before filing your federal income tax return.
- Remember, you must file a federal income tax return this year, even if you haven't had to in the past.
- English and Spanish versions

Sample Envelope



133 Portland Street, 1st floor
Boston, MA 02114-1707

Important tax information! • ; Información fiscal importante!



MASSACHUSETTS
HEALTH
CONNECTOR

- This year's envelopes will be turquoise

Sample Cover Letters



[Recipient Name]
[C/O]
[Mailing Address Line 1]
[Mailing Address Line 2]
[City], [State] [Zip]

[Date]

IMPORTANT: Use your Form 1095-A for filing 2017 taxes

Dear [Primary Recipient],

You are receiving a **Form 1095-A** because you were enrolled in health insurance coverage through the Health Connector for at least one month in 2017. This form has important information that you will need when filing your federal income tax return for 2017. Bring your Form 1095-A with you when you meet with your tax preparer, or have it ready when you prepare your own returns. As required by law, a copy of this information has been sent to the Internal Revenue Service (IRS).

Important: You must file taxes if you received an Advance Premium Tax Credit in 2017. If you were enrolled in a **ConnectorCare** plan, you received Advance Premium Tax Credits and will need to file—even if you have very low income and didn't need to file in the past. If you don't file, you won't be able to get help paying for your health insurance in the future. If you're not sure if you received an Advance Premium Tax Credit in 2017, you can learn more on the FAQ page included with this letter.

What you need to do with Form 1095-A

1. **Make sure the information on your Form 1095-A is correct.** Use the checklist on the next page to check your form. Let us know as soon as possible if any of the information on your form is not right. Please let us know no later than **March 19, 2018**, to avoid delays with your tax filing.
2. **File a federal income tax return with IRS Form 8962** if you received an Advance Premium Tax Credit or want to claim a Premium Tax Credit.
3. **Keep a copy of Form 1095-A for your records.**

Why do I need a 1095-A form?

If you received an Advance Premium Tax Credit in 2017, you'll need the information from your Form 1095-A to fill out IRS Form 8962 when you file your federal tax return. The questions from IRS Form 8962 help the IRS make sure that you got the right amount of tax credit for health insurance in 2017. The amount of tax credit you were given was based on your estimated income. If your actual income was more than what you estimated, you may have to pay back some or all of the tax credit. Or, you could get a refund if your income was less than what you estimated.

If you did not get an Advance Premium Tax Credit, but want to claim a premium tax credit on your tax return, you will also need to fill out IRS Form 8962 to find out if you qualify. **Note:** If you received an Advance Premium Tax Credit in 2017, or want to claim a premium tax credit for this year, **you cannot file your taxes with form 1040 EZ.**

Is your information correct?

Part 1 (I) of Form 1095-A

- Do fields 10 and 11 show the right dates for the months you were covered by the Health Connector?

Important: You only need to check your 1095-A for the months you were enrolled with the Health Connector. If you had coverage from another source in 2017 (such as a job) you will get more form(s) from those sources, showing your other months of coverage.

Part 2 (II) of Form 1095-A

- Is the information about people covered under your health insurance plan correct?

Part 3 (III) of Form 1095-A

- Does Column C show the right amount of tax credit applied to your 2017 premiums?

Please note the following:

In Column A of Part 3, the monthly premium shown will not match exactly the amount that you are used to paying each month. You can learn more about this on the FAQ page.

In Column B of Part 3, we will show the cost of the second lowest-cost Silver plan available to your tax household in 2017, which was used to determine your tax credit amount. You can learn more about this on the FAQ page.

For questions or changes to your form

If you think information on your Form 1095-A is wrong, call Customer Service as soon as possible. You should **call us about any corrections to your 1095-A no later than March 19, 2018**, to avoid problems with filing your taxes on time. You can call us at 1-877-MA ENROLL (1-877-623-6765) or TTY: 1-877-623-7773, Monday through Friday, 8:00 a.m. to 6:00 p.m.

We've included a Frequently Asked Questions (FAQ) page with this letter to help you with questions. You can also learn more on our website at: www.MAhealthconnector.org/taxes

If you already filed your tax return

You may need to file an amended federal income tax return if you filed your tax return before you got a Form 1095-A. For more information on how to file an amended return, go to irs.gov and search for "amended return."

How to get help with your taxes

Many people can get free tax help from programs such as Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE). Go to our website at www.MAhealthconnector.org/taxes to learn more about getting free help with your taxes. Or you can call **800-906-9887** to find help near you.

Thank you,

Massachusetts Health Connector

Sample FAQs



Frequently Asked Questions: Form 1095-A



Why did I get a Form 1095-A?

You received a Form 1095-A because you had health insurance through the Health Connector in 2017. You will need the information from your 1095-A when you file your federal income tax return for 2017.

Do I have to file taxes even if I have low income?

Yes. Even if you've never had to file taxes in the past because your income is low, you will need to file a federal income tax return for 2017 if you received an Advance Premium Tax Credit. You cannot file your taxes with 1040-EZ. You must file with Form 1040, 1040A, or 1040NR.

What happens if I don't file a federal income tax return for 2017?

If you got an Advance Premium Tax Credit in 2017 and you don't file a federal income tax return, you won't be able to get help paying for your health insurance through a tax credit or ConnectorCare again in the future.

How can I get help with filing my taxes?

Many people can get free tax help from programs such as Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE). Call the IRS hotline at 800-906-9887 to find a location near you. To learn more about how to get free help with your taxes, visit www.MAhealthconnector.org/taxes.

How do I get another copy of this form?

You can view and print a copy of your 1095-A form through your online account. Follow these steps to access your form online:

1. Go to MAhealthconnector.org, click Log In at the top of the screen, then choose Individuals and Families
2. Sign in with your Optum ID (user name) and password
3. Click on My Enrollments
4. Click on the Make a Payment button
5. Click on My Tax Documents at the top of the screen

If you don't have an online account, or have trouble signing into it, please call Customer Service for help.

I noticed something wrong with my form. How can I have it corrected?

If you think something on your form is wrong, please call Customer Service right away. It's important to ask for a corrected version of your form as soon as possible.

What do I do with my Form 1095-A?

You should keep a copy of your Form 1095-A in a safe place and take it with you to your tax preparer, or have it with you as you prepare your own tax return. If you had an Advance Premium Tax Credit to help you pay for your health insurance in 2017, you'll need the information in your 1095-A to fill out IRS Form 8962, Premium Tax Credit. You will need to include Form 8962 when you file. You will also need to fill out and include Form 8962 if you didn't get a tax credit during the year but want to try and claim a premium tax credit when you file. You may also use the Form 1095-A to answer questions about your health insurance coverage in the "Health Care: Individual Responsibility" section of your tax form.

How do I know if I got an Advance Premium Tax Credit in 2017?

Look at Column C, "Monthly advance payment of premium tax credit," in Part 3 (III) on your Form 1095-A. If there are any numbers in the rows under Column C, this means you had a tax credit applied to your premium for those months in 2017. If you got an Advance Premium Tax Credit for any months in 2017, you must file a 2017 federal income tax return. You will use your 1095-A to answer questions on IRS Form 8962.

How can I tell if my Advance Premium Tax Credit amount is right?

To see if the amount is correct, compare the amount in Column C "Monthly advance payment of premium tax credit" in Part 3 (III) on your Form 1095-A to your 2017 Advance Premium Tax Credit. You can find your 2017 Advance Premium Tax Credit on your online account, or by looking at your monthly bills from 2017. To view on your online account, log in at MAhealthconnector.org. Then go to My Enrollments and choose 2017.

What do I need to do if I didn't have coverage for some months?

Everyone is required by state and federal law to have health insurance if they can afford it. If you didn't have health insurance for more than two months in 2017, you may have to pay a tax penalty. However, you may be able to qualify for an exemption so that you don't need to pay this tax penalty. If you didn't have coverage for some months in 2017, you should talk to a tax professional about your next steps. You can also find more information on our website at www.MAhealthconnector.org/taxes.

Why is the monthly premium on my form different from what I paid each month?

The amount in Column A, "Monthly enrollment premiums" will not match what you actually paid for your monthly premiums in 2017. Do not worry about this. The amount in this column is different from the cost of your monthly premium because the amount shown is only for the "Essential Health Benefits" portion (part) of your health plan. This is how the IRS needs to see your premium information. The amount shown under monthly enrollment premiums does not include any Advance Premium Tax Credit that may have lowered your monthly premium cost, or any state subsidies that lowered your premium if you were enrolled in a ConnectorCare plan.

Why doesn't my form show all of the months I was covered?

Each Form 1095-A will only show the months you were enrolled in a plan through the Health Connector. If you had more than one Health Connector plan during the year, you will get a form for each plan. If you had coverage from other sources in 2017, such as from a job or from MassHealth, you will get more forms in the mail from those sources, showing the other months that you were covered. If you had coverage for a month with the Health Connector, but you do not see that month shown on any Form 1095-A, then you should call Customer Service to ask for a corrected version of your form.

Why do I need to know the cost of the second-lowest-cost Silver plan?

The cost of the second-lowest-cost Silver plan that was available to you in 2017 is listed on your form to help the IRS determine if you received the right amount of tax credit in 2017. Some people may need to recalculate this amount when they file taxes using our online tool at: www.MAhealthconnector.org/tax-tool. For example, you may need to recalculate if your household had a change in 2017 that you did not tell us about. You should talk to a tax professional if you have questions about whether or not this applies to you.

Why did I get more than one form for my health insurance coverage?

You will get one form for your state income tax return and one form for your federal income tax return, from each source of health insurance that you had during the year. This means you will get at least two forms. You may get more than two if you were enrolled through other sources of health insurance coverage (such as a job) or if you had more than one plan through the Health Connector in 2017. You won't receive a Form 1095-A for any dental insurance coverage you may have had during the year. You should expect to get the following forms for each health insurance policy that you had in 2017 through the Health Connector:

Tax forms related to Health Connector coverage

Form name	1095-A	1099-HC
Sent by...	Massachusetts Health Connector	Your insurance company
Use it when filing your...	Federal income tax return	State income tax return

If you or your household members were enrolled in MassHealth coverage for any months in 2017, you can also expect to receive the following forms:

Tax forms related to MassHealth coverage

Form name	1095-B	1099-HC
Sent by...	MassHealth (Medicaid)	MassHealth (Medicaid)
Use it when filing your...	Federal income tax return	State income tax return

Federal law requires notification that a portion of the premium payment equal to \$1 is kept in a segregated fund to finance the actuarial cost of abortion services not covered by federal funding under the federal Hyde Amendment.



**How to find help with tax
preparation in your
community**

VITA and TCE



- **The Volunteer Income Tax Assistance (VITA)** program offers free tax help to people who generally make \$54,000 or less, persons with disabilities, the elderly and limited English speaking taxpayers who need assistance in preparing their own tax returns. The IRS-certified volunteers are able to provide free basic income tax return preparation with electronic filing to qualified individuals
- In addition to VITA, the **Tax Counseling for the Elderly (TCE)** program offers free tax help for all taxpayers, particularly those who are 60 years of age and older, specializing in questions about pensions and retirement-related issues unique to seniors. The IRS-certified volunteers who provide tax counseling are often retired individuals associated with non-profit organizations that receive grants from the IRS
- Before going to a VITA or TCE site, see [Publication 3676-A](#) for services provided and check out the [What to Bring](#) page to ensure you have all the required documents and information our volunteers will need to help you
 - Note: available services can vary at each site due to the availability of volunteers certified with the tax law expertise required for a particular return

Finding a VITA or TCE Site Near You



- VITA and TCE sites are generally located at community and neighborhood centers, libraries, schools, shopping malls and other convenient locations across the country
 - To locate a VITA or TCE site or use the VITA Locator Tool <http://irs.treasury.gov/freetaxprep> or call 800-906-9887
- At select tax sites, taxpayers also have an option to prepare their own basic federal and state tax return for free using web-based tax preparation software with an IRS-certified volunteer to help guide them through the process. This option is only available at locations that list “Self-Prep” in the site listing <http://irs.treasury.gov/freetaxprep/>

Finding an AARP TCE Tax-Aide Site



- A majority of the TCE sites are operated by the AARP Foundation's Tax Aide program
- To locate the nearest AARP TCE Tax-Aide site between January and April use the **AARP Site Locator Tool** or call 888-227-7669

<http://www.aarp.org/applications/VMISLocator/searchTaxAideLocations.action>

Helpful IRS Resources

- Free Tax Return Preparation for Qualifying Taxpayers
 - <https://www.irs.gov/individuals/free-tax-return-preparation-for-you-by-volunteers>
- Affordable Care Act (ACA) Tax Provisions
 - <http://www.irs.gov/Affordable-Care-Act>
- Individual Shared Responsibility Provision
 - <https://www.irs.gov/Affordable-Care-Act/Individuals-and-Families/Individual-Shared-Responsibility-Provision>
- Fact Sheet on Individual Responsibility
 - <http://www.irs.gov/pub/irs-pdf/p5156.pdf>

Key Takeaways



Please keep this information in mind as you work with consumers to help them apply for health insurance coverage:

- Both Massachusetts and the federal government have a requirement for individuals to have health insurance for 2017 and 2018, if it's affordable
 - There are important differences in how Massachusetts and the federal government have structured their requirements that may be confusing for consumers
 - Filing taxes has implications for a consumer's eligibility for Advance Premium Tax Credits (APTC), including the ConnectorCare program. If members got an Advance Premium Tax Credit in 2017 and don't file a federal income tax return, they won't be able to get help paying for their health insurance through a tax credit or ConnectorCare again in the future until they reconcile their taxes
- An applicant's tax filing status also impacts their ability to receive tax credits (Example, married couple must file taxes jointly to receive APTCs)
- Keeping the state informed about any changes a member has, such as income, job loss or change, marriage or pregnancy, will help minimize any unanticipated responsibilities when taxes are reconciled

Key Takeaways (cont'd)



- Remind consumers to keep any 1095 forms received from MassHealth or the Health Connector
- Also refer them to the eligibility and enrollment notices they've received from MassHealth and the Health Connector to help them determine when their coverage was effective, and make sure to keep copies of these notices. Consumers may need them if the IRS or their tax preparer has questions about their coverage



Questions?