

## WHAT HEALTH CARE REFORM MEANS TO YOUR TAXES

Now that we are in the 2016 filing season, it is important to understand how the Affordable Care Act (ACA) will impact every individual who files a 2015 federal return. Depending on where you obtained your health insurance during 2015 and your current insurance status, you may be affected.

The new IRS **Form 1095-A** (Health Insurance Marketplace Statement); **Form 1095-B** (Insurance Companies, Self-Insuring Employers, and Other Parties); **Form 1095-C** (Large Employer Provided Health Insurance) is required to be sent to state Marketplace participants by March 31, 2016. If you receive this form, bring this with you to your tax appointment. The information on these forms is required to be entered into the tax return.

If you purchased insurance through the Health Insurance Marketplace you must complete Form 8962-Premium Tax Credit and file it with your tax return **if any amount other than zero is shown in Part III, Column C**, of the Form 1095-A (meaning that you received premium assistance through advance credit payments) or if you want to take the premium tax credit. The filing requirement applies **whether or not** you're otherwise required to file a tax return.

If you did not purchase insurance through the marketplace and you do not receive one of the 1095 forms, you should gather and keep a copy of your insurance card; insurance statements (such as an explanation of benefits); and W-2 forms reflecting health insurance deductions or payroll stubs.

In addition, if you purchased your health insurance through the Marketplace Exchange and your income is between 100% and 400% of the federal poverty level, new IRS **Form 8962-Premium Tax Credit** will need to be completed. This form reconciles the advance premium tax credit to your income level and will result in either a refundable credit if your credit is greater than the subsidy that you received in 2015, or a repayment of excess advance payment if the subsidy received is greater than the calculated premium tax credit.

Also available is the new **Form 8965-Health Coverage Exemptions**. This form is used to either claim an exemption from the health care coverage requirement or to calculate the shared responsibility payment penalty for those who did not maintain health coverage for all of 2015 and who are ineligible for an exemption from coverage.

**Due to the complexity of the ACA, additional time is necessary to prepare tax returns, especially when health insurance is not maintained for each month and for each member of the household or when coverage is received through the Marketplace. We will do our best to keep the costs down for the calculations required to file the tax returns, however, any proof of insurance on a month-by-month basis will help expedite the process for us.**

Please consult your Tax Provider for additional details.