



# ACA Health Insurance Coverage Reporting Information - RETIREES and COBRA SUBSCRIBERS – Answers to Frequently Asked Questions

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## **1. What is the purpose of the ACA health insurance coverage reporting requirements?**

The health insurance coverage reporting requirements are intended to help the Internal Revenue Service (IRS) administer several provisions under the Affordable Care Act. Specifically, the IRS will use the information reported by employers to determine whether:

- Individuals are enrolled in coverage that meets the ACA's individual mandate;
- Individuals are (or are not) eligible for subsidies to purchase health insurance in the individual Health Insurance Exchange (Marketplace or kynect); and
- Health coverage offered by a large employer meets the requirements of the ACA's employer mandate or whether the large employer is subject to potential penalties.

## **2. How is ACA health insurance coverage information reported to the IRS?**

The Kentucky Employees' Health Plan (KEHP) will report information to the IRS, using Form 1094-B.

## **3. How is ACA health insurance coverage information provided to employees?**

The KEHP will provide information to employees, using Form 1095-B.

## **4. What information is provided on this form?**

There are four parts to Form 1095-B:

- Responsible Individual (Part I) reports information about you.
- Employer Sponsored Coverage (Part II) reports information about the employer sponsoring coverage if an insurance company provides the employer-sponsored health coverage.
- Issuer or Other Coverage Provider (Part III) reports information about the coverage provider,
- Covered Individuals (Part IV) reports information about the individuals covered under your plan.

## **5. I am a retiree or COBRA subscriber. Who will provide my health insurance coverage reporting to me?**

Although retirees and COBRA subscribers are not employees, the IRS reporting instructions indicate that employers offering employer-sponsored self-insured health insurance coverage to non-employees are required to report health insurance coverage information regarding those non-employees. Non-employees include persons who were retired during the entire plan year, as well as COBRA subscribers. For the purposes of these FAQs, "retirees" means a retiree under the age of 65 who participates in one of the retirement systems (KRS, KTRS, JRP, LRP) and has health insurance coverage through the KEHP.

As an "issuer" of your health insurance coverage, the KEHP will issue an IRS Form 1095-B to each applicable retiree and COBRA subscriber to report the retiree's and COBRA subscriber's KEHP health insurance coverage. The KEHP will also submit Forms 1095-B to the IRS using the transmittal Form 1094-B.

This “issuer” reporting role is limited to non-employees for the 2015 plan year only. Reporting procedures for retirees and COBRA subscribers will be reevaluated and may change for future health insurance coverage reporting.

## **6. I am a non-Medicare eligible retiree enrolled in KEHP coverage who retired in 2015. Why did I get two reporting forms?**

In many cases, if you retired during 2015, you should receive two reporting forms. One reporting form should be from your employer showing your health insurance coverage while you were employed. The second reporting form (Form 1095-B) will be from KEHP showing your health insurance coverage after your retirement.

If you were a state agency employee who retired during 2015, you will receive one Form 1095-C showing your health insurance coverage while you were employed and after you retired.

## **7. When will I receive my form?**

Originally, the IRS determined that employers or providers of health insurance coverage must furnish the forms to individuals no later than February 1, 2016. The IRS recently extended the deadline for reporting health insurance coverage information to individuals to March 31, 2016. Barring any unforeseen circumstances, the Personnel Cabinet intends to send the forms to retirees and COBRA subscribers by early February 2016.

### **NOTES:**

- If you and your spouse chose the cross-reference payment option through KEHP and you are the secondary planholder, you will receive a form but you will be the only listed covered individual on the form. The primary planholder will receive a form listing all persons covered under the plan, including the secondary planholder.
- You may receive multiple forms if you worked for multiple employers in calendar/tax year 2015.

## **8. What do I need to do with this form?**

You may need this form when you complete your tax return for 2015. It is proof of insurance coverage you had in 2015, as required by the ACA.

This form does not need to be submitted with your tax return. It should be kept with your other tax records.

## **9. Should I wait for the form to file my 2015 tax return?**

In most cases, you do not need to wait. Most employees will know whether they had health coverage for a month and can simply check a box on their tax return to attest that they, their spouse (if filing jointly), and any other eligible dependents had “minimum essential coverage” throughout the year.

*You should wait for your form if...* you received an advance premium tax credit or wish to take the premium tax credit on your return.

## **10. What happens if I’ve already filed my 2015 tax return before I receive my form?**

For 2015 only, individuals who rely upon other information received from their coverage providers about their coverage for purposes of filing their tax returns need not amend their returns once they receive the form or any corrections. Individuals are not required to send the form to the IRS when filing their returns but should keep it with their tax records.

## **11. How do I get another copy of my form?**

Contact the Kentucky Employees' Health Plan at 888-581-8834, Option 1.

**12. Who should I contact if I have questions about the form that I receive, which were not answered in this FAQ?**

If you do not receive your form before March 31, 2016, contact the Kentucky Employees' Health Plan at 888-581-8834, Option 1.

**13. What should I do if I think the form I received has an error or I do not agree with the information provided?**

You may want to review IRS Form 8965, Health Coverage Exemptions, and Form 8962, Premium Tax Credit (PTC), and related instructions for information. All are available on the IRS website at [www.irs.gov](http://www.irs.gov). If you still think that there may be an error or disagree:

Contact the Kentucky Employees' Health Plan at 888-581-8834, Option 1.

**14. Why are the amounts reported on these forms different than the amount reported in block 12 of the W-2?**

Box 14 on Form 1095 reflects the best offer of coverage made to an individual in the month, if any. It does not reflect the actual coverage the individual enrolled in for 2015.

Box 15 on Form 1095 reflects the employee's monthly cost for employee only coverage under that employee's best offer of coverage. It is not reflective of the actual deductions paid by an employee for coverage during that month, as the employee may have enrolled in another offer of coverage, enrolled additional family members, or waived enrollment. This box will only be completed if Box 14 has a value of 1B, 1C, 1D, or 1E.

**15. Tax preparation information:**

When electronically filing Form 1095-B with your taxes, you will receive an error message if both Line 2 and Line 3 of Part 1 are blank. This error message should be disregarded if the responsible individual isn't a covered individual identified in Part IV.