

Marketplace Coverage & Taxes



*Getting Ready for Tax
Season During Open
Enrollment*

November 2017

Introduction

- ▶ During Open Enrollment (OE), assisters can help consumers to ensure that they get their Form 1095-A and that it's accurate
- ▶ This presentation will cover:
 - What consumers need to know about Form 1095-A
 - How assisters can help during OE:
 - Update prior year mailing address
 - Double check demographic information is correct
 - Confirm household structure and that the tax filer will claim dependents
 - Resources

What Consumers Need to Know

Consumers need help making the connection between

Consumer's Marketplace
Application



Filing Their Taxes

and

Many are unaware that their enrollment application impacts their taxes. Mistakes on the application may lead to inaccuracies on Form 1095-A and may mean consumers have to refile their taxes in the future. We can mitigate this risk by ensuring certain data fields are correct.

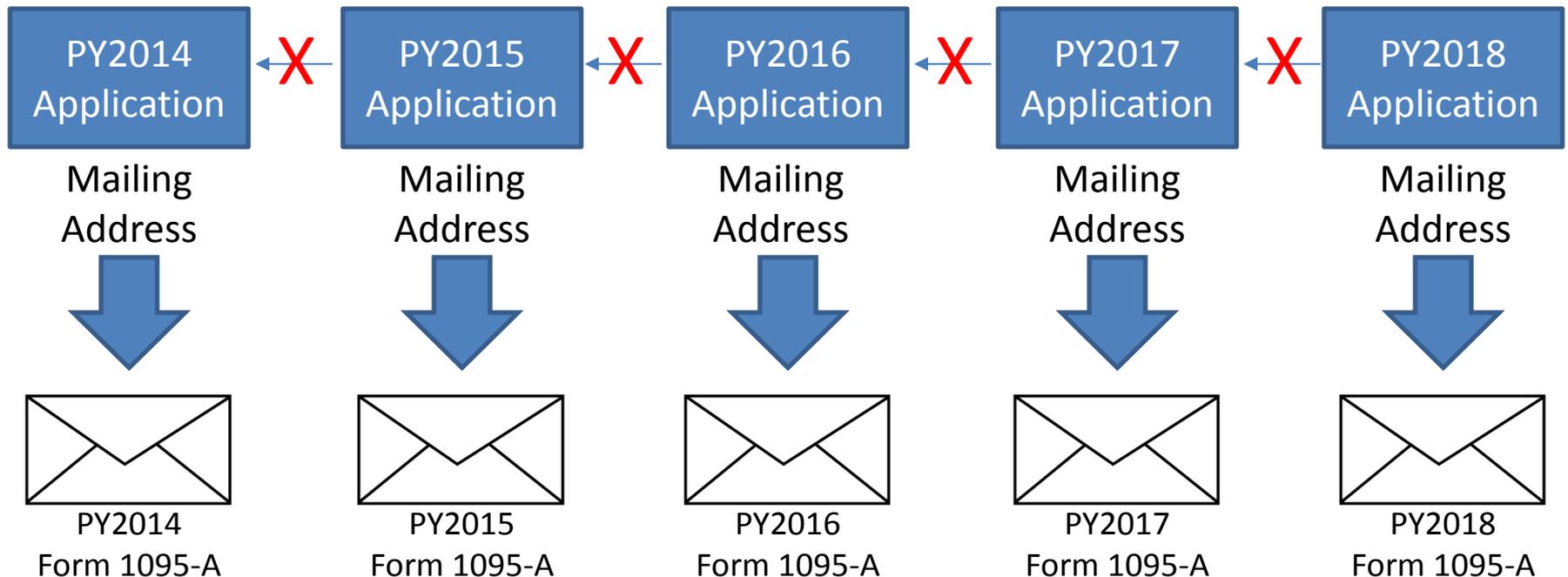
How Assisters Can Help During OE

- ▶ Assisters should talk to consumers about:
 - Updating prior year mailing addresses
 - Double checking demographic information is correct
 - Confirming household structure and that the tax filer will claim dependents

Update Prior Year Mailing Address

- ▶ Assistors should ask consumers if their mailing addresses have changed
 - If so, it's important that their mailing address is updated on prior year applications as well as current year to ensure consumers receive their Form 1095-As
 - The Marketplace uses the last known address on consumers' Marketplace applications to mail Form 1095-As to tax payors and other responsible adults

Mailing Addresses are Pulled From the Applicable Plan Year's Application to Mail Form 1095-As



IMPORTANT: If consumers update their mailing address on their PY 2018 application, their mailing address will not update on prior year applications

60% of Form 1095-A Corrections are Due to Mailing Address Updates

- ▶ If consumers do not have the correct mailing address on their PY 2017 application, their Form 1095-A will not be mailed to the right address. This may cause delays in submitting their federal tax return and thus receiving their tax refund when applicable
- ▶ To avoid this, assisters should tell consumers to update their mailing addresses on both their PY2018 and PY2017 applications

Double Check Demographic Information is Correct

- ▶ Assistors should remind consumers to double check their demographic information on Healthcare.gov to ensure that information on their Form 1095-A is accurate

Confirm Household Structure

- ▶ Consumers may not realize that their household structure for tax filing should be reflected on their Marketplace application
 - For example, if parents share custody of a child, the parent who will claim the child on their taxes should also be the parent who applies for APTC on the child's behalf
- ▶ Assistors should ask consumers if their household structure has changed, to include:
 - Has there been a recent divorce? If so, make sure the couple now has separate Marketplace policies
 - Has there been a change in custody of dependents? If so, make sure the dependents are on the policy of the tax payer who will claim them on their federal taxes
 - Has there been a recent death? If so, make sure the deceased has been removed from the policy

Resources

- ▶ For more information about how Marketplace coverage will affect consumers' taxes, visit [HealthCare.gov/taxes/](https://www.healthcare.gov/taxes/) or call the Marketplace Call Center at 1-800-318-2596 (TTY: 1-855-889-4325)
- ▶ Many people who signed up for Marketplace coverage can get free assistance with filling out their taxes
- ▶ If consumers have questions about their taxes, need Form 8962 or 8965, or want to learn more about the fee for not having health coverage, they should visit [IRS.gov](https://www.irs.gov)
- ▶ Additional slides about tax season are in the appendix below

Free Tax Preparation

- ▶ VITA - Volunteer Income Tax Assistance:
<http://www.irs.gov/Individuals/Find-a-Location-for-Free-Tax-Prep>
- ▶ AARP – Tax Aide:
<http://www.aarp.org/applications/VMISLocator/searchTaxAideLocations.action>

Appendix: Resources for Tax Season

- What consumers will receive
- How consumers can access their Form 1095-A
- Role of assisters during tax season

What Consumers Will Receive

- ▶ The FFM will mail Form 1095-As by January 31st in an envelope labeled “Important Tax or Health Coverage Information Inside.” In addition to the Form 1095-A, the envelope will include:
 - Cover letter (English or Spanish depending on user’s language preference)
 - Form 1095-A instructions (Line-by-line instructions developed by IRS, English only)
- ▶ A separate Form 1095-A will be generated for each policy in which the household enrolled
- ▶ Each member of a tax household, who is on the same policy, will be listed together on one Form 1095-A
- ▶ Households of more than 5 enrolled members will receive an additional Form 1095-A that continues Part II

Consumers also can download a copy of their 1095-A from their ‘MyAccount’ on HealthCare.gov

How Consumers Can Access Their Form 1095-A

- ▶ Tell consumers that, in addition to forms being mailed by January 31, they will also be posted to their 'MyAccount' on Healthcare.gov a week before mailing
 - This is the best course of action for consumers eager to file taxes
 - Consumers should wait for their Form 1095-A to file their taxes
- ▶ Tell consumers who are seeking Form 1095-A reprints, that they can print the Form from their MyAccount
- ▶ Assistants will not be able to see Form 1095-As, only consumers have access to this document

Role of Assisters During Tax Season

- ▶ Relating to Form 1095-A and tax season, assisters should:
 - Help consumers understand what Form 1095-A is and what it means for the consumer as they prepare their taxes
 - Help consumers understand the timing for receiving Form 1095-A, what to look for in the mail, and that it is an important tax document
 - Explain how to access Form 1095-A in their online account
 - Help consumers understand how Form 1095-A relates to the Form 8962 (tell consumers to wait for Form 1095-A to file taxes)
 - Explain how to review Form 1095-A for accuracy
 - Ensure consumers are aware of the potential implications of not providing the information on their taxes
 - Help consumers understand how to reconcile their APTC and PTC
- ▶ Assisters may not provide assistance with filing taxes