

As a result of the health care reform law, you will receive Form 1095-C by mail sometime after March 31, 2016, if you were:

- A full-time employee of the School District of Menomonee Falls at any time in 2015; or
- Enrolled in the School District of Menomonee Falls self-insured health plan at any time in 2015 (you will receive a form even if you decided not to enroll in the District's health insurance plan).

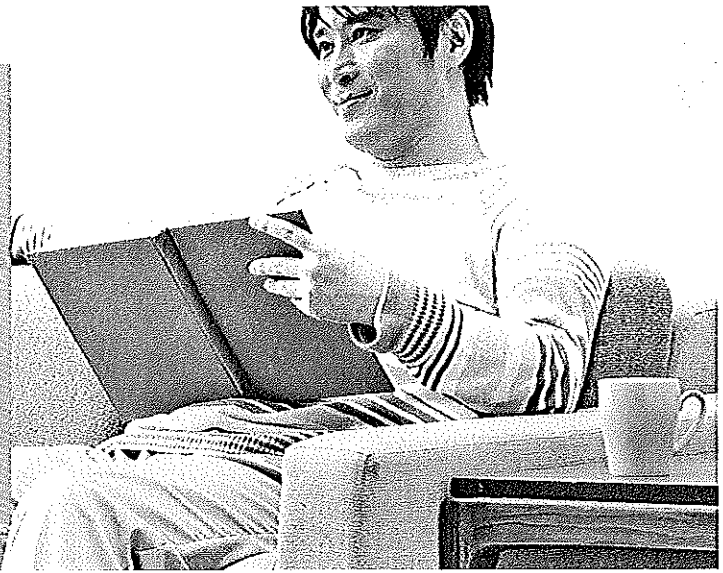
This form is being provided to you as proof of the health coverage we offer to you and your family. It contains information about who provides the health insurance coverage, as well as specific details about the lowest cost self-only coverage that was offered to you. If you were enrolled in the District's self-insured health plan, it will also indicate which members of your family were covered by the policy and the months of the year that each person was covered. This information will be used to assess whether you will be required to pay the individual tax penalty, or whether you may be eligible for any tax subsidies.

**The information on this form may be helpful when filing your 2015 tax return, but does not need to be filed with your individual tax return. Be on the lookout for your Form 1095-C and keep it in a safe place with your other tax records.**

For a detailed explanation of the coding on the 1095-C form, please reference the document titled 1095-C Affordable Care Act Communication – March 31, 2016 on the District homepage under the Staff tab and Insurance Benefit tab.

# KNOW YOUR BENEFITS.

From 123 Sample Company



## Form 1095-C: What You Need to Know

In early 2016, you may receive a new tax form, Form 1095-C, if you were a full-time employee of a large employer (generally, one that employs 50 or more full-time employees) at any time during 2015. In some cases, part-time employees of large employers (those working less than 30 hours per week) may also receive this form.

Your employer may provide this form to you via mail, electronically or it may be delivered to you by hand at work.

### **Why am I getting this form?**

Form 1095-C provides you with proof of the health insurance coverage that your employer offered to you and your family during 2015, if any. If you purchased health insurance coverage through the Health Insurance Marketplace and wish to claim the premium tax credit, this information will assist you in determining whether you are eligible.

### **What information is on the form?**

Form 1095-C is divided into three parts, which contain the following information:

- **Part I** includes employee and employer identifying information (for example, the employee's Social Security number, the

employer's address and the employer's employer identification number).

- **Part II** identifies whether coverage was offered to you, your spouse and your dependents, and indicates the lowest monthly premium for self-only coverage that was offered to you in 2015.
- **Part III** lists the people in your household that were covered by the insurance and the months they were covered (Note: this part will only be filled out if your employer's insurance coverage was not provided through an insurance company).

It is important that you save Form 1095-C, because it provides key information about your health coverage and can help you when you fill out your tax return.

### **What if I changed jobs or didn't enroll in my employer's insurance?**

Form 1095-C will be provided to you if you were a full-time employee of a large employer at any point in 2015, regardless of whether you were offered insurance coverage or whether you elected to enroll in health insurance benefits through your employer. If you worked full-time for multiple large employers in 2015, you will receive a Form 1095-C from each of those employers.

### **Filing Your 2015 Tax Return**

You do not need to file this form with your tax return. However, it is important that you save your Form 1095-C, because the information provided on this form can help you complete your income tax return for the year. Once your tax return is filed, save Form 1095-C for your records. The Internal Revenue Service (IRS) will receive its own copy of the form for comparison purposes.

Ultimately, the form you receive may vary based on your employment status and the type of insurance your employer offers. For questions regarding Form 1095-C and what it means for you, contact HR today.

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# Willis

Date: 03/31/2016


**SUBJECT: Affordable Care Act – Employee Notice IRS FORM 1095-C**

As part of the IRS reporting requirements associated with the Affordable Care Act, large employers (those with more than 50 full-time employees) are required to give notice to any employee (who works more than 130 hours in any calendar month of the year) about their health coverage in the prior year. The notice is called IRS Form 1095-C. This form indicates (using IRS codes) your health insurance coverage status for each month of the year. This reporting is designed to assist you with the preparation of your individual or household tax returns, but is not required for the 2015 tax year. You should provide it to your tax preparer and keep it with your other supporting documents for your tax return. You are not required to submit the 1095-C with your tax filing. This information will be reported to the IRS through your employer. If you believe any information on this form is incorrect, you must notify your employer within 10 days of receiving your 1095-C.

Generally, the form is self-explanatory, except for lines 14, 15 and 16. Here is an explanation of several of the codes that you could see on lines 14, 15 and 16 of your 1095-C.

1095-C line 14								
CODE	Offer of Coverage Made to:							
	Employee who was NOT FT for Any month of the year	Full-Time Employee Include these elements:			Dependents Include these elements:		Spouse Include these elements:	
	Self-Insured Coverage	MEC	MV	9.5% of FPL	MEC	MV	MEC	MV
1A		Yes	Yes	Yes	Yes	Yes or No	Yes	Yes or No
1B		Yes	Yes	Yes or No	No	Yes or No	No	Yes or No
1C		Yes	Yes	Yes or No	Yes	Yes or No	No	Yes or No
1D		Yes	Yes	Yes or No	No	Yes or No	Yes	Yes or No
1E		Yes	Yes	Yes or No	Yes	Yes or No	Yes	Yes or No
1F		Yes	No	Yes or No	Yes or No	No	Yes or No	No
1G	EE Accepted Offer							
1H	Yes	No	Yes or No	Yes or No	Yes or No	Yes or No	Yes or No	Yes or No
1I	Qualifying Offer Transition Relief 2015							

**Key/Explanation**

- MEC = Minimum Essential Coverage    MV = Minimum Value    FT = Full Time    EE = Employee    FPL = Federal Poverty Line
-  A shaded box indicates that these conditions are not applicable for this particular code. For Example, you would not use Code 1A for any circumstance where there was not an offer
- Yes** Yes, indicates that this condition MUST be TRUE to use this Code.
- No** No, indicates that this condition MUST be FALSE to use this Code
- Yes or No** Yes or No means that this condition can either be true or false - i.e. It is not relevant in determining this Code's use
- 1A** Qualifying Offer: MEC and MV offered to FT EE @ < 9.5% of FPL AND at minimum MEC offered to Spouse and dependent(s)
- 1B** MEC and MV offered to EE only
- 1C** MEC and MV offered to EE and at least MEC offered to dependents but not spouse
- 1D** MEC and MV offered to EE and at least MEC offered to spouse but not to dependent(s)
- 1E** MEC and MV offered to EE and at least MEC offered to dependent(s) and spouse
- 1F** MEC NOT providing MV offered to employee, or employee and spouse or dependents, or employee, spouse and dependents
- 1G** This code is for non full-time employees who accepted an offer of self-insured coverage
- 1H** Employee, regardless of full-time or not full-time status was not offered coverage
- 1I** Employee (and spouse or dependents) received no offer of coverage, received an offer that is not a qualifying offer, or received a qualifying offer for less than 12 months

Line 14 codes tell you and the IRS what kind of coverage you were offered (if any) by calendar month. The kinds of coverage are Minimum Essential Coverage and Minimum Value. The code also indicates who in your household was offered coverage: you the employee, your dependents, and / or your spouse. The table below can be used to decipher the various codes. For example, Code 1C is used if your employer offered MEC and MV coverage to you and your dependents but not to your spouse.

Line 15 is used to inform the IRS how much the employee-only coverage providing MEC would cost the employee if the employee selected that option. This amount is entered in Line 15 even if the employee declined the offer or selected an employee and child(ren) and / or spouse election.

Line 16 codes are a bit more complicated. They can be sorted into 4 categories for ease of understanding. Only one code can be used and the regulations specify which code to use if multiple codes could apply.

- A. Category I – Employee is covered by the offered coverage
  - Code 2C – the employee was enrolled and covered for every day of the calendar month
- B. Category II – Employee was not offered coverage because:
  - Code 2A – Employee was not employed during the month
  - Code 2B – Employee was not a full-time employee
  - Code 2D – Employee was in a Limited Non-Assessment Period – which can be
    - i. The first three months of employment
    - ii. Initial Measurement Period
- C. Category III – Offer of coverage met one of the Affordability Safe Harbors – which means that the employee portion of the employee only premium did not exceed 9.5% of
  - Code 2F – W2 Safe Harbor – the employee's Box 1 W-2 earnings for the period of coverage.
  - Code 2G – Federal Poverty Line Safe Harbor (Federal Poverty Level = \$11,770 for 2015)
  - Code 2H – Rate of Pay Safe Harbor which means that the employee only premium did not exceed 9.5% of
    - i. The employee's hourly rate multiplied by 130 or
    - ii. The employee's monthly salary
- D. Category IV – Interim Relief because employer
  - Code 2E – was part of a multiemployer plan
  - Code 2I – had a non-calendar year health plan renewal year

Part III is only used if your employer is the sponsor of your Health Plan, and will list the months every individual enrolled in MEC coverage under your policy.

For a more detailed understanding of the codes and how the IRS will use them to administer the Affordable Care act you can see the following link:

- <https://www.irs.gov/uac/About-Form-1095-C>

The regulations that govern this form are IRC 6056 which can be found at:

- [https://www.irs.gov/irb/2014-13\\_IRB/ar09.html](https://www.irs.gov/irb/2014-13_IRB/ar09.html)

Information concerning the definitions of 'large employer' and 'full-time employees' can be found at:

- <https://www.irs.gov/Affordable-Care-Act/Employers/Employer-Shared-Responsibility-Provisions>