



# The Affordable Care Act & Form 1095-C

## FAQ Affordable Care Act & IRS Form 1095-C

***The Affordable Care Act (ACA) requires employers with at least 50 full-time workers to offer their employees' health insurance. As such, organizations that employ more than 50 people are required to report to the IRS on the health insurance, if any, offered to their full-time employees.***

### ***What is the IRS Form 1095-C?***

The IRS Form 1095-C shows whether Prince George's County Government ***offered*** you affordable health care coverage of minimum value during the past year. It also reports whether you and your family members actually ***had*** health coverage through the County for each month of the past year. The County sends one copy of the Form 1095-C to the Internal Revenue Service (IRS) and one copy to you.

### ***What am I supposed to do with this Form?***

Keep this form with the materials you give to your tax preparer. If you prepare your own taxes, you may need to refer to this information as you prepare your return.

### ***Should I wait for the form to prepare my income tax return?***

No, in most cases, you do not need to wait for the Form 1095-C in order to file your US Individual Income Tax Return (IRS Form 1040, 1040A, or 1040EZ). 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 eligible dependents had "minimum essential coverage" throughout the year.

### ***Under what circumstances would I need the information on Form 1095-C to file my US Individual Income Tax Return?***

You will only need that information if you received an advance premium tax credit, wish to take the premium tax credit on your return, or if you had a gap in coverage of more than three (3) consecutive months.

***What do the codes on Line 14 of Part II of my Form 1095-C mean?***

The codes used on Line 14 on the Form 1095-C are intended to provide information about the type of coverage that is offered to you. Generally, the codes explain whether the health coverage we offer to you, your spouse, and your dependent children is considered to be “minimum essential coverage” (“MEC”) and provides “minimum value.” Codes you may see on Line 14 of your Form 1095-C:

**1E** - communicates that Minimum Essential Coverage and Minimum Value health coverage was offered to you (an employee), your dependents, and your spouse.

**1G** - applies if you were not a full-time employee for the entire year (COBRA or Retiree) and coverage was extended to you and you were enrolled in coverage for at least one month.

**1H** - applies for the months you were not offered coverage or if you were not an employee for part of the year.

***What is the dollar amount on Line 15 of Part II on my Form 1095-C?***

The dollar amount on Line 15 of your Form 1095-C represents the lowest cost that an employee pays for employee-only health coverage that we offer under our plan that also provides minimum value. This may or may not be the coverage you are enrolled in. For example, you may be enrolled in the CIGNA PPO for you and your family but the lowest cost plan the County offers is the Kaiser Plan, so we report the individual cost for Kaiser even if you are not actually enrolled in that plan option.

***What do the codes on Line 16 of Part II of my Form 1095-C mean?***

The codes on Line 16 of the Form 1095-C describe for each month in the previous year, the kind of coverage that an employee enrolled in, and how the employer meets the employer shared responsibility "Safe Harbor" provisions of Section 4980H. Codes you may see on Line 16 of your Form 1095-C:

**2A** - You were not an Employee

**2B** - You were not a full-time employee

**2C** - You were enrolled in health coverage offered

**2D** - You were in the limited non-assessment period (waiting period) for coverage

**2H** - Rate of pay safe harbor which indicates the coverage the County offered was affordable (used when coverage is waived)

***My spouse and I are enrolled in Kaiser why aren't we listed as Covered Individuals in Part III of the Form 1095-C?***

Part III of the Form 1095-C is reserved for self-funded plans. The Kaiser Plan offered by the County is fully insured. You should have received a Form 1095-B from Kaiser that lists all the family members you covered during 2021.

***I waived coverage under the County health plans, why is there a cost on Line 15 of my Form 1095-C?***

Line 15 shows the lowest monthly cost for individual coverage available to a full-time employee. This does not reflect your cost but shows the County offered you affordable coverage during 2021.

***My spouse is over age 65 and covered by Medicare, why is she not listed on my Form 1095-C under Part III?***

We are not required to report coverage on individuals covered under Medicare. Anyone with Medicare coverage will receive his or her Form 1095 from the Centers of Medicare and Medicaid Services (CMS).

***I'm a County retiree and I had coverage all year, but my Form 1095-C only shows me enrolled in the County plan through March — why is it wrong? I became eligible for Medicare and was in the County Medicare PPO starting in April through the end of 2021.***

The Form 1095-C does not show coverage once an individual is covered by Medicare. If an individual transitioned to Medicare mid-year, the Medicare plan enrollment should be reported by Centers of Medicare and Medicaid Services (CMS).