

FORM 1095-C OVERVIEW

The Patient Protection and Affordable Care Act (“ACA”) requires employers to make a tax form called the 1095-C available to employees/former employees who were eligible for health benefits during the prior calendar year (“reporting year”).

The ACA defines ‘eligible’ employees as those who worked an average of 30 hours per week over a specified period of time, usually 12 months. The form must be provided regardless of whether the employee was actually enrolled in coverage during the reporting year.

The 1095-C includes information about the coverage offered by the employer, the cost of the coverage offered, and the reason coverage was or was not offered.

1095-C forms must also be filed with the IRS by the end of March each year.

For employers who use a fully-insured health plan (meaning the employer pays a fixed amount to the insurance carrier, regardless of the dollar amount of claims):

The 1095-C indicates whether the health plan was offered to the form recipient (employee/former employee) during each month of the reporting year. It DOES NOT indicate whether the recipient was enrolled in coverage.

The 1095-C is not needed for individuals to file their individual tax return.

For employers who operate a self-insured health plan (meaning the employer pays for the actual claims, and pays an administrative fee to the insurance carrier for the use of a provider network and claims processing):

The 1095-C indicates whether the health plan was offered to the form recipient (employee/former employee) during each month of the reporting year. It also indicates months during which the recipient and any covered dependents were enrolled in coverage.

The 1095-C is not needed for individuals to file their individual tax return, but does provide proof of coverage if it is ever required by the IRS.