



February 11, 2015

Changes to 2014 Individual Tax Forms

Starting this year, there are some changes to individual tax forms related to the Affordable Care Act (ACA). Along with a few new lines on existing forms, there will also be two new forms that will need to be included with some tax returns. While most taxpayers will simply need to check a box on their tax return to indicate they had health coverage for all of 2014, there are also new lines on Forms 1040, 1040A, and 1040EZ related to the healthcare law. Some individuals covered by employer plans are being told by tax preparers or others that a special form is needed in order to file taxes this year. This is not correct. This update is intended to clarify the individual tax filing requirements for employees covered by employer sponsored plans and those covered by Marketplace plans.

The ACA requires that most Americans have qualifying coverage for each month of the year, qualify for an exemption from the coverage requirement, or make an individual shared responsibility payment (the individual mandate) when filing the federal income tax return. Examples and information about figuring the payment are available on the [IRS Calculating the Payment](#) page. Use the chart on [IRS.gov/aca](#) to find out if insurance counts as qualifying coverage.

Employer Provided Coverage: For 2014 tax filings (due in early 2015), any employee who had health coverage through an employer in 2014 simply has to check a box on their Form 1040 series return to indicate that each member of their family had qualifying health coverage for the whole year. No further action is required.

- No proof of coverage from the coverage provider (Form 1095-B) or employer (1095-C) is required for the 2014 individual tax filing.
- Taxpayers will submit information from a Form 1095-B or 1095-C with their tax filings next year. See our [Update](#) for more information on these Forms.
- Some Medicare members and individuals covered by employer plans are being told by tax preparers or others, that a special form is needed in order to file taxes this year. This is not correct. Group Medicare Advantage and Medicare Prescription drug plan members and individuals covered by employer plans are excluded from the requirement to submit coverage information for this year's individual tax filing (they will be required to submit information from a Form 1095-B or 1095-C with their filings next year).

Marketplace Coverage: For 2014 tax filings (due in early 2015), any individual who had health coverage through an Exchange/Marketplace will receive a [Form 1095-A](#), *Health Insurance*

Marketplace Statement (reports information to the IRS about qualifying coverage offered under an Exchange/Marketplace plan).

- No proof of coverage, including Form 1095-A, is required to be sent to the IRS when filing the 2014 tax return. However, it's a good idea to keep records on hand to verify coverage.
- Any taxpayer who had coverage through the Marketplace and benefited from advance payments of the [premium tax credit](#) must file a federal income tax return, and will need to reconcile those advance payments with the amount of premium tax credit they were entitled to based on actual income. As a result, some people may see a smaller or larger tax refund or tax liability than they were expecting.
- IRS [Form 8962](#), *Premium Tax Credit (PTC)*, is used to calculate the premium tax credit and reconcile the credit with any advance payments. Information from the Form 1095-A will be used to calculate the amount of any premium tax credit.

Exemptions: Some Americans may be eligible to claim an exemption from the requirement to have coverage in 2014. Anyone who qualifies for an exemption will need to complete the new [IRS Form 8965](#), *Health Coverage Exemptions*, when filing their tax return. Some exemptions require an [application](#) through the Marketplace. However, most of the exemptions are easily obtained from the IRS when filing the tax return. If an exemption is received through the Marketplace, an Exemption Certificate Number will be provided to include when filing taxes.

In closing, many employees and employers are confused with this year's tax filing season requirements as this is the first year consumers are required to report whether they had health insurance in 2014. While the healthcare law has several parts, new [IRS Publication 5187](#), *Healthcare Law: What's New for Individuals and Families*, provides an overview of what's new for the 2014 federal individual tax return filing in 2015. Employers should note that individuals covered by employer plans are excluded from the requirement to submit employer plan coverage information for this year's individual tax filing. Information regarding employer plan coverage from the new Form 1095-B or 1095-C will be submitted starting with individual filings next year.

Contact your Conner Strong & Buckelew account representative toll free at 1-877-861-3220 should you have any questions. For a complete list of Legislative Updates issued by Conner Strong & Buckelew, visit our online [Resource Center](#).



connerstrong.com



877-861-3220



news@connerstrong.com



[Change My Preferences](#)

CONNER
STRONG &
BUCKELEW

INSURANCE | RISK MANAGEMENT | EMPLOYEE BENEFITS

in

[Click here to change your email preferences or unsubscribe from all communication.](#)