

# FREQUENTLY ASKED QUESTIONS (FAQs) FOR EMPLOYEES

## ANNUAL HEALTH COVERAGE STATEMENTS REQUIRED UNDER THE AFFORDABLE CARE ACT (ACA)

The Affordable Care Act (ACA) requires large employers to file annual reports with the Internal Revenue Service (IRS) and furnish a statement to full-time employees with information about the health coverage offered to the employee and their dependent children, using IRS Form 1095-C. Health coverage providers are also required to file annual reports with the IRS and furnish a statement to individuals with information about those who had minimum essential coverage for at least one day during the preceding calendar year, using IRS Form 1095-B.

By March 2, 2017, for the 2016 statements, and by January 31 annually thereafter, the State of California, via the State Controller's Office, will issue a Form 1095-C to its full-time employees with information about the health coverage offered, if any, to the employee and their dependent children. The state's health coverage providers will also issue a Form 1095-B to employees who were enrolled in state-sponsored health coverage for at least one day during the preceding calendar year.

Below are answers to frequently asked questions about these forms as well as a glossary of commonly used terms.

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### Form 1095-B FAQs

#### 1) What am I supposed to do with this form?

You will need information provided on this form to indicate on your income tax return that you, your spouse and dependent children (if applicable) had minimum essential coverage.

You should file this form with your income tax records and may need to provide a copy to other covered individuals identified in Part IV of the form.

**Note:** Given the March 2, 2017, deadline for health coverage providers to furnish the 2016 Form 1095-B to individuals enrolled in minimum essential health coverage, the IRS is providing transitional relief to those who file their individual 2016 tax returns prior to receiving this notice. You may prepare and file your tax return using other information about your health insurance.

#### 2) What is the purpose of this form?

Under the ACA's Individual Shared Responsibility provision (known as the individual mandate), most individuals are required to maintain minimum essential health coverage. Individuals who do not maintain minimum essential coverage may be subject to a penalty.

The ACA also requires every provider of minimum essential coverage to file annual reports with the IRS with information about individuals covered by minimum essential coverage and

furnish a statement, Form 1095-B, by January 31 (by March 2, 2017, for the 2016 Form 1095-B) to individuals who had minimum essential coverage for at least one day during the preceding calendar year.

The IRS will use information reported on this form to determine if an individual is complying with the ACA's individual mandate.

**3) Why did I get this form?**

You received this form because you were enrolled in state-sponsored health or COBRA coverage, which provides minimum essential coverage, for at least one day during the preceding calendar year.

**4) Who sent this form to me?**

This form was provided by your health coverage provider because you were enrolled in state-sponsored health or COBRA coverage for at least one day during the preceding calendar year.

**5) Why didn't I receive this form?**

You did not receive this form because you were not enrolled in state-sponsored health or COBRA coverage for at least one day during the preceding calendar year.

**6) Who should I contact if I believe I should have received this form and did not?**

You should contact your health coverage provider if you were enrolled in state-sponsored health or COBRA coverage for at least one day during the preceding calendar year and did not receive this form.

<u>Health Coverage Provider</u>	<u>Contact Number</u>
Anthem Blue Cross	(855) 839-4524
California Association of Highway Patrolmen (CAHP)	(800) 734-2247
California Correctional Peace Officers Association (CCPOA)	(800) 257-6213
Blue Shield of California	(800) 334-5847
Health Net of California	(888) 926-4921
Kaiser Permanente	(800) 464-4000
Peace Officers Research Association of California (PORAC)	(800) 288-6928
PERS Select, PERS Choice, and PERS Care	(877) 737-7776
Sharp Health Plan	(855) 995-5004
United Healthcare	(877) 359-3714

**7) Who should I contact if the information reported on the form is incorrect?**

You should contact your health coverage provider if any information reported on the form is incorrect.

<u>Health Coverage Provider</u>	<u>Contact Number</u>
Anthem Blue Cross	(855) 839-4524
California Association of Highway Patrolmen (CAHP)	(800) 734-2247
California Correctional Peace Officers Association (CCPOA)	(800) 257-6213
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Health Net of California	(888) 926-4921
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Peace Officers Research Association of California (PORAC)	(800) 288-6928
PERS Select, PERS Choice, and PERS Care	(877) 737-7776
Sharp Health Plan	(855) 995-5004
United Healthcare	(877) 359-3714

**8) Who should I contact if I have additional questions about this form?**

You should contact your health coverage provider with questions or visit [www.irs.gov/aca](http://www.irs.gov/aca).

<u>Health Coverage Provider</u>	<u>Contact Number</u>
Anthem Blue Cross	(855) 839-4524
California Association of Highway Patrolmen (CAHP)	(800) 734-2247
California Correctional Peace Officers Association (CCPOA)	(800) 257-6213
Blue Shield of California	(800) 334-5847
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Sharp Health Plan	(855) 995-5004
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**Form 1095-C FAQs**

**1) What am I supposed to do with this form?**

This form is for informational purposes only. You may need information provided on this form to assist the IRS in determining whether you are eligible for a premium tax credit for purchasing individual health coverage through Covered California.

**2) What is the purpose of this form?**

Under the ACA's Employer Shared Responsibility provision (known as the employer mandate), the State of California is required to offer affordable health coverage that provides minimum value to its full-time employees and their dependent children to avoid a penalty. To demonstrate compliance, the state must file annual reports with the IRS and furnish a statement, IRS Form 1095-C, by January 31 (by March 2, 2017 for the 2016 Form 1095-C) to full-time employees with information about the health coverage that was offered, if any, to the employee and their dependent children.

The IRS will use information reported on this form to determine if the state is complying with the ACA's employer mandate or subject to a penalty.

**3) Why did I get this form?**

You received this form because you were considered a full-time employee for ACA reporting purposes for one or more months during the preceding calendar year.

The ACA defines a full-time employee as any employee who averages 130 or more hours of service per month. The state is using a 6-month measurement period to average an employee's hours of service to determine their full-time status for ACA reporting purposes.

If you were appointed to a position with a time base of 3/4 or more, you should receive this form. Additionally, if you were appointed to an intermittent time base and averaged 130 or more hours of service per month during one of the CSU's 12-month measurement periods, you should receive this form, regardless of whether you were eligible for state-sponsored health coverage.

**4) Who sent this form to me?**

This form was provided by your employer, the State of California, because you were considered a full-time employee for ACA reporting purposes for one or more months during the preceding calendar year.

**5) What information is reported in Part II of the form and why is it important?**

Information about the state employer's offer of health coverage, if any, to you, your spouse and your dependent children is reported for each month during the preceding calendar year in Part II of this form. This information will help the IRS determine if the state is complying with the ACA's employer mandate and if you are eligible for a premium tax credit if you purchase individual health coverage through Covered California.

**6) What do the codes reported on Line 14 of the form represent?**

The codes on Line 14 reflect the type of health coverage offered, if any, to you, your spouse, and dependent children for each month during the preceding calendar year. The state will report codes 1E or 1H on Line 14 of the form.

- 1E—Indicates that minimum essential coverage providing minimum value was offered to you, your spouse, and your dependent children (if applicable). This code will be used to reflect the period in which you were eligible for state-sponsored health or COBRA coverage, regardless of whether you enrolled in coverage.\*
- 1H—Indicates that you were not offered an opportunity to enroll in state-sponsored health coverage because you were not appointed to a position eligible for health benefits (e.g., Temporary/Intermittent) or was not eligible for COBRA coverage.

**7) What does the dollar amount reported on Line 15 of the form represent?**

The dollar amounts on Line 15 reflect your share of the lowest cost monthly premium for self-only coverage providing minimum value offered by the state (health premium minus your respective employer health/CoBen contribution for self-only coverage). This amount may not reflect the amount you actually paid for health coverage if you chose to enroll in more expensive coverage, such as a different plan, two-party or family coverage.

The dollar amounts on Line 15 may also reflect the full premium for self-only COBRA coverage (for the plan in which you were eligible to enroll) for the month(s) you were offered/eligible for COBRA coverage,\* or the full premium for self-only coverage for the month(s) in which you were eligible for or enrolled in health coverage but were not receiving the employer contribution towards the cost of coverage, for example, if you were on Direct Pay.

The IRS will use information reported on Line 15 to determine if the health coverage offered by the state meets the ACA's affordability standards.

**8) What do the codes reported on Line 16 of the form represent?**

The codes on Line 16 provide information to the IRS to determine if the state is in compliance with the ACA's employer mandate or subject to a penalty.

**9) Why is Part III of the form blank?**

Part III of the form is blank because the state does not provide self-insured health coverage. Instead, you will receive a Form 1095-B from your health coverage provider, if applicable, with information about the individuals who were enrolled in minimum essential coverage for at least one day during the preceding calendar year.

**10) Why didn't I receive this form?**

If you did not receive this form, you were not considered a full-time employee for ACA reporting purposes for any month during the preceding calendar year.

**11) Who should I contact if the information reported on the form is incorrect?**

You should contact your departmental Human Resources Office if any information reported on the form is incorrect.

**12) Who should I contact if I need a duplicate 1095-C statement?**

You should contact your departmental Human Resources Office to assist in requesting a duplicate form 1095-C statement from the State Controller's Office.

**13) Who should I contact if I have additional questions about this form?**

You should contact your departmental Human Resources Office with questions or visit [www.irs.gov/aca](http://www.irs.gov/aca).