

a healthy conversation

What does my health coverage have to do with tax time?

Tax returns now require proof of health care coverage

From Wellmark Blue Cross and Blue Shield

The start of a new year often means new goals, new things to look forward to, and preparing to file your annual tax return. As you may have heard, there's now a question on your tax return about whether or not you had health coverage the previous year. You have to answer this question because the Affordable Care Act (ACA) requires nearly all Americans to have health coverage, have an exemption, or pay a tax penalty.

Your insurer, your employer or the federal government (if you purchased through the Individual Marketplace Exchange), is required to send your proof of coverage to the Internal Revenue Service (IRS) who then compares that document with your answer on your tax return. That's why it's important for the information on your proof of coverage to be accurate.

There are a few different types of proof of coverage – they all provide similar information (who had health coverage and for how long). However, the form you receive will depend on how you purchased your health plan:

- **1095-A:** If you bought your plan through the individual marketplace exchange you'll receive this form. It comes from the federal government.
- **1095-B:** If you bought your health plan directly from an insurer (such as Wellmark Blue Cross and Blue Shield) or through your employer you'll get this form. When you get your 1095-B, review it and send any changes to your insurer or your employer.
- **1095-C:** If you purchased your health plan through your employer, you may

receive this form. You may receive a 1095-B and 1095-C depending on the type of coverage you have. If you have any changes on your 1095-C, you should send them to your employer.

Insurers like Wellmark Blue Cross Blue Shield, will send proof of coverage forms to members by February 1. While you do not need these forms on hand to file your annual income taxes, it is important that the information included on the form be correctly documented. Penalties for not having proper health coverage could cost up to \$2,085.

For more information about these forms, contact your insurer or employer. Frequently asked tax form questions and answers are also available by visiting Wellmark.com/Tax-Time.

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