

What is Form 1095-B: Health Coverage

Updated for Tax Year 2014

OVERVIEW

Form 1095-B is a health insurance tax form which reports the type of coverage you have, dependents covered by your insurance policy, and the period of coverage for the prior year. This form is used to verify on your tax return that you and your dependents have at least minimum qualifying health insurance coverage. If you had a break in health care coverage for the tax year, you may have to pay an individual shared responsibility payment, also known as a tax penalty.

Under the Affordable Care Act (<https://turbotax.intuit.com/tax-tools/tax-tips/Health-Care/Affordable-Care-Act-Decoded/INF26150.html>), also known as Obamacare, taxpayers who do not have health insurance coverage must pay a penalty when they file their tax returns. Those who have health insurance that meets the standards of the law may receive Form 1095-B directly from their health care insurer and from employers who have less than 50 full-time employees (small businesses).



Minimum essential coverage

You may receive a copy of Form 1095-B if your insurance provides what the Affordable Care Act calls "minimum essential coverage (<https://turbotax.intuit.com/tax-tools/tax-tips/Taxes-101/How-to-Determine-if-You-Have-Minimum-Essential-Coverage--MEC-/INF27672.html>)." This is the minimum level of benefits your insurance must provide for you to avoid paying the penalty. The following types of insurance provide minimum essential coverage:

- Any plan sponsored by an employer. This includes employer-sponsored coverage for retirees and "COBRA" coverage for former employees.
- Government health care plans such as Medicare (<https://turbotax.intuit.com/tax-tools/tax-tips/Health-Care/Does-Medicare-Count-as-Minimum-Essential-Coverage--MEC-/INF27725.html>) Part A, Medicare Advantage, Medicaid, the Children's Health Insurance Program, Tricare for military members, veterans medical benefits and plans for Peace Corps volunteers.
- Health coverage purchased through the "Marketplace" -- Web-based federal and state insurance markets set up under the Affordable Care Act.
- Any individual health insurance policy you had in place before the Affordable Care Act took effect.

Your insurer can also tell you whether your plan provides minimum coverage.

Information on the 1095-B

Form 1095-B provides information about your health coverage. The form has four parts:

- Part I identifies the person whose name is on the insurance policy. For an employer-sponsored plan, for example, this would be the name of the employee.
- Part II identifies the employer, if your coverage is employer-sponsored.
- Part III identifies the insurance company providing the coverage.
- Part IV lists the people in your household who are covered by the insurance.
 - For each name, there is a box that will be checked if the person was covered by insurance for all 12 months of the year.
 - If that person wasn't covered for the full year, there is a box for each month; the months the person was covered will be checked.

Purpose of the form

Having a 1095-B in hand is proof that you had the type of coverage required by the Affordable Care Act. The tax penalty for not having coverage -- which is referred to as the "individual shared responsibility payment (<https://turbotax.intuit.com/tax-tools/tax-tips/Family/What-is-the-Shared-Responsibility-Payment-/INF27555.html>)" -- is based in part on how long you or members of your household were uninsured. Gaps in coverage of three months or less are exempt from the penalty. If you were uninsured for part of the year, the check boxes in Part IV will help you calculate the penalty that applies, if any.

Uninsured individuals may still be able to avoid the penalty if they have an exemption. Exemptions are available for several reasons, including financial hardship and membership in certain groups. Visit TurboTax Health's Exemption Check (<https://turbotax.intuit.com/health-care/exemptions/#!/exemption-home>) to see if you qualify for an exemption.

Receiving the forms

Insurance providers were not required to send out 1095-B forms for the 2014 tax year. Under regulations related to the Affordable Care Act, the forms were not to become mandatory until the 2015 tax year. However, the IRS encouraged insurance providers to get an "early start" and send out the forms for 2014 if feasible.

Meanwhile, people covered by employer-sponsored insurance might receive a copy of a similar form, the 1095-C, rather than the 1095-B. This form provides substantially the same information to taxpayers as the 1095-B but it is generated by large employers who have 50 or more full time employees. Depending on how their employers' coverage is set up, some taxpayers may even receive both tax forms.

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