



THE STATE OF FLORIDA
JUSTICE ADMINISTRATIVE COMMISSION

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MEMORANDUM #03-16HR

TO: Agency Administrators

FROM: Carolyn Horwich, Esq., Director of Human Resources

THROUGH: Rip Colvin, Executive Director

SUBJECT: Form 1095 Reporting

DATE: January 21, 2016

The Department of Management Services (DMS) issued a Management Advisory to all agencies regarding Form 1095. This form is used to show that an individual has the minimum level of insurance coverage required under federal law. The form does not, however, have to be submitted with an individual's tax return.

The Management Advisory is attached and highlighted for ease of review. The document contains a link to a series of resources, all saying the same thing, but in different formats. You may access the link via the Management Advisory. However, in addition to being appended to this memorandum, the resources are also being sent separately as attachments. This way, you are free to choose how best to distribute the necessary information to your staff.

Thank you.

MANAGEMENT ADVISORY 16-002

DATE: Jan. 19, 2016
TO: Agency and University Personnel Officers and Benefit Coordinators
FROM: Suzetta Furlong, Chief of Operations
SUBJECT: 1095 Reporting for Plan Year 2015 and Plan Year 2016

Plan Year 2015

The Internal Revenue Service (IRS) announced in Notice 2016-4 an extension of the due date for employers to furnish individuals with Form 1095. The notice extends the due date for furnishing the 2015 Form 1095 from Feb. 1, 2016, to March 31, 2016; however, we are continuing to work toward a late January or early February distribution date.

Form 1095 provides information about months that employees (and their spouse and dependents, if any) were enrolled in the State Group Health Insurance program. **Form 1095 is strictly informational and is NOT attached to an income tax return.**

Although this extension means employees may receive Form 1095 after Jan. 31, most employees should be able to complete their 2015 income tax return without the form. This form is used as documentation of minimum essential coverage, and employees should save it with their other tax-filing records once they receive the form.

→ We have compiled the following list of materials for your agency to use to inform employees about IRS Form 1095: letter/email messaging, voicemail script, poster, one-pager and sample article for newsletter. You can find these materials in the [2016 Management Advisory section](#).

Employees should consult their tax preparer if they have questions about reporting requirements for minimum essential health insurance coverage.

Plan Year 2016

Previously, the Division of State Group Insurance (DSGI) notified benefit-only employers that they would be responsible for meeting the IRS 1095 reporting requirements for plan year 2016 by providing forms to employees and minimum essential coverage enrollment information to the IRS.

→ **Because of the complexities of reporting, DSGI will complete all IRS 1095 reporting for enrollees and their employers in the State Group Health Insurance program for plan year 2016.**

Accurate Records and Adjusted Penalties

While working through the process for 2015, **we have identified nearly 60,000 employee records with anomalies. We have also had numerous instances of employees not being offered health insurance in a timely manner because the PAR/HR actions were not completed correctly.**

It is imperative that agencies maintain and report accurate information: hire dates, terminations, timesheets/hours worked and leave. Delays in offering coverage could subject the employer to penalties pursuant to the Employer Shared Responsibility Provision of the Affordable Care Act.

→ [IRS Notice 2015-87](#) provides that the penalties under the employer mandate (generally, \$2,000 per full-time employee for failure to offer coverage and \$3,000 for failure to offer affordable, minimum value coverage) will be adjusted for inflation in years after 2014. Accordingly, for 2015 the penalty amounts will be \$2,080 and \$3,120, and for 2016 the penalty amounts will be \$2,160 and \$3,240.

Thank you for continuing to work with us to meet the requirements of federal law.

Frequently Asked Questions - IRS Reporting

As you may be aware, beginning in early 2016, your State of Florida employer is required to furnish each full-time employee and each full-time or part-time employee who was enrolled in the State Group Health Insurance Program with a new IRS Form 1095. Normally, this IRS information statement will be furnished to you by January 31 reporting health coverage information from the preceding calendar year. For the 2015 Forms 1095, however, the IRS announced that the due date to furnish employees with the forms is no later than March 31.

The Department of Management Services Division of State Group Insurance intends to provide you with your individualized Form 1095 no later than March 31.

You may file your Individual Income Tax Return (IRS Form 1040, 1040A, or 1040EZ) before receiving Form 1095. Unlike Form W-2, Form 1095 is strictly informational and is NOT attached to your income tax return. Form 1095 provides you with information about months that you (and your spouse and dependents, if any) were enrolled in the State Group Health Insurance Program. This information is important to provide you with evidence that you maintained a minimum level of health insurance coverage and, therefore, are not subject to a potential penalty – referred to as the “individual mandate” penalty. Form 1095 also provides you with information about the State of Florida’s offer of health insurance coverage to help you determine whether you are eligible for a premium tax credit if you purchased health insurance on the Marketplace.

Generally, you will not need the Form 1095 to prepare your 2015 individual income tax return. You likely will know whether you (and your spouse and dependents, if any) were enrolled in the State Group Health Insurance Program and for what months you had coverage. If you know that you (and your spouse and dependents, if any) had coverage for the entire year, you can simply check the box showing 12 months of coverage on your 2015 individual income tax return. If you or your tax return preparer needs additional evidence to confirm your coverage, you may obtain the information by reviewing your pay stubs showing payroll deductions for the purchase of coverage, your People First account, or your Form W-2 showing whether you were covered under the State Group Health Insurance Program and the total cost of the coverage.

If you, your spouse, or your dependents had health coverage through the Marketplace and received a premium tax credit or plan on claiming the premium tax credit on your tax return, you may need information about the State of Florida’s offer of health insurance coverage to complete IRS Form 8962, Premium Tax Credit (PTC), that is filed with your income tax return. For example, you may need to report whether you, your spouse, or any dependents were offered employer-sponsored health coverage that was affordable and provided minimum value in the months for which you, your spouse, or your dependents received or are claiming the premium tax credit. If this circumstance applies, you may be able to find the information you need in the State Group Health Insurance Program open enrollment materials.

The IRS guidance provides that you have no obligation to amend your income tax return once you receive the Form 1095, even if the form indicates some discrepancies from what you reported on your income tax return. However, you should retain in your tax records the

information you relied on to complete the return and also the Form 1095 when you receive it.

If you have questions about what to do with the form, please call your tax preparer. For other questions, visit www.irs.gov/ACA or www.myBenefits.myFlorida.com.

For more information about this tax reporting requirement, read the Frequently Asked Questions below.

1. Why am I getting an IRS Form 1095?

You are required to report and provide proof of minimum essential coverage for you and your dependent(s), if any, on your federal income tax return. IRS Forms 1095-B and 1095-C provide health coverage information for you and your covered dependent(s) for tax reporting purposes.

2. What are IRS Form 1095-B and IRS Form 1095-C?

IRS Forms 1095-B and 1095-C provide information you need to report minimum essential coverage for you and your dependent(s), if any, on your income tax return. The employer reports the offer of minimum essential coverage on IRS Form 1095-C. Enrollment in a self-insured plan is also provided on IRS Form 1095-C. Enrollment in a fully insured plan is reported on IRS Form 1095-B.

3. What is minimal essential coverage?

The health insurance coverage offered through the state group insurance program is considered minimum essential coverage based on Affordable Care Act (ACA) definitions.

4. Who requires these forms and this reporting?

The Internal Revenue Service (IRS) requires these forms pursuant to the ACA, which requires most Americans to have minimum essential coverage. If you or your dependents do not have minimum essential coverage, you could face a penalty imposed by the IRS.

5. What should I do with this form?

Safeguard the form(s) with your other income tax filing records in case you are required to prove you had minimum essential coverage.

6. Why did I get multiple forms?

The most common reasons individuals receive more than one form are:

- You are enrolled in a fully insured health insurance plan. You will receive IRS Form 1095-C from your employer and IRS Form 1095-B from your fully insured health plan.
 - You had more than one employer during the tax reporting year.
 - You retired or terminated employment during the tax reporting year and continued health insurance as a retiree or under COBRA.
7. Whom do I call if I have questions about this form?

If you have questions about what to do with the form, please call your tax preparer. If you have questions about the personal information on the form (for example, your address or Social Security number is incorrect), call the phone number box 10 of the form. You can also visit the IRS website at <http://www.irs.gov/ACA>.

8. What do I do if I lose the form?

If you are employed, call your office of human resources and request a duplicate. If you are a former employee, call the Division of State Group Insurance.

9. I don't work for the State any more, but the employer box says Division of State Group Insurance is my employer. What does this mean?

The IRS requires the employer section of the form to be completed, even for former employees. The Department of Management Services Division of State Group Insurance is the administrator of the state group health insurance program and can assist you if you have questions about the information on the form. If you have questions about what to do with the form, please call you tax preparer.

IMPORTANT

Tax Record

Coming in the Mail Soon.

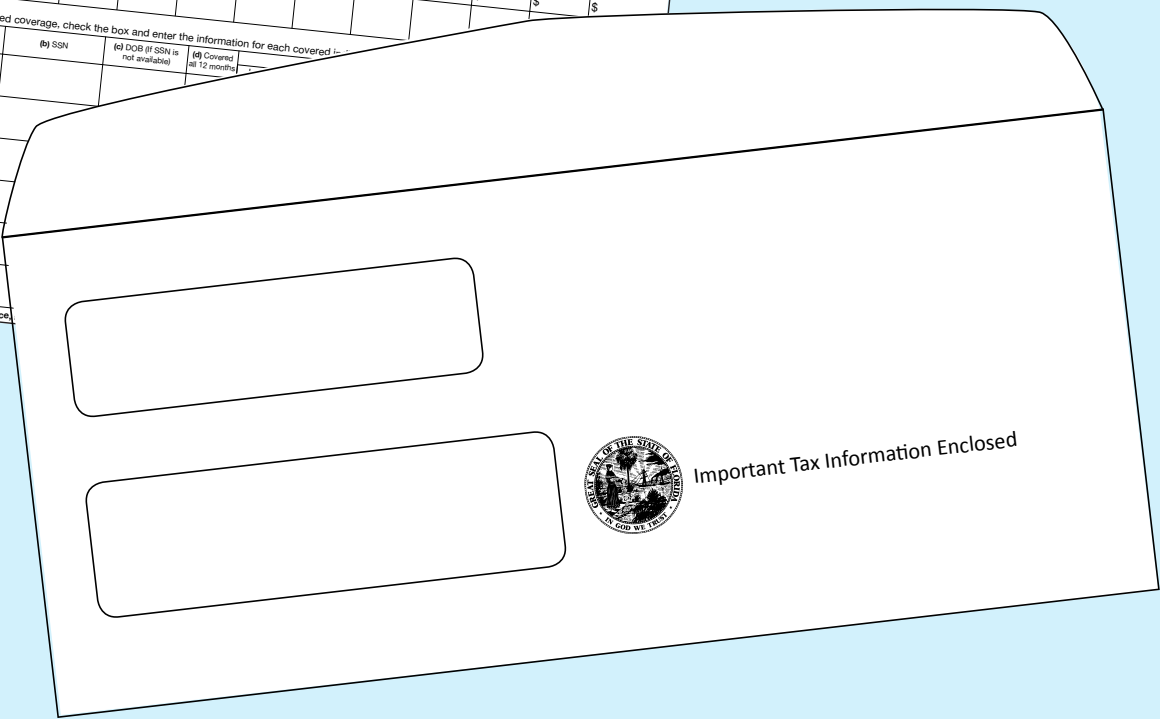
Although you don't need this form to file your taxes, please keep it with your tax reporting documents!

Form 1095-B Health Coverage
Department of the Treasury Internal Revenue Service
OMB No. 1545-2252
2015

Form 1095-C Employer-Provided Health Insurance Offer and Coverage
Department of the Treasury Internal Revenue Service
OMB No. 1545-2251
2015

You will soon receive your IRS Form 1095 in the mail.

Please call your tax preparer if you have questions about what to do with the form. Visit myBenefits.myFlorida.com for frequently asked questions.



Letter/Email Messaging

Dear Colleagues:

Beginning with this tax reporting season, the IRS is requiring that employers furnish individuals with Form 1095 to report health coverage information from the preceding calendar year. The Department of Management Services' Division of State Group Insurance intends to provide employees with their individualized Form 1095 no later than March 31.

Employees may file their individual income tax returns before receiving their Form 1095. Unlike Form W-2, Form 1095 is strictly informational and is not attached to their income tax returns. Form 1095 provides employees with information about months that they (and their spouse and dependents, if any) were enrolled in the State Group Health Insurance Program. This information is important to provide them with evidence that they maintained a minimum level of health insurance coverage and, therefore, are not subject to the "individual mandate" penalty. Form 1095 also provides them with information about the State of Florida's offer of health insurance coverage to help them determine whether they are eligible for a premium tax credit if they purchased health insurance on the Marketplace.

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If you have questions, please contact the Division of State Group Insurance at 850-921-4600.

Sincerely,

One-Pager

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FLOIDA DEPARTMENT OF MANAGEMENT SERVICES

state group
insurance

We serve those who serve Florida

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