



To: All Eligible Employees

From: Town of Millbury

Date: February 23, 2017

RE: **Tax Forms – Do NOT Throw Away!**

Beginning in 2016, Employers that sponsor fully-Insured or self-Insured group health plans are required to report information to the IRS about the health coverage provided during the prior calendar year (2015). The reporting is meant to assist the federal government in enforcing compliance with both the employer and individual mandates, and, in turn, in administering the premium tax credit and cost-sharing subsidy eligibility and payments through both the federally facilitated and state-run health insurance exchanges. In addition, employers are required to provide employees with individual statements that summarize the IRS report, which is meant to assist individuals in complying with the individual mandate. **In order to prove your health insurance status for the tax year of 2016 you may receive up to 3 different types of IRS Forms 1095.**

Form 1095-A: You will only receive this form if you or a family member enrolled in health insurance coverage through your state or federal "Health Insurance Marketplace" (also known as an Exchange or Connector). The Form 1095-A provides information needed to complete Form 8962 in order to receive a Premium Tax Credit (PTC) subsidy from the federal government.

Form 1095-B: These forms are typically issued by health insurance carriers and are used to report whether or not you and your dependents had health insurance coverage and which months you were covered. It also indicates if the coverage you had met IRS "minimum essential coverage standards".

Form 1095-C: These forms are issued by Applicable Large Employers to their fulltime employees only. Applicable Large Employers are employers that are deemed to have 50 or more (full time + full time equivalent) employees. The Town of Millbury is an Applicable Large Employer and will be issuing these forms to all of employees who work an average of 30 or more hours per week. The purpose of the Form 1095-C is to show the IRS whether an offer of health insurance coverage was made by the employer to its full time employees and also what the monthly cost of that coverage would be for a single person. It also indicates the same info as a form 1095-B if the employer has a self-insured group health plan.

Lastly, for Massachusetts employees, please note that you will still receive a **Massachusetts Form 1099-HC** if you and/or your family members were enrolled in health insurance coverage. This is a state specific form required to file your Massachusetts state income tax return.

You and/or your family members may receive one or more of each of these forms. Do NOT throw them away. Also, please note that the Town of Millbury cannot give you tax advice. If you have tax questions, please seek assistance from the IRS or a tax professional.

website and the links below:

Form 1095-A: <http://www.irs.gov/uac/About-Form-1095-A>

Form 1095-B: <http://www.irs.gov/Affordable-Care-Act/Individuals-and-Families/Understanding-Your-Form-1095B>

Form 1095-C: <https://www.irs.gov/Affordable-Care-Act/Individuals-and-Families/Understanding-Form-1095C>

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