

FAQs - Form 1095-C and Form 1095-B

The Affordable Care Act (“ACA”), commonly referred to as Obamacare, requires CLU to offer health insurance coverage to full-time employees and their dependents. In addition, ACA requires most individuals to have qualifying healthcare coverage.

What is a Form 1095-C?

Beginning in 2016, we are required to file Form 1095-C with the IRS containing information about the *offer* of health coverage to you and your family by CLU during 2015. This form provides information to the IRS that we have complied with ACA. Please note that Form 1095-C does not contain information about the actual coverage you were provided. If you had health care coverage through CLU, that information is reported separately to the IRS on Form 1095-B by our insurance carriers (Blue Shield and Kaiser) and you will get a copy of your Form 1095-B directly from them.

What information is reported on Form 1095-C?

Part 1 reports information about you and CLU.

Part 2 reports about the coverage *offered* by CLU, the lowest cost that you could pay for *employee-only* coverage offered by CLU, and the reason why you were or were not offered coverage.

Part 3 does not apply to CLU as we have a fully-insured plan.

What do the codes mean on line 14 of Part II on Form 1095-C?

Code 1A means that you were *offered* “minimum essential coverage” with employee-only contribution that was less than \$93.83 per month.

Code 1E means that you were *offered* “minimum essential coverage” with employee-only contribution that was more than \$93.83 per month.

Code 1H means that you were not offered coverage – because you were not employed by CLU or you were in your waiting period.

What is the dollar amount on line 15 of Part II on Form 1095-C?

The dollar amount represents the lowest cost that a CLU employee could pay for *employee-only* coverage offered by CLU. This may not be the actual coverage that you enrolled in. For example, you may have enrolled in more expensive coverage such as Blue Shield PPO for yourself and your family, but the lowest cost plans we offer are Blue Shield and Kaiser HMO’s, so we will report the cost of *employee-only* coverage for these plans on your Form 1095-C.

What do the codes mean on line 16 of Part II on Form 1095-C?

Codes 2A – 2D help the IRS determine if you could qualify for a premium tax credit if you were to purchase health insurance through the marketplace (e.g., Covered California).

Code 2A means you were not employed by Cal Lutheran in the month indicated.

Code 2B means you were a Status 2 employee and not “full-time.”

Code 2C indicates that you had coverage through Cal Lutheran in the month indicated.

Code 2D means you were in your waiting period and you had no coverage with Cal Lutheran.

Codes 2E and 2I do not apply to Cal Lutheran.

If you waived coverage with Cal Lutheran, Codes 2F – 2H are used in the months that you were eligible. They represent different calculation methods to determine if Cal Lutheran offered you affordable coverage as defined in ACA.

What is a Form 1095-B?

If you were enrolled in a Cal Lutheran health plan in 2015, you will receive a Form 1095-B from either Blue Shield or Kaiser (both if you switched plans June 2015). It provides information about the type of coverage that you, your spouse, and dependents had for each month in 2015. This form is used by the IRS to verify that in 2015 you and your dependents had qualifying health insurance coverage known as “minimum essential coverage.” All Cal Lutheran plans meet or exceed the required minimum coverage under ACA.

What information is reported on Form 1095-B?

Part I identifies the employee (you) whose name is on the insurance policy.

Part II identifies Cal Lutheran as the employer.

Part III identifies the insurance company (Blue Shield or Kaiser) providing coverage.

Part IV lists the people (you, your spouse, and dependents) who are covered by the insurance and the months that each person was covered.

How are my taxes affected?

The Form 1095-B is your “proof of insurance” for the IRS. You will want to maintain the 1095 form with your tax records should you be audited by the IRS in the future. For any month that you and your family had health coverage with Cal Lutheran, you had qualifying health care coverage called minimum essential coverage. If you did not have health coverage for some months in 2015 and do not qualify for an exemption, you may be subject to a fine when you file your 2015 tax return.

Isn't my health coverage already reported on my Form W-2 Box 12 using code DD?

No, Form W-2 contains different information from Forms 1095-B and Form 1095-C. The information reported on your Form W-2 only states the total cost of the health insurance you actually enrolled in during 2015. It doesn't show the specific months in which you were enrolled or the lowest cost of employee-only coverage offered by Cal Lutheran to you.