

The CMS Blog: What Consumers Need to Know about Corrected Form 1095-A

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Last year, millions of Americans used advance payments of tax credits to help lower the cost of their monthly health insurance premiums. Now that tax season is here, individuals and families enrolled in a health plan through the Marketplaces will need to provide some basic information about their health insurance when they file their tax returns.

If you signed up for coverage through the Marketplace last year, you should have received a statement in the mail in February from the Marketplace called a Form 1095-A. This statement includes important information you need in order to complete and file your tax return. One piece of information included in your 1095-A is the premium amount for the “second lowest cost Silver plan” in your area. This premium amount represents the benchmark plan we use to determine the amount of premium tax credit you were eligible to receive.

Your 1095-A form should have arrived in your mailbox in February. Most consumers can also download a copy of their 1095-A through their HealthCare.gov account. We have been urging consumers to check the information on their forms – such as the number of people in your household – for accuracy. People who find errors on their form can contact the Marketplace Call Center at 1-800-318-2596 to find out how to request a corrected form.

About 20 percent of the tax filers who had Federally-facilitated Marketplace coverage in 2014 and used tax credits to lower their premium costs – about 800,000 (< 1% of total tax filers) – will soon receive an updated Form 1095-A because the original version they were issued listed an incorrect benchmark plan premium amount. Based upon preliminary estimates, we understand that approximately 90-95% of these tax filers haven’t filed their tax return yet. We are advising them to wait until the first week of March when they receive their new form or go online for correct information before filing. For those who have filed their taxes — approximately 50,000 (< 0.05% of total tax filers) – the Treasury Department will provide additional information soon.

It’s important to note that this issue does not affect the majority of Marketplace consumers and only affects people who signed up through one of the 37 states using HealthCare.gov. About 80 percent of Marketplace consumers who received a 1095-A from the federal Marketplace do not have affected forms and should go ahead and file their annual tax return. Additionally, this issue does not mean that consumers received the incorrect amount of tax credit throughout the year. It’s also important to note that this does not affect the vast majority of tax filers who will just need to check a box on their tax return to indicate that they had health coverage in 2014 either through their employer, Medicare, Medicaid, veterans care, or other qualified health coverage programs.

Our priority is to make sure people with affected forms are alerted to the issue and are made aware of the steps they need to take. If your form was affected, you will receive a phone call from the Marketplace by early March, in addition to letters and emails with additional information about the status of your form.

Marketplace consumers concerned about the status of their 1095-A forms should take the following actions:

You can find out if you are affected by logging in to your account at HealthCare.gov. You will see a notice message that will let you know if your form was or was not affected. A majority of tax filers with Marketplace coverage through HealthCare.gov that received a 1095-A– about 80 percent – will find that their form was not affected by this issue and will be able to file their taxes with their current form.

Wait to file if your form was affected. It's best to wait to file your tax return until you receive your corrected 1095-A Form from the Marketplaces. New forms are being sent from the Marketplace beginning in early March. When your corrected form is ready, we'll also send a message to your Marketplace account on HealthCare.gov.

If you need to file now, use our tool. If you can't wait, and want to find the correct amount of the second lowest cost Silver plan that applied to your household in 2014, you have 2 options: 1) You can use this tool to find that amount, or 2) You can call the Marketplace Call Center at 1-800-318-2596 (TTY: 1-855-889-4325) and they can help.

As soon as we discovered the error, we immediately began examining who was affected, how to communicate about the error, and how to make the corrections process as simple as possible for consumers. We are committed to making sure that consumers who need corrected forms are contacted with updates and will receive new forms quickly. We are focused on making sure that every Marketplace consumer understands how taxes and health care intersect and if they need to get a corrected form, the steps they need to take.

Consumers with questions or who want to learn more are encouraged to visit www.healthcare.gov/taxes. Representatives at the Marketplace Call Center are also standing by to answer consumer questions. The call center is open 24/7 at 1-800-318-2596.