

How Marketplace Coverage Affects Your Taxes

More than 217,000 Illinois residents purchased quality, affordable health coverage through the Marketplace last year, and most received a tax credit to help lower the cost of their monthly premium. If you or someone in your family enrolled in health coverage through the Marketplace last year, you will receive a new statement called a 1095-A which includes the information you need to know about your coverage to file your tax return. The information below will help you understand what this new tax statement is and how to use it when filing your taxes.

What will the Marketplace send me to help file my federal taxes?

If you or a family member purchased health coverage through the Marketplace, the Marketplace will send you a tax form called “Form 1095-A Health Insurance Marketplace Statement” to help you file your federal taxes. Just like a W-2, Form 1095-A includes information that you will copy over to your tax return. Form 1095-A provides information on your total monthly premiums, any Advance Premium Tax Credits (APTC) you took to lower your monthly premium costs, and the cost of the “benchmark” plan for premium tax credits. You do not need to fill out anything on the 1095-A; it is just a reference form.

Double check your 1095-A to make sure the information is correct, including the start and end dates of your coverage. You will get a 1095-A for each plan you purchased through the Marketplace. If you receive multiple copies of the 1095-A for the same plan, the one with the “corrected” box checked at the top is the updated version that you should use. If you already filed your taxes before you received your 1095-A, you may need to file an amended tax return.

What should I do if the information on my Form 1095-A is incorrect?

If the information on your Form 1095-A is incorrect, call the Marketplace call center at (800) 318-2596 and let them know so that it can be corrected. The Marketplace also sends a copy of your 1095-A to the Internal Revenue Service (IRS), so it is important that it is correct.

What is Form 8962 and who should file one with their federal taxes?

When you purchased health coverage through the Marketplace, you estimated your income and household size for 2014 on your application to see if you were eligible for a premium tax credit. “Form 8962 Premium Tax Credit” is used to make sure you received the right amount of premium tax credit based on your actual income and household size.

You should file Form 8962 with your federal income taxes if you purchased health coverage through the Marketplace in 2014 and:

- You took a tax credit monthly to lower your premium costs, or
- You did not take a tax credit monthly, but you want to claim a premium tax credit now on your tax return.

Form 8962 may be filed with tax Forms 1040, 1040A, or 1040NR. It cannot be filed with tax Form 1040EZ. Use your 1095-A from the Marketplace to fill out Form 8962, just like how you use a W-2. You do not need to file Form 8962 or any extra form with your state tax return.

If you experienced any changes to things like your income or household size throughout the year, it could impact the final amount of your tax credit. You may get a refund if you overestimated your income or you may owe money back if you underestimated your income. This will be determined by the information provided on Form 8962.

If you did not use a tax credit to lower your monthly premium, you may find out that you qualify for a premium tax credit when you complete Form 8962. If you do, you can claim it when you file your federal taxes.

What happens if I don't file Form 8962 with my federal taxes?

If you purchased a plan through the Marketplace and took APTC, Form 8962 is a required part of your tax return, so if you do not file it, the IRS will consider your tax return incomplete. This could result in a delay in receiving your tax refund, having to pay back APTC, or having to pay a penalty for filing your taxes late.

How do I get Form 1095-A and Form 8962?

You should get your 1095-A in the mail in late January or early February in an envelope labeled "Important Tax or Health Coverage Information Inside." Beginning in mid-January, you can get an electronic copy in the "Messages" section of your Marketplace account.

If you are using tax software, Form 8962 should be built into the program. If you are preparing your own tax return, you can download Form 8962 from www.irs.gov. Your tax professional can provide you with a copy of Form 8962.

What if I did not purchase my health coverage through the Marketplace?

If you did not purchase your health coverage through the Marketplace, you will not receive Form 1095-A and you will not need to file Form 8962 with your federal taxes. If you had health coverage in 2014 from another source, you will report this coverage to the IRS by checking a box on your federal tax return.

Can I get help filing taxes for free?

Free help to file taxes is available. For more information, visit IRS.gov/freefile or IRS.gov/VITA.