



Matthew G. Bevin
Governor

Carrie Banahan
Executive Director

Vickie Yates Brown Glisson
Secretary

Cabinet for Health and Family Services
Office of the Kentucky Health Benefit Exchange

PO Box 2104, Frankfort, KY 40602
1-855-4kynect (459-6328)
kynect.ky.gov

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CASE NUMBER: 111111111

FIRST LAST
ADDRESS LINE 1
CITY, ST ZIP

Please Keep This Notice For Filing Your 2015 Federal Income Tax Return.

This notice is being provided to you because you and/or a person you claim as a tax dependent enrolled in a Bronze, Silver, Gold or Platinum level health insurance plan through kynect for at least one month in 2015. More information about forms marked "Corrected" or "Void" is on the next page.

Attached is an important tax document from kynect called **IRS Form 1095-A: Health Insurance Marketplace Statement**. This document provides information regarding your health insurance plan that you will need in order to complete your household's Federal Income Tax return for 2015. You must use the information on Form 1095-A to complete **IRS Form 8962: Premium Tax Credit**. A tax professional can help make sure this form is completed and filed correctly. Tax filing computer software may also be helpful.

Payment Assistance or **Advanced Premium Tax Credit (APTC)** is paid by the Federal government directly to your insurance company to help make the cost of your health insurance premiums more affordable. On your tax return, APTC is called **Premium Tax Credit (PTC)** by the IRS. If you chose to be considered for payment assistance when you applied for coverage through kynect, we determined your APTC eligibility by using information you provided when you submitted your application. This includes information about your household, your *estimated* 2015 yearly Modified Adjusted Gross Income (MAGI), as well as the cost of your chosen plan.

If you received APTC

- If you received an **Advanced Premium Tax Credit (APTC)** in 2015, also called Payment Assistance, you are required to file IRS **Form 8962** with your 2015 Federal Income Tax return.
- Your APTC was credited to you in *advance* of submitting your tax return. kynect determined your APTC based on your *estimated* household income. Your Premium Tax Credit (PTC) will be determined based on your *final* income and other information reported on your tax return. Your PTC may be higher or lower than your APTC.

If you did not receive APTC.

- If you did not receive an **Advanced Premium Tax Credit (APTC)** in 2015, also called Payment Assistance, completing IRS **Form 8962** will help you learn if you **could** have received APTC for any month in 2015 based on the information in your tax return.
- If you were eligible for APTC based on the information in **Form 8962**, you will be eligible to receive a tax refund in the form of Premium Tax Credits (PTC).

*Si prefiere recibir este formulario en español, visite nuestra página web kynect.ky.gov o llámenos al 1 -844-373-2417.

Questions? Go to kynect.ky.gov. Or call 1-855-4kynect (459-6328)
TTY: 1-855-326-4654. You can call Monday – Friday, 8 am to 7 pm
Eastern time. Saturday hours vary. The call is free.



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Q: What should I do with my 1095-A when I receive it?

A: Similar to a W-2 or Form 1099, you will need to include the information found on **Form 1095-A** when you file your 2015 taxes in 2016.

One **Form 1095-A** will be provided for each plan you or a member of your tax household enrolled in during 2015. A copy of your household's **Form 1095-A** is also sent to the IRS so they can validate your IRS **Form 8962** and PTC eligibility.

Form 1095-A will:

- Show the IRS that you had health insurance in 2015 as required by the Affordable Care Act;
- Help you claim your APTC as a premium tax credit (PTC); if you were eligible; and
- Be used by the IRS to determine if you received the correct amount of APTC for the year.

On **Form 1095-A**, you will find:

- The monthly insurance premiums for the individuals enrolled in coverage during the year;
- The months you were covered by health insurance;
- The total amount of APTC you received during the year if you received APTC; and
- The cost of the benchmark plan or second lowest cost silver plan (SLCSP) kynect used to determine your APTC.

Q: Why do I need to complete IRS Form 8962?

A: If you received APTC in 2015 you are required to file **Form 8962** with your 2015 Federal Income Tax Return. **Form 8962** will help the IRS determine if you have received too much or too little in APTC. The IRS compares the APTC you received to the PTC you are eligible to receive. You may owe more on your taxes if you got more APTC than the IRS determines you were eligible to receive. You may get an additional tax *credit* if you got a smaller amount of APTC than the IRS determines you were eligible to receive.

Q: What happens if I do not file Form 8962 with my Federal Income Tax Return?

A: If you received payment assistance in 2015 and do not file **Form 8962** with your 2015 taxes you may not be able to get *advanced* payment assistance to help pay your premiums in future years. If you received APTC and do not file Form 8962, the IRS will consider your tax return incomplete and will *not* process your return.

Q: What do I do if I may have qualified for a Premium Tax Credit (PTC) but did not receive it?

A: If you did not receive APTC in 2015 you can complete **Form 8962** to see if you are eligible to receive a premium tax credit. The Premium Tax Credit (PTC) will be paid back to you as a tax refund or used to reduce the amount of taxes you owe.

Q: How will I file Form 8962? Where can I get the form?

A: **Form 8962** should be built into your personal tax software and the software used by tax professionals. It is also available at www.irs.gov. Type in 8962 in the search bar or click **Forms & Pubs**.

To complete **Form 8962** you will also need to know the cost of the Benchmark Plan. The benchmark plan is the Second Lowest Cost Silver Plan (SLCSP). To find out the SLCSP for you, go to www.kynect.ky.gov and follow the instructions.

Q: If I need help understanding Form 1095-A or 8962, believe I need a correction, or if I do not receive my 1095-A, who can help me?

A: For assistance with any of these issues, please call kynect's special tax line at 1-844-373-2417. We are here to help!

For information about Form 1095-A or Form 8962 you can also visit www.irs.gov/aca and click on "Individuals & Families." The IRS Tax Help Line for Individuals at 1-800-829-1040. The Tax Help Line is open Monday-Friday from 7am to 7pm, local time. Tax preparers may also help you.

For a complete list of Frequently Asked Questions, go to www.kynect.ky.gov and click on Tax Info.

OTHER IMPORTANT NOTES:

IF YOU RECEIVE A "CORRECTED" FORM 1095-A:

You will see an "X" in the "Corrected" box. This is the correct **Form 1095-A** to use when you file your tax return. Some of the information on the original **Form 1095-A** that kynect sent you was incorrect. You may have requested a corrected form. Or, kynect may have received new information about changes to your coverage or costs that required a new form. kynect has now updated the information.

IF YOU RECEIVE A "VOID" FORM 1095-A: If the "VOID" box is checked at the top of the form, you previously received a Form 1095-A for the policy described in Part I. That Form 1095-A was sent in error. You shouldn't have received a Form 1095-A for this policy. Don't use the information on this or the previously received Form 1095-A to figure your premium tax credit on Form 8962. The form shows \$0 under Premium, Second Lowest Cost Silver Plan, and APTC received. If you have questions about your cancelled plan, you should call your insurance company.

IF YOU RECEIVE A FORM 1095-B:

If you or members of your household were covered by Medicaid or KCHIP (Kentucky Children's Health Insurance Program), you should receive a **Form 1095-B** in the mail. Keep Form 1095-B with your tax records. You may need it to prove to the IRS that you had health coverage this year. For more information about Form 1095-B, please call kynect at 1-844-373-2417. You can also go to a DCBS office or call DCBS at 1-855-306-8959.

PLEASE REMEMBER:

1. If you experience any changes to your household such as changes to your: income, tax filing status, number of members in your household or if other health care coverage options, such as Medicare/Medicaid or an affordable employer plan coverage, become available, please report these changes as soon as possible to kynect so that we may verify that you still qualify for payment assistance. By reporting changes in your circumstances, you will reduce the likelihood that you may have to pay back some or all of the APTC that has been or will be paid on your behalf. This could cause you to get a reduced Federal Income Tax refund or cause you to owe more taxes when you file. Some changes (if reported to kynect) can result in an increase to your APTC eligibility, which can help assist you in paying your premiums.
2. Signing up for and maintaining health care coverage throughout the year may help you avoid having to pay a federal fine/tax penalty. A citizen or lawfully present person who has a gap in health care coverage may be subject to a federal fine/tax penalty. The fine for not having coverage is \$325 per adult (\$162.50 per child) or 2% of your yearly income whichever is **higher**.

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