



*****Important Year End ACA Tax Information Enclosed*****

Saint Mary's College is required to provide you with a copy of the 1095-C Statement as part of the Affordable Care Act (ACA) and the employer shared responsibility provision. This statement includes information about the health insurance coverage offered to you by Saint Mary's College.

If you, or any other individual who is offered health coverage because of their relationship to you (i.e., eligible family members) enrolled in the Saint Mary's health plan, Part III of this statement provides information to assist you in completing your income tax return by identifying you and those family members as having qualified health coverage (referred to as 'minimum essential coverage') for some or all months during the year.

The following FAQs are meant to be a resource for you as you receive your 1095-C and 1095-B Statements. Again, many of you previously received a 1095-B Statement from Anthem in January 2016. The enclosed 1095-C Statement is also accessible on PRISM (for current employees) from Saint Mary's College.

Frequently Asked Questions and Answers on IRS Statements 1095-B and 1095-C

Q-1: Why am I receiving Statement 1095-C?

A-1: Beginning in 2016, Saint Mary's College must file a copy of all 1095-C Statement with the IRS to report information about the offers of health coverage made to our full-time employees during the previous calendar year and provide copies of 1095-C Statements to those employees. Similar to the requirement that employers offer coverage or face a penalty under the ACA, individuals who don't purchase their own health insurance coverage must pay a penalty to the IRS unless they fall within an exception. This is called the Individual Mandate. The information provided on Part III of Statement 1095-C contains information that enables the IRS to determine whether an individual has complied with the Individual Mandate or whether that person is subject to a penalty. You will receive a copy of Statement 1095-C because you were either a full-time employee for all or some months of the prior calendar year or are a former employee enrolled in one of our health plan(s). The 1095-C will show you what information has been reported to the IRS about the offer of health coverage made to you and your family and the months you and/or your family members enrolled in coverage. If you and/or your family enrolled in health coverage under one of our plans for at least one day in 2015, Part III of the 1095-C will show whether you and/or your family complied with the Individual Mandate.

Q-2: What is the purpose of Statement 1095-C Statement?

A-2: The IRS will use the information provided on 1095-C to administer the Employer Shared Responsibility provisions of the Affordable Care Act ("ACA"). Under the ACA, large employers must either offer health insurance coverage, or they could be required to pay a penalty to the IRS. This is often called the Employer Mandate. In order to

determine whether an employer is subject to a penalty under the Employer Mandate, large employers must file a Statement with the IRS called a 1095-C. The IRS will also use the information provided on the 1095-C to determine who is eligible for a premium tax credit for coverage purchased through the Marketplace. Similar to the requirement that employers offer coverage or face a penalty under the ACA, individuals who don't purchase their own health insurance coverage must pay a penalty to the IRS unless they fall within an exception. This is called the Individual Mandate. The information provided on the 1095-C, Part III contains information that enables the IRS to determine whether an individual has complied with the Individual Mandate or whether that person is subject to a penalty.

Q-3: What should I do with my Statement?

A-3: You should retain your Statement for your records. In addition, you or your tax preparer will enter information contained on your Statement on your federal income tax return for 2015 to demonstrate that you satisfied the ACA's obligation to have health insurance. The IRS will also receive copies of your Statement so that it can verify the information you report on your federal income tax return about your health coverage for 2015.

Q-4: Isn't my health coverage information already included on my Statement W-2 using Box 12, code DD?

A-4: The information included on your Statement W-2, Box 12, code DD only states the total cost of employer-sponsored health insurance you actually enrolled in during a single calendar year. It does not show the months in which you enrolled in coverage or the lowest cost employee-only coverage offered to you. Statements 1095-B and 1095-C show information on a monthly basis and include information about the lowest cost employee-only coverage offered to you, not information about the coverage you may have actually enrolled in (unless you enrolled in the lowest cost employee-only coverage). Thus, your Statement W-2 contains different information from your Statements 1095-B and 1095-C.

Q-5: Should my spouse or dependents receive their own copies?

A-5: Generally, no. The 1095-C Statement is only required to be provided to full-time employees. However, in some instances, a spouse and/or dependent may receive his/her own copy of the 1095-C [or 1095-B, if applicable] if he/she independently enrolls in COBRA coverage and you do not enroll in COBRA coverage.

Q-6: What if I received both a 1095-B Statement and 1095-C Statement?

A-6: Recently our health insurance carrier, Anthem, sent out a 1095-B Statement to all Saint Mary's College staff who were enrolled in our health insurance plan between January 1, 2015 through May 31, 2015. During this time period, the College provided a traditional insurance (fully insured) health plan. As our plan sponsor, Anthem was required to prepare and send out a 1095-B Statement for the portion of the year in which an individual was covered under the traditional insurance plan per the Affordable Care Act (ACA).

Please note: You should retain this 1095-B Statement for your records as this will provide you with proof of insurance coverage.

You will be receiving a 1095-C Statement if you were a full-time employee for all or some months of 2015 beginning June 1, 2015 through December 31, 2015. Effective June 1, 2015 the College transitioned to a self-insured health insurance plan under Anthem. As a result, Saint Mary's College is responsible for providing a copy of the 1095-C Statement identifying what information has been reported to the IRS about the offer of health coverage made to you and your family and the months you and/or your family members enrolled in coverage.

Please note: You should retain this 1095-C Statement for your records as this will provide you with proof of insurance coverage.

Q-6: On the 1095-B, how will the IRS know that I enrolled in coverage that fulfills the Individual Mandate and allows me to avoid paying a penalty to the IRS?

A-6: Part IV of your 1095-B contains information indicating which month you and/or your family member(s) enrolled in coverage for any day in a particular month. Part IV contains the name, Social Security Number (“SSN”) or other Taxpayer Identification Number (“TIN”), and the months of enrollment for each covered individual. A date of birth will be entered in column (c) only if an SSN or other TIN isn’t entered in column (b). Column (d) will be checked if an individual was covered for at least one day in every month of the year. For individuals who were covered for some but not all months, information will be entered in column (e) indicating the months for which those individuals were covered.

Q-7: On the 1095-C, how will the IRS know that I enrolled in coverage that fulfills the Individual Mandate and allows me to avoid paying a penalty to the IRS?

A-7: Part III of your 1095-C contains information indicating which month you and/or your family member(s) enrolled in coverage for any day in a particular month. Part III contains the name, Social Security Number (“SSN”) or other Taxpayer Identification Number (“TIN”), and the months of enrollment for each covered individual. A date of birth will be entered in column (c) only if an SSN or other TIN isn’t entered in column (b). Column (d) will be checked if an individual was covered for at least one day in every month of the year. For individuals who were covered for some but not all months, information will be entered in column (e) indicating the months for which those individuals were covered.

Q-8: What do the codes mean on line 14 of Part III on my 1095-C?

A-8: The codes used on line 14 on your 1095-C are intended to provide information about the type of coverage that is offered to you. Generally, the codes explain whether the health coverage we offer to you, your spouse, and your dependent children is considered to be “minimum essential coverage” (“MEC”) and provides “minimum value.” MEC is generally any type of employer-sponsored health coverage, certain types of governmental coverage such as Medicare or Medicaid, and other types of health coverage specifically identified by the Department of Health and Human Services. “Minimum value” is provided by the plan if it pays for at least 60% of the costs of benefits and provides inpatient hospitalization services and physician services. The type of coverage we report on the 1095-C is employer-sponsored coverage. You can find an explanation of these codes on the back of the Statement that is mailed to your home address.

Q-9: What is the dollar amount on line 15 of Part III on my 1095-C?

A-9: The dollar amount on line 15 of your 1095-C represents the lowest cost that an employee pays for employee-only health coverage that we offer under our plan that also provides minimum value. This may or may not be the coverage you are actually enrolled in. For example, you may be enrolled in the Anthem Plan with Family Coverage, however, the lowest cost option offered under our plan is Employee-Only Coverage that also has minimum value. So we report the option that has the lowest cost to the employee for Employee-Only coverage that also has minimum value coverage on your Statement, even if you are not actually enrolled in that plan option.