**Ready for Tax Season**

**Allison O’Toole, MNsure CEO**

As we settle into the New Year, many Minnesotans are already keeping an eye on their mailbox for tax forms. January means tax season is just around the corner. As your clients make a plan for gathering the information they need to file taxes, it’s important to remember that, just like last year, information about health coverage is now a part of the tax filing process.

Having health insurance when you can afford it is the law. Minnesotans who had coverage in 2015—either through MNsure or another source like their employer, MinnesotaCare or Medical Assistance—will need to indicate that when filing their tax return. Minnesotans who could have afforded health insurance, but chose not to enroll in coverage for 2015, may be required to pay a penalty when filing their federal income tax return, unless they qualify for an exemption.

Here’s what people with different health coverage situations need to know:

**What you should know if you have clients with a qualified health plan through MNsure.**   
Minnesotans who enrolled in a qualified health plan (private insurance) through MNsure in 2015 will soon receive an important tax document in the mail, called a Form 1095-A. It includes important information Minnesotans need in order to complete their 2015 federal income tax return. Minnesotans should expect to receive Form 1095-A by mid-February. When it arrives, they should keep it with their other tax records, like the W-2 they get from their employer.

If your client is one of the thousands of Minnesotans who benefitted from advanced premium tax credits (APTC) to lower the cost of their monthly health insurance premiums, they are required to file a tax return and report the amount of APTC received. Now that they know their final income for the year, they need to reconcile the difference between the amounts of APTC received during the year to help lower the cost of premiums with the actual amount they should have received based on 2015 earnings. Information included on Form 1095-A will help do this. **QHP enrollees who do not file a tax return and reconcile their APTC will not be eligible to receive premium tax credits in the future.**

**What you should know if your clients have health insurance through MinnesotaCare or Medical Assistance.**  
Minnesotans enrolled in Medical Assistance or MinnesotaCare in 2015 will receive IRS Form 1095-B, Health Coverage, from the Minnesota Department of Human Services (DHS) in February.

Minnesotans do **not** need to wait to get their Form 1095-B before filing their 2015 federal tax return. If Minnesotans choose to file their tax return before they get a Form 1095-B, they can rely on other notices and documents from DHS or their county or tribal office to answer the tax return question about the number of months of qualifying coverage that they and those they include on their return had. These notices or documents do not need to be attached to their return.

**What you should know if your clients didn’t have health coverage in 2015.**  
Minnesotans who didn’t have health coverage for all or part of 2015 will either have to pay a penalty with their federal income tax return or will need to qualify for a health coverage exemption.

* **Pay the fee:** If affordable health insurance options were available, but your client chose to not enroll in coverage for 2015 and does not qualify for an exemption, they may be required to pay a penalty when they file their 2015 federal income taxes. The fee for not having health coverage in 2015 is generally $325 per person or 2 percent of annual household income—whichever is higher.
* **Qualify for an exemption:** While those who can afford health coverage but chose not to enroll may have to pay a fee, Minnesotans who couldn’t afford coverage or met other conditions can receive an exemption from the requirement to purchase health insurance for 2015.

It’s important that everyone knows the penalty for not having coverage is increasing this year. If Minnesotans go without coverage in 2016, the penalty they’ll have to pay will increase to $695 or 2.5 percent of income—whichever is higher.

**Help is available.** If you have questions about marketplace tax forms, qualifying for exemptions or the penalty, you should contact the MNsure Contact Center at 1-855-366-7873. Additional resources and information are also available at [www.IRS.gov/aca](http://links.govdelivery.com:80/track?type=click&enid=ZWFzPTEmbXNpZD0mYXVpZD0mbWFpbGluZ2lkPTIwMTYwMTA4LjUzNTUzNDExJm1lc3NhZ2VpZD1NREItUFJELUJVTC0yMDE2MDEwOC41MzU1MzQxMSZkYXRhYmFzZWlkPTEwMDEmc2VyaWFsPTE3NjA4NTA2JmVtYWlsaWQ9c3RlcGhhbmllLmtyaWVnQHN0YXRlLm1uLnVzJnVzZXJpZD1zdGVwaGFuaWUua3JpZWdAc3RhdGUubW4udXMmdGFyZ2V0aWQ9JmZsPSZleHRyYT1NdWx0aXZhcmlhdGVJZD0mJiY=&&&107&&&http://cmspress.pr-optout.com/Tracking.aspx?Data=HHL%3d%3f%2c%3a0%3b%26JDG%3c938.82%3a%26SDG%3c90%3a.&RE=MC&RI=4387608&Preview=False&DistributionActionID=10881&Action=Follow+Link).