

To: Washtenaw ISD and WEOC Staff

From: Brian Marcel, Asst. Supt., Administrative & Support Services

Date: January 14, 2016

Subject: New IRS tax forms, coming soon!

Under the new the Affordable Care Act rules, all “large” employers (including Washtenaw ISD) are required to provide employees with a new IRS tax form, called the Form 1095-C. Anyone employed with us full-time (generally, more than 30 hours per week) for one or more months during 2015 will receive a Form 1095-C from WISD.

The 1095-C will be similar to the Form W-2 you receive from WISD, but instead of reporting income paid in 2015 it will report employer health insurance provided in 2015. It will include information about health coverage provided to you and coverage provided to your dependents. No reporting is required for dental, vision or other benefits.

If you had coverage through another employer during 2015, you should receive a 1095-C from that employer as well. If you were covered under an insured arrangement by that other employer or through the government operated individual coverage exchanges, you should also receive a 1095-B from the insurance carrier providing that coverage (WISD sponsors a self-funded health plan, so you should not receive a 1095-B from Blue Cross related to your health coverage at WISD). You may receive multiple 1095 forms.

The Affordable Care Act includes an individual mandate that requires all U.S. citizens to have health insurance or pay a financial penalty. The 1095-C and 1095-B forms provide proof of your coverage and should be maintained with your tax records just like your W-2.

Until last week, the IRS required that 1095s for 2015 health coverage be issued by employers prior to January 31, 2016. The IRS had also required that individuals have proof of health insurance coverage (Form(s) 1095) prior to filing their tax returns. In other words, individuals could not submit tax returns until they received their form 1095(s).

However, over the holidays the IRS extended the deadline for employers to provide Form 1095 until March 31, 2016, and clarified that individual can file their tax returns without the Form 1095. When individuals do receive their 1095 form or forms for 2015, they should be retained with their tax documents.

This is the first year the 1095 forms have been required from employers and the IRS has required a “good faith effort” from employers in producing the forms (i.e., the IRS understands employers face challenges in meeting this new requirement). WISD has been working diligently for months to prepare the information required and establish procedures to issue the forms. We are optimistic that our approach will work, but recognize that there may be problems we have not anticipated. Please bear with us as we work through this complex project.

If you have any questions about your Form 1095-C, please contact Rachel Ter Mors at 734-994-8100, x1436 or rtermors@washtenawisd.org.