



Health Care Reform Update



IMPORTANT NOTICE REGARDING HEALTHCARE REFORM Update #58 July, 2016

IRS Releases Draft Versions of Forms 1094 and 1095

The IRS has issued draft Form 1094/1095 information returns for the 2016 tax year (for filing in early 2017). Forms 1094-B and 1095-B are used by health coverage providers to report plan. Forms 1094-C and 1095-C are used by large employers to report information relevant to the employer shared responsibility penalties as required by Code § 6056. The forms also provide information regarding to the individual shared responsibility penalty and premium tax credits.

The 2016 draft forms show few changes from 2015:

- **Form 1095-B** - Some headings have been modified, and line 9 is now marked as “reserved.” The 2015 form was intended to report the SHOP identifier on this line, however, the instructions said to leave the line blank. The instructions to the recipient (page 2 of the draft form) now explain that individuals receiving coverage under an employer-sponsored plan may have coverage reported on Form 1095-C rather than 1095-B. They also point out that information about employer-sponsored coverage in Part II of the form may be left blank even if the recipient had employer-sponsored coverage, and reassure recipients that they need not fill in any information or return the form to the employer in this case. Form 1094-B, the transmittal for Form 1095-B, is unchanged.
- **Form 1094-C**- The only change is removal of the line 22 box for “Qualifying Offer Method Transition Relief.” This relief was applicable only to the 2015 calendar year only.
- **Form 1095-C** - There are no substantive changes on the form’s face, but the Instructions indicate that two new line 14 codes will be available to reflect conditional offers of coverage to an employee’s spouse (codes 1J and 1K). For 2015 reporting, all offers to an employee’s spouse were reported the same, regardless of whether the offer was subject to a condition, such as the spouse not being eligible for coverage under another employer’s plan. Also the cover sheet indicates that the field for the Plan Start Month will remain optional for 2016.

Instructions for 2016 were not issues with the draft forms. Once the draft instructions are available, we will provide an update.

Draft 2016 Forms: [1094-B](#) [1095-B](#) [1094-C](#) [1095-C](#)

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