

# Vermont Health Connect & Federal Tax Implications

Vermonters who have health insurance through Vermont Health Connect, the state's health insurance marketplace, can learn from a number of sources how their coverage affects federal taxes. Links to helpful websites are listed on page 2.

Vermont sends its customers IRS forms 1095-A or 1095-B for tax filing:

- 1095-As are sent to Qualified Health Plan customers.
- 1095-Bs are sent to Medicaid customers.

For questions about the information on these forms, call Vermont Health Connect at (855) 899-9600 (toll-free). For questions about tax filing, contact the IRS or a tax professional.

## Federal Premium Tax Credit

Many Vermonters with Qualified Health Plans through Vermont Health Connect may get a federal subsidy to help lower the cost of their premiums. The subsidy is a tax credit, and it can be taken in advance to help pay monthly premiums or claimed when filing the federal tax return. If the tax credit is taken in advance, it is called an Advanced Premium Tax Credit (APTC).

**Reporting any change of income or household size to Vermont Health Connect within 30 days helps ensure the proper amount of tax credit is received.** The 1095-A shows how much APTC a household received each month of the year. These tax credits are reconciled at tax filing. If any changes to income or household size changed the earned tax credit amount, that amount will either be due to the IRS or due back to the customer at tax filing. Tax credits earned and not taken in advance will also be due to the customer at tax filing.

## Minimum Essential Coverage

Under the Affordable Care Act, the federal government, state governments, insurers, employers and individuals are given shared responsibility to reform and improve the availability, quality and affordability of health insurance coverage in the United States. Starting in 2014, the individual Shared Responsibility Provision (SRP) **calls for each individual to do one of the following:**

- have minimum essential coverage (MEC) for each month **or**
- qualify for an exemption **or**
- make a payment when filing his or her federal income tax return

**Please visit the links listed on page 2 to learn more about available health care options through Vermont Health Connect.**

Disclaimer: This fact sheet is intended to provide an overview only. Vermont tax statutes, regulations, Vermont Department of Taxes rulings, or court decisions supersede information provided in this fact sheet.

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## Helpful Links

### Vermont Health Connect

#### **Vermont Health Connect—Vermont's health benefit exchange**

<http://healthconnect.vermont.gov/>

#### **Subsidies for health care premiums, including federal tax credits**

<https://vt.checkbookhealth.org>

#### **Small Business tax credit calculator**

[http://info.healthconnect.vermont.gov/tax\\_credit\\_calculator\\_small\\_business](http://info.healthconnect.vermont.gov/tax_credit_calculator_small_business)

#### **Vermont's In-Person Assister Program**

[https://info.healthconnect.vermont.gov/information/community\\_partners/assisters](https://info.healthconnect.vermont.gov/information/community_partners/assisters)

### Internal Revenue Service

#### **Information about the Affordable Care Act for individuals, families, businesses, and organizations**

<https://www.irs.gov/affordable-care-act>

#### **Information about the federal premium tax credit**

<https://www.irs.gov/affordable-care-act/individuals-and-families/the-premium-tax-credit-the-basics>

#### **Guidance on federal tax provisions for the Affordable Care Act**

<https://www.irs.gov/affordable-care-act/affordable-care-act-tax-provisions1>

#### **Individual shared responsibility provision (minimum essential coverage)**

<https://www.irs.gov/affordable-care-act/employers/employer-shared-responsibility-provisions>

#### **Understanding tax forms 1095-A, B, and C**

<https://www.irs.gov/affordable-care-act/questions-and-answers-about-health-care-information-forms-for-individuals>

#### **Form 1095-A**

<https://www.irs.gov/forms-pubs/about-form-1095-a>

#### **Form 1095-B**

<https://www.irs.gov/forms-pubs/about-form-1095-b>

#### **Form 1095-C**

<https://www.irs.gov/forms-pubs/about-form-1095-c>