

Date: February 20, 2015

To: All Tax-Aide Volunteers

From: Marcy Gouge, Assistant National Director, AARP Foundation Tax-Aide & Pete Freiermuth, Chair NTTC

Subject: CyberTax TY2014-08: Critical News released today regarding completing tax returns which have ACA issues

Critical News released today regarding completing tax returns which have ACA issues:

The Centers for Medicaid and Medicare (CMS) have released the attached news alert which announced that a significant number of the form 1095-A sent at the end of January contained a critical error. This information affects only taxpayers who had Federally-facilitated Marketplace coverage in 2014 and used tax credits to lower their premium costs.

Key Elements of Attached Alert:

- The original version of the form 1095-A issued to taxpayers who purchased insurance from the Insurance Marketplace listed an incorrect “benchmark plan premium amount”. Corrected forms are being prepared and will be sent to these taxpayers;
- About 20 percent of the tax filers who received these forms, or approximately 800,000 (< 1% of total tax filers) are affected by this error;
- Based on preliminary estimates, CMS believes that approximately 90-95% of these tax filers who received incorrect forms haven’t filed their tax return yet. For those who have not filed, CMS is advising them to wait until the first week of March when they receive their new form or go online for correct information before filing.
- For those who have filed their taxes — approximately 50,000 (< 0.05% of total tax filers) – the Treasury Department will provide additional information soon.

What this means for Tax-Aide sites:

- Counselors should tell affected taxpayers that CMS advises them to wait to file until they receive the corrected form;
- Tax sites should wait to prepare Amended returns for those who have already filed and might have an incorrect form to wait for further direction as noted.
- Taxpayers can find out if they are affected by logging in to their account at www.HealthCare.gov. They will see a notice message that will let them know if their form was or was not affected. When their corrected form is ready they will receive a message.
- If a taxpayer does not want to wait to file, there are two options: 1) They can go to the above website to find a research tool to find the second lowest cost Silver plan that applied to their household in 2014, or 2) They can call the Marketplace Call Center at [1-800-318- 2596](tel:1-800-318-2596) (TTY: [1-855-889-4325](tel:1-855-889-4325)) to request assistance.
- It is the taxpayer’s responsibility to obtain the corrected form or to get assistance from CMS, not the counselor’s responsibility.

Questions about this Cybertax should be sent to OneSupport Help Center.