

FREQUENTLY ASKED QUESTIONS REGARDING 2019 IRS FORM 1095-C

1. What is IRS Form 1095-C (Form)?

This Form is required by the Affordable Care Act (ACA) and includes information about medical coverage offered and/or provided to you in 2019 through Marsh & McLennan Companies, Inc. and its subsidiaries (including Marsh & McLennan Agency, LLC) (collectively referred to in these FAQs as “MMC”).

2. Why is MMC sending me this Form?

You are receiving this Form because MMC is subject to an IRS reporting requirement of ACA. The 2019 tax reporting year is the fifth year in which MMC is furnishing this Form. The IRS will use the 1095-series Form, along with other government information, to help determine whether applicable large employers may be subject to ACA’s penalties for failing to offer their ACA “full time employees” medical coverage that is affordable, is of minimum value and meets minimum essential coverage (“MEC”) requirements, as well as which individuals properly qualified for a government premium tax credit to help pay for a 2019 individual medical policy through a public exchange. For more information on MEC requirements please reference FAQ #7.

3. I heard that the federal requirement to maintain health coverage was eliminated. Why do I need this Form?

As you may know, the IRS penalty assessed to an individual not maintaining a minimum essential coverage (“MEC”) was eliminated beginning in 2019. However, it’s important to note that the requirement for an employer like MMC to report and provide Forms 1095-C to certain employees and/or covered individuals remains in effect and that MMC will continue to distribute them in the future. It is also important to note that, although the IRS penalty for an individual not maintaining a minimum level of health coverage was eliminated beginning in 2019, certain states and localities (such as Massachusetts, New Jersey, Vermont and Washington, DC) required residents to be covered by health insurance in 2019 or face potential penalties under state or local law. Please speak with your personal tax advisor for help determining if these 2019 state or local requirements may apply to you.

4. Who is receiving this Form?

You are receiving this Form and a copy also will be filed with the IRS. Each ACA “full-time employee” of an applicable large employer subject to the ACA’s employer-shared responsibility requirements receives this Form, as well as other individuals who were covered by the employer’s self-funded medical plans (including nonemployees, e.g., COBRA participants). Generally, each employer within MMC is separately subject to these requirements.

5. What should I do with the Form?

If you received a federal premium tax credit to help pay for an individual medical policy through a public exchange for 2019, then the information on the Form may assist you in completing your 2019 income tax return and determining whether you were eligible for such tax credit. Please review your name and tax information for accuracy and confirm that your spouse and all of your dependents who received coverage through the MMC medical plans are listed. Similar to an IRS Form W-2, the information on the Form may impact your spouse and your dependents' tax filings and should be retained along with your other important tax documents. Do not attach the Form to your federal income tax return. Instead, simply keep it for your records. Please consult with your personal tax advisor (including to determine whether you will need to use the Form or its information for your state or local tax returns).

6. What is a “full-time employee” for purposes of ACA?

You are reported on the Form as full-time for a calendar month if your work hours during certain time periods fell within IRS parameters under these reporting rules (generally, an average of 30 work hours per week). Note that the IRS definition of full-time for purposes of reporting on this Form generally does not correspond to your employment status for other purposes.

7. What is “minimum essential coverage” or “MEC”?

Minimum essential coverage (“MEC”) must consist of more than limited stand-alone benefits, such as dental or vision benefits, or health savings account contributions. Most employer-sponsored group medical plans such as the MMC medical plans generally are MEC, whether provided through an insurance policy or self-funded by the employer.

8. What is “minimum value”?

An employer-sponsored medical plan provides minimum value if it covers at least 60% of the total allowed cost of benefits that are expected to be incurred under the plan. The higher a plan's cost-sharing, such as employee deductibles and copayments, the lower the plan's expected share of the total allowed costs.

9. What information is on this Form?

This Form first shows basic information about you and your employer (or former employer), followed by data about MMC-sponsored offers of medical coverage and then data about your enrollment, if applicable, in MMC-sponsored medical coverage.

- **Part I** of the Form includes information about you and about your employer (or former employer). Your reported employer may be different than the employer identified on your IRS Form W-2. (For example, the employer identified on your Form may be a subsidiary company of the employer identified on your IRS Form W-2). This is because different IRS rules apply to IRS Form W-2 reporting.

- **Part II** of the Form includes information for individuals reported as ACA “full-time employees.” It describes the medical coverage, if any, that MMC *offered* to you, your spouse and your dependents – whether or not you chose to enroll in the coverage. Part II provides information that could affect your entitlement to government premium tax credits to help you, your spouse or dependents pay for a 2019 public exchange medical policy. Please refer to the “Instructions for Recipient” section of the Form for more information about the codes used on the Form.
- **Part III** lists you, your spouse and your dependents (if any) who had MMC-sponsored medical coverage for some or all months of 2019. If you enrolled in *insured* minimum essential coverage, the insurer providing that policy may provide you a Form 1095-B reflecting the periods you, your spouse and/or your dependents were enrolled in the insured medical coverage. ACA reporting requirements changed for insurers beginning in 2019. As a result, not all insurers will automatically send Forms 1095-B to enrollees (although insurers still must provide such forms upon an enrollee’s request).

10. Why didn’t my spouse or dependents receive a Form?

As provided by ACA requirements, MMC generally provides only one completed Form per household; please share this Form with your spouse and dependents listed on the Form, as necessary.

11. Why did I receive multiple forms?

You may receive multiple forms in certain cases. For example:

- You were employed by multiple employers during 2019 that were subject to employer shared responsibility reporting.
- You were reported by an employer (or former employer) as receiving an offer of medical plan coverage, and as an enrollee in a fully-insured medical plan during 2019 (in which case you may receive an IRS Form 1095-C from the employer about its coverage offer, and an IRS Form 1095-B from the insurer reflecting the periods you were enrolled in the insured coverage – but please reference FAQ #9 for an insurers’ obligations for sending Forms 1095-B).
- You, your spouse, or your dependents enrolled in a qualified medical plan through a public exchange will report information about that coverage on an IRS Form 1095-A.

12. Do I need to include the Form with my completed 2019 personal federal income tax return?

What if I already filed my tax return with the IRS and later receive the Form?

For the 2019 year, as allowed by IRS rules, distribution of the Form 1095-B or C may occur after you have filed your personal federal income tax return. Whether you file your federal income tax return before or after you receive this MMC Form, the IRS has stated that you should not send this Form to the IRS or attach it to your tax return, but instead keep it with your tax records. Please know that neither MMC nor the Employee Service Center can provide tax advice. If you are looking for information about how your medical coverage may impact your personal taxes, we recommend that you speak with your personal tax advisor.

For Questions:

Contact the Employee Service Center at +1 866 374 2662, any business day, from 8:00 am to 8:00 pm ET; visit the IRS website at <https://www.irs.gov/affordable-care-act/individuals-and-families>; or refer to *IRS Publication 974, Premium Tax Credit (PTC)* at <https://www.irs.gov/uac/About-Publication-974>.

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These FAQs are intended to provide an easy to understand explanation of the purpose of the IRS Form 1095-C and its content. If any conflict arises between this communication and the official plan documents, then the official plan documents will always govern. Participation in a plan or program does not give rise to any right to participate in any other plan or program or to continued employment with MMC. Not all US employees of MMC are eligible for all of the MMC's benefit plans. For example: some subsidiaries are not participating employers in one or more of MMC's plans or programs. More detailed information about the MMC medical plans described in this communication is available on Colleague Connect (<https://colleagueconnect.mmc.com>) if active, on short-term disability, long-term disability or a leave of absence, or on Connect (<https://connect.mmc.com>) if terminated.

This communication provides general information and is not intended to provide tax, financial planning or legal advice. You should consult with a professional tax, financial planning and/or legal advisor for personalized advice. While MMC generally intends to maintain the various plans and programs it currently offers, MMC reserves the right to amend or terminate every plan or benefit in its sole discretion to the fullest extent allowed by law at any time, and for any reason it deems advisable, as to any or all of the employees, retirees, former employees, or other participants or beneficiaries who are or may become covered. In fact, as a matter of prudent business planning, MMC periodically re-evaluates its plans and programs. Proposed changes that are periodically considered, if finally approved and implemented, might be more or less advantageous to a particular employee than the provisions of the current programs, depending on that employee's individual circumstances. Because of the need for confidentiality, such proposals generally are discussed and evaluated only at the appropriate levels of management. Unless and until these proposals are formally adopted and announced by MMC, they are not binding. MMC may establish the effective date for any changes that are formally adopted.