

2021 Recipient Instructions for Form FTB 3895

California Health Insurance Marketplace Statement

What's New

Federal Premium Tax Credit (PTC) – The American Rescue Plan Act (ARPA) of 2021, expanded the amount of federal PTC available to improve health care coverage affordability. As a result of this federal expansion, for all months in taxable year 2021, applicable taxpayers are not eligible for advance payment of California premium assistance subsidy (APAS) or California premium assistance subsidy (PAS). Applicable taxpayers are required to reconcile and repay any APAS received during the 2021 taxable year, subject to the repayment limitations, and cannot claim PAS on form FTB 3849, Premium Assistance Subsidy.

General Information

Minimum Essential Coverage Individual Mandate – For taxable years beginning on or after January 1, 2020, California law requires residents and their dependents to obtain and maintain minimum essential coverage (MEC), also referred to as qualifying health care coverage. Individuals who fail to maintain qualifying health care coverage for any month during the taxable year will be subject to a penalty unless they qualify for an exemption. For more information, get the following health care forms, instructions, and publications:

- Form FTB 3849, Premium Assistance Subsidy
- Form FTB 3853, Health Coverage Exemptions and Individual Shared Responsibility Penalty
- Form FTB 3895, California Health Insurance Marketplace Statement
- Publication 3849A, Premium Assistance Subsidy (PAS)
- Publication 3895B, California Instructions for Filing Federal Forms 1094-B and 1095-B
- Publication 3895C, California Instructions for Filing Federal Forms 1094-C and 1095-C

You received form FTB 3895 because you or an applicable household member enrolled in a qualified health plan through the California Health Insurance Marketplace (Marketplace). The term "Marketplace" refers to the California state Marketplace, also known as Covered California. If you or your applicable household members enrolled at the Marketplace in more than one qualified health plan policy, you will receive a form FTB 3895 for each policy. Check the information on this form carefully. Contact the Marketplace if you have questions concerning its accuracy. The Marketplace has also reported the information on this form to the Franchise Tax Board (FTB).

Use form FTB 3895 to complete form FTB 3849 (do not use federal Form 1095-A, Health Insurance Marketplace Statement to complete form FTB 3849). You must complete form FTB 3849 and file it with your tax return (Form 540, California Resident Income Tax Return or Form 540NR, California Nonresident or Part-Year Resident Income Tax Return) if any amount other than zero is shown in Part II, column (c), of this form FTB 3895 (meaning that you received financial help through advance payments of the premium assistance subsidy (also called advance subsidy payments)) or if you want to take the premium assistance subsidy. **Do not** attach form FTB 3895 to your tax return. Keep with your tax records. If you received the premium assistance subsidy, you are required to file a tax return regardless of California's income tax return filing thresholds. If you or your applicable household members were enrolled in a Marketplace catastrophic health plan or only in a separate Marketplace dental policy, you are not entitled to take a premium assistance subsidy for this coverage when you file your tax return, even if you received a form FTB 3895 for this coverage.

For information about health coverage options and financial help, go to coveredca.com. For information about the penalty for not having qualifying health coverage, go to ftb.ca.gov/healthmandate.

VOID box. If the "VOID" box is checked at the top of the form, you previously received a form FTB 3895 for the policy described in the recipient information section. That form FTB 3895 was sent in error. You should not have received a form FTB 3895 for this policy. **Do not** use the information on this or the previously received form FTB 3895 to determine your premium assistance subsidy on form FTB 3849.

CORRECTED box. If the "CORRECTED" box is checked at the top of the form, use the information on this form FTB 3895 to determine your premium assistance subsidy and reconcile any advance subsidy payments on form FTB 3849. **Do not** use the information on the original form FTB 3895 you received for this policy.

Specific Instructions

Recipient Information

This section reports information about you, the insurance company that issued your policy, and the Marketplace where you enrolled in the coverage.

Recipient's name – You are the recipient because you are the person the Marketplace identified at enrollment who is expected to file a tax return and who, if qualified, would take the premium assistance subsidy for the year of coverage.

Recipient's SSN – This is your social security number (SSN). For your protection, this form may show only the last four digits. However, the Marketplace has reported your complete SSN to the FTB.

Recipient's date of birth – This is your date of birth.

Spouse's name/SSN/date of birth – Information about your spouse will be entered only if you and your spouse were enrolled in the same policy.

Address/City/State/ZIP code – Your address is entered on these lines.

Marketplace identifier – This line identifies California as the state where you enrolled for coverage.

Marketplace-assigned policy number – This line is the policy number assigned by the Marketplace to identify the policy in which you enrolled. If you are completing Part IV of form FTB 3849, enter this number on line 30, 31, 32, or 33 column (a).

Policy issuer's name – This is the name of the insurance company that issued your policy.

Policy start/termination date – These are the starting and ending dates of the policy.

Repayment cap may not apply – If this box is checked and you received advance payment of the premium assistance subsidy, get form FTB 3849 for instructions.

Part I – Covered Individuals

Line 1 through Line 5 – Part I reports information about each individual who is covered under your policy. This information includes the name, SSN, date of birth, and the starting and ending dates of coverage for each covered individual.

If advance subsidy payments are made, the only individuals listed on form FTB 3895 will be those whom you certified to the Marketplace would be in your applicable household for the year of coverage (yourself, spouse, and dependents). If you certified to the Marketplace at enrollment that one or more of the individuals who enrolled in the plan are not individuals who would be in your applicable household for the year of coverage, those individuals will not be listed on your form FTB 3895. For example, if you indicated to the Marketplace at enrollment that an individual enrolling in the policy is your adult child who will not be your dependent for the year of coverage, that adult child will receive a separate form FTB 3895 and will not be listed in Part I on your form FTB 3895.

If advance subsidy payments are made and you certify that one or more enrolled individuals are not individuals who would be in your applicable household for the year of coverage, your form FTB 3895 will include coverage information in Part II that is applicable solely to the individuals listed on your form FTB 3895, and separately issued forms FTB 3895 will include coverage information, including dollar amounts, applicable to those individuals not in your applicable household.

If advance subsidy payments were not made and you did not identify at enrollment the individuals who would be in your applicable household for the year of coverage, form FTB 3895 will list all enrolled individuals in Part I on your form FTB 3895.

If there are more than 5 individuals covered by a policy, you will receive one or more additional forms FTB 3895 that continue Part I.

Part II – Coverage Information

Line 6 through Line 18 – Part II reports information about your insurance coverage that you will need to complete form FTB 3849 to reconcile advance subsidy payments or to take the premium assistance subsidy when you file your tax return. The Marketplace will report the amounts in columns (a), (b), and (c) on line 6 through line 17 for each month and enter the totals on line 18. Use this information to complete form FTB 3849, line 11 or line 12 through line 23.

Column (a). This column is the monthly premiums for the plan in which you or your applicable household members were enrolled, including premiums that you paid and premiums that were paid through advance payments of the premium assistance subsidy. If you or an applicable household member enrolled in a separate dental plan with pediatric benefits, this column includes the portion of the dental plan premiums for the pediatric benefits. If your plan covered benefits that are not essential health benefits, such as adult dental or vision benefits, the amount in this column will be reduced by the premiums for the nonessential benefits. If the policy was terminated by your insurance company due to nonpayment of premiums for one or more months, then a -0- will appear in this column for these months regardless of whether advance subsidy payments were made for these months.

Column (b). This column is the monthly premium for the second lowest cost silver plan (SLCSP) that the Marketplace has determined applies to members of your applicable household enrolled in the coverage. The amount in this column may not be the correct amount needed to compute your subsidy. To compute your monthly advance subsidy payments and the premium assistance subsidy you take on your tax return, you will need the applicable SLCSP premium. Get the instructions for form FTB 3849, Part II, for how to use the information in this column, how to determine your applicable SLCSP premium, or how to complete form FTB 3849 if there is no information entered. If the policy was terminated by your insurance company due to nonpayment of premiums for one or more months, then a -0- will appear in this column for the months, regardless of whether advance subsidy payments were made for these months.

Column (c). This column is the monthly amount of advance subsidy payments that were made to your insurance company on your behalf to pay for part of the premiums for your coverage. If this is the only column in Part II that is filled in with an amount other than zero for a month, it means your policy was terminated by your insurance company due to nonpayment of premiums, and you are not entitled to take the premium assistance subsidy for that month when you file your tax return. You still must reconcile the entire advance subsidy payment that was paid on your behalf for that month using form FTB 3849. No information will be entered in this column if no advance subsidy payments were made.

Franchise Tax Board Privacy Notice on Collection

Our privacy notice can be found in annual tax booklets or online. Go to ftb.ca.gov/privacy to learn about our privacy policy statement, or go to ftb.ca.gov/forms and search for **1131** to locate FTB 1131 EN-SP, Franchise Tax Board Privacy Notice on Collection. To request this notice by mail, call 800.338.0505 and enter form code **948** when instructed.