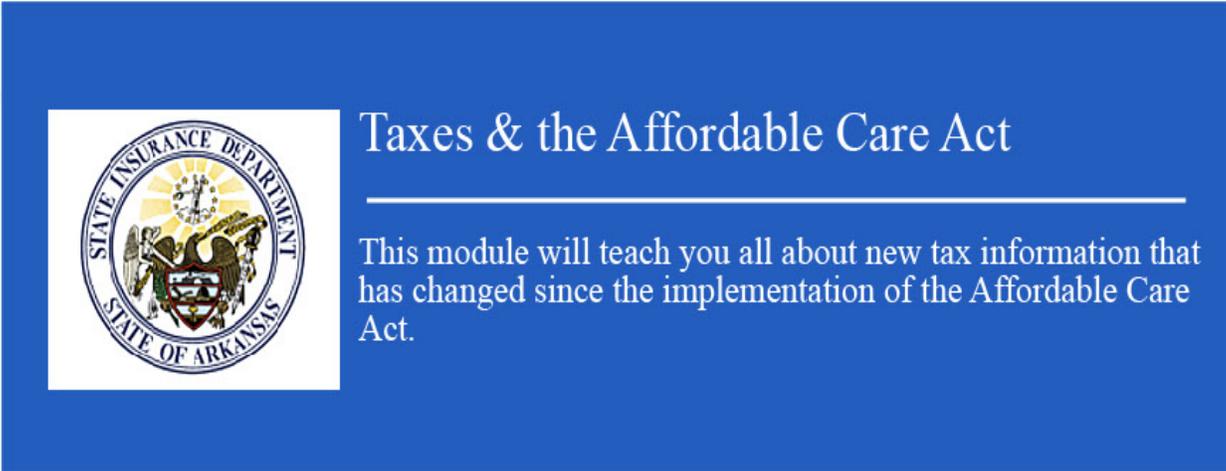


Slide 1 - Intro



REGULATORY
HEALTH LINK
Division
Arkansas Insurance Department



Taxes & the Affordable Care Act

This module will teach you all about new tax information that has changed since the implementation of the Affordable Care Act.

Slide notes

Taxes & the Affordable Care Act; This module will teach you all about new tax information that has changed since the implementation of the Affordable Care Act.

Slide 2 - Several measures

Overview



Several measures of the Affordable Care Act (ACA) have already been implemented. Effective January 1, 2014, most Americans are required to have qualifying health insurance. Qualified health insurance can be obtained through employee sponsored plans, government programs such as Medicare and Medicaid, and private plans through the federal or state marketplaces also known as health insurance exchanges.

Slide notes

Several measures of the Affordable Care Act (ACA) have already been implemented. Effective January 1, 2014, most Americans are required to have qualifying health insurance. Qualified health insurance can be obtained thru employee sponsored plans, government programs such as Medicare and Medicaid, and private plans through the federal or state marketplaces also known as health insurance exchanges.

Slide 3 - however, qualifying

Overview



However, qualifying coverage does not include coverage that may provide limited benefits, such as vision care, dental care, workers compensation, or coverage that only covers a specific disease or insurance.



Slide notes

However, qualifying coverage does not include coverage that may provide limited benefits, such as vision care, dental care, workers compensation, or coverage that only covers a specific disease or insurance.

Slide 4 - one of the significant**Overview**

One of the significant changes is premium tax credits and tax penalties for the uninsured.

Premium Tax Credits are available for qualifying individuals who do not have access to employee sponsored coverage and purchase health insurance through the marketplace. Eligibility is based on the cost of the marketplace premiums and household size and income.

Individuals that do not have health insurance for a total of 3 or more months may be subject to a penalty payable on their federal tax return. The amount is based on the number of uninsured individuals in their household and household incomes.

Slide notes

One of the significant changes is premium tax credits and tax penalties for the uninsured. Premium Tax Credits are available for qualifying individuals who do not have access to employee sponsored coverage and purchase health insurance through the marketplace. Eligibility is based on the cost of the marketplace premiums and household size and income. Individuals that do not have health insurance for a total of 3 or more months may be subject to a penalty payable on their federal tax return. The amount is based on the number of uninsured individuals in their household and household incomes.

Slide 5 - the individual shared

Overview



The individual shared responsibility provision requires consumers, and each member of your family to :

- Have qualifying health care coverage known as Minimum Essential Coverage (MEC),
- Qualify for an exemption from the responsibility to have MEC
- Or, make an individual shared responsibility payment when you file your federal income tax return.

If you are not required to file a tax return, you do not need to fill one solely to report your coverage. [IRS Publication 974](#) , provides additional information to help determine if MEC requirements are met.

Slide notes

The individual shared responsibility provision requires consumers, and each member of their family to: have qualifying coverage known as Minimum Essential Coverage (MEC); Qualify for an exemption from the responsibility to have MEC; or, make an individual shared responsibility payment when you file your federal income tax return. If you are not required to file a tax return, you do not need to fill one solely to report your coverage. IRS Publication 974 provides additional information to help determine if MEC requirements are met.

Slide 6 - coverage under a

Taxes



Coverage under a government sponsored program, an eligible sponsored plan, a plan in the individual market, a grandfathered health plan, or other coverage recognized by the Department of Health and Human Services (DHHS), in coordination with the Secretary of the Treasury, meets MEC.

Slide notes

Coverage under a government sponsored program, an eligible sponsored plan, a plan in the individual market, a grandfathered health plan, or other coverage recognized by the Department of Health and Human Services(DHHS), in coordination with the Secretary of the Treasury, meets MEC.

Slide 7 - Health Coverage now impacts

Taxes



Health Coverage now impacts consumer's taxes.

The Centers for Medicare & Medicaid Services (CMS) is coordinating with the Internal Revenue Service (IRS), tax preparers, tax software developers, State-based Marketplaces, and other stakeholders to help consumers understand the connection between taxes and health care, and what they need to do when filing for taxes.

Slide notes

Health Coverage now impacts consumer's taxes;The Centers for Medicare & Medicaid Services (CMS) is coordinating with the Internal Revenue Service (IRS), tax preparers, tax software developers, State-based Marketplaces, and other stakeholders to help consumers understand the connection between taxes and health care, and what they need to do when filing for taxes.

Slide 8 - you had health coverage

Taxes



You had health coverage

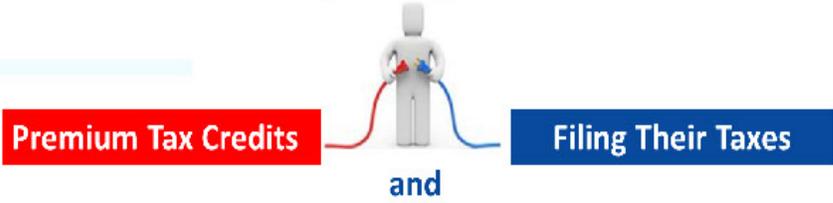
- If that coverage was a health plan through the Marketplace
- If you have non-Marketplace coverage (such as employer sponsored insurance, Medicare, or Medicaid)

Slide notes

You had health coverage: if that coverage was a health plan through the Marketplace; If you have non-Marketplace coverage (such as employer sponsored insurance, Medicare, or Medicaid)

Slide 9 - Consumers need help making the connections

Consumers Need to Know



Consumers need help making the connection between

Premium Tax Credits and **Filing Their Taxes**

Many are unaware that : (1) they must reconcile their tax credits or claim tax credits for the first time, (2) they may have to pay a fee if they are uninsured, or (3) they may qualify for an exemption from the fee.

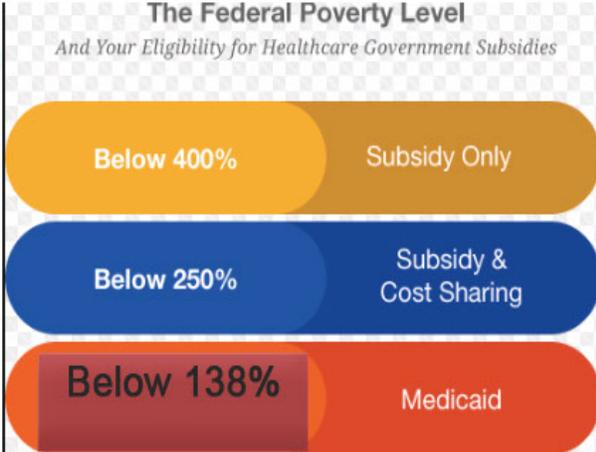
REGULATORY HEALTH LINK
Division

Slide notes

Consumers need help making the connections between Premium Tax Credits and Filing Their Taxes. Many are unaware that: 1. they must reconcile their tax credits or claim tax credits for the first time, 2. they may have to pay a fee if they are uninsured, or 3. they may qualify for an exemption from the fee.

Slide 10 - 2015 Federal Poverty Level

2015 Federal Poverty Level (FPL)



The infographic is titled "The Federal Poverty Level And Your Eligibility for Healthcare Government Subsidies". It features three horizontal bars representing different income levels relative to the FPL:

- Below 400%:** Eligible for Subsidy Only.
- Below 250%:** Eligible for Subsidy & Cost Sharing.
- Below 138%:** Eligible for Medicaid.

Slide notes

This chart breaks down the different sections of the Federal Poverty Level and eligibility for assistance. Below 400% you get subsidy only. Below 250% you can get a mix of subsidy and cost sharing. In Arkansas, those between 0-138% of the FPL can receive Medicaid benefits.

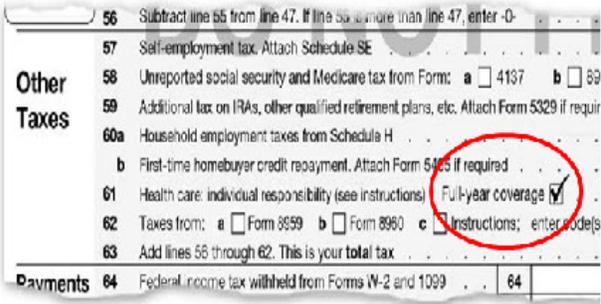
Slide 11 - Non-Marketplace Coverage

Non-Marketplace Coverage



About 75% of taxpayers will only need to check a box.

If you had non-Marketplace Essential Health Coverage for every month of the year for yourself, your spouse (if filing jointly), and anyone you could or did claim as a dependent, you'll just check a box on your tax return.



	56	Subtract line 55 from line 47. If line 55 amount is less than line 47, enter -0-	
	57	Self-employment tax. Attach Schedule SE	
Other Taxes	58	Unreported social security and Medicare tax from Form: a <input type="checkbox"/> 4137 b <input type="checkbox"/> 89	
	59	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required	
	60a	Household employment taxes from Schedule H	
	b	First-time homebuyer credit repayment. Attach Form 5465 if required	
	61	Health care: individual responsibility (see instructions) Full-year coverage <input checked="" type="checkbox"/>	
	62	Taxes from: a <input type="checkbox"/> Form 3959 b <input type="checkbox"/> Form 8960 c <input type="checkbox"/> Instructions: enter code(s)	
	63	Add lines 56 through 62. This is your total tax	
Payments	64	Federal income tax withheld from Forms W-2 and 1099	64

Slide notes

Non-Marketplace Coverage; About 75% of tax payers will only need to check a box; If you had non-Marketplace Essential Health Coverage for every month of the year for yourself, your spouse (if filing jointly), and anyone you could or did claim as a dependent, you'll just check a box on your tax return.

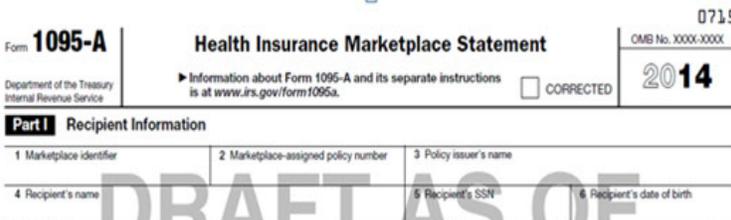
Slide 12 - Marketplace Consumers if you had

Marketplace Consumers



If you had coverage through a Marketplace Qualified Health Plan in 2014

- You'll get a new Form 1095-A in the mail - it will help you fill out [Form-8962](#) to file your federal income taxes with the IRS
- Wait for the form to file taxes



Form 1095-A Health Insurance Marketplace Statement
Department of the Treasury Internal Revenue Service
Information about Form 1095-A and its separate instructions is at www.irs.gov/form1095a. CORRECTED

OMB No. 1545-0047
0715
2014

Part I Recipient Information

1 Marketplace identifier	2 Marketplace-assigned policy number	3 Policy issuer's name
4 Recipient's name	5 Recipient's SSN	6 Recipient's date of birth

Slide notes

Marketplace Consumers; If you had coverage through a Marketplace Qualified Health Plan in 2014; You'll get a new Form 1095-A in the mail - it will help you fill out Form-8962 to file your federal income taxes with the IRS; wait for the form to file taxes.

Slide 13 - Tax Documents what documents

Tax Documents

REGULATORY
HEALTH LINK
Division
with the state Department

What documents will an individual receive for their taxes?
Starting with 2014 tax year:

- Form 1095 - A, Health Insurance Marketplace Statement

Starting with 2015 tax year tax-payers will use the following:

- Form 1095 - B, Health Coverage
- Form 1095 - C, Employer - Provided Health Insurance Offer and Coverage

A red circular stamp with the words "OFFICIAL" at the top and "DOCUMENT" at the bottom, oriented vertically.

Slide notes

Tax Documents; What documents will an individual receive for their taxes starting with 2014 tax year: Form 1095 - A; Health Insurance Marketplace Statement; Starting with 2015 tax year tax payers will use the following: Form 1095-B, Health Coverage; Form 1095 - C, Employer - Provided health Insurance offer and coverage

Slide 14 - An envelope labeled

Taxes



An envelope labeled “Important Tax or Health Coverage Information Inside” will include

- Cover letter (English or Spanish depending on user’s language preference)
- Form 1095-A instructions (Line-by-line instructions developed by IRS, English only)
- Form 1095-A
 - A separate Form 1095-A will be generated for each policy in which the household enrolled
 - Each member of a tax household, who is on the same policy, will be listed together on one Form 1095-A
 - Households of more than 5 enrolled members will receive an additional Form 1095-A that continues Part II
 - *Consumers also can download a copy of their 1095-A at HealthCare.gov

Slide notes

An envelope labeled "Important Tax or Health Coverage Information Inside" will include: Cover letter (English or Spanish depending on user's language preference; Form 1095 A; instructions (Line-by-line instructions developed by IRS, English only); Form 1095 - A; A separate Form 1095 - A; will be generated for each policy in which the household enrolled; Each member of a tax household, who is on the same policy, will be listed together on one Form 1095-A; Households of more than 5 enrolled members will receive an additional Form 1095-A; that continues Part II; Consumers also can download a copy of their 1095-A; at healthcare.gov

Slide 15 - Form 1095 A Elements Information

Form 1095 - A Elements



Consumers will be asked for:

- Information about a tax filer, or other relevant adult, and his/her tax household, who were enrolled in a Marketplace Qualified Health Plan.
- Information that can be used to complete a federal income tax return (e.g., monthly premium amount)
- The amount of Advanced Premium Tax Credits that was paid to an issuer on a consumer's behalf.

Slide notes

Form 1095 - A; Elements; Consumers will be asked for: Information about a tax filer, or other relevant adult, and his/her tax household, who were enrolled in a Marketplace Qualified Health Plan; Information that can be used to complete a federal income tax return (e.g., monthly premium amount); The Amount of Advanced Premium Tax Credits that was paid to an issuer on a consumer's behalf.

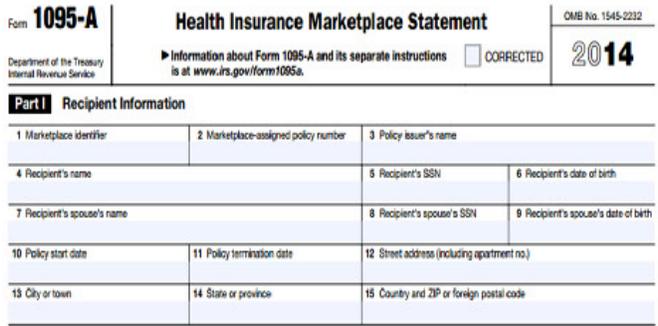
Slide 16 - Form 1095 Part I Recipient Information

Form 1095 - A Part I; Recipient Information



Part I. lines 1- 15, reports information about:

- The tax filer or other relevant adult
- The insurance company that issued the policy
- The Marketplace where they enrolled in coverage



Slide notes

Form 1095 - A; Part I; Recipient Information; Part I. Lines 1 - 15, reports information about; the tax filer or other relevant adult, the insurance company that issued the policy; the marketplace where they enrolled in coverage.

Slide 17 - Form 1095 A Part II: Coverage Household

Form 1095 - A Part II: Coverage Household



Part II. lines 16-20, reports information about each individual who is covered under the tax filer's or other relevant adult's policy, including:

- Name
- Social Security Number
- Date of Birth
- Start and ending dates of coverage for each covered individual

Part II Coverage Household				
A. Covered individual Name	B. Covered individual SSN	C. Covered individual Date of birth	D. Covered individual start date	E. Covered individual Termination date
16				
17				
18				
19				
20				

Slide notes

Form 1095 - A; Part II: Coverage Household; Part II. lines 16-20, reports information about each individual who is covered under the tax filer's or other relevant adult's policy, including: Name; Social Security Number; Date of Birth; Start and ending dates of coverage for each covered individual.

Slide 18 - Form 1095 A Part III Household Information

Form 1095 - A Part III: Household Information



Part III. lines 21-33, reports information about the insurance coverage that will need to complete [Form 8962](#) to claim the Premium Tax Credits (PTC) and reconcile Advanced Premium Tax Credits (APTC), including monthly:

- Premium amount
- Premium amount of Second Lowest Cost Silver Plan (SLCSP)
- APTC

Part III Household Information			
Month	A. Monthly Premium Amount	B. Monthly Premium Amount of Second Lowest Cost Silver Plan (SLCSP)	C. Monthly Advance Payment of Premium Tax Credit
21 January			
22 February			
23 March			
24 April			

Slide notes

Form 1095 - A; Part III: Household Information; Part III. lines 21-33, reports information about the insurance coverage that will need to complete form 8962 to claim the Premium Tax Credit and reconcile the Advanced Premium Tax Credits, including monthly premium amount; premium amount of Second Lowest Cost Silver Plan and Advance Premium Tax Credit.

Slide 19 - Difference between APTC and PTC

Difference between APTC and PTC

Differences	APTC	PTC
When is it determined	With submission of the Marketplace application	With submission of a Federal income tax return
Who makes the determination	The Marketplace	The IRS
How is it calculated	Based on <u>estimated</u> household income and family size reported on the Marketplace application	Based on <u>actual</u> household income and family size as reported on the tax return
Who receives it	The issuer (insurance company on your behalf)	You
When is it paid	"In advance" on a monthly basis throughout a coverage year	When you file your taxes

Slide notes

Take some time to read this chart that shows the differences between Advanced Premium Tax Credits and Premium Tax Credits.

Slide 20 - APTC reconciliation

APTC reconciliation



Your total APTC received during the year will be reconciled with the amount of PTC that you may qualify for when you file your annual tax return

- If your APTC
 - 1) Was less than the PTC amount on your [Form 8962](#), your refund will increase by the difference or the amount of taxes you owe will be lowered
 - 2) Was greater than the PTC amount on your [Form 8962](#), the difference will increase the amount you owe and your refund will either be smaller, or you may have a balance due

Slide notes

APTC reconciliation; Your total APTC received during the year will be reconciled with the amount of PTC that you may qualify for when you file your annual tax return; If your APTC: 1) was less than the PTC amount on your Form 8962, your refund will increase by the difference or the amount of taxes you owe will be lowered; 2) was greater than the PTC amount on your Form 8962, the difference will increase the amount you owe and your refund will either be smaller, or you may have a balance due.

Slide 21 - The Uninsured

The Uninsured



If you had no health coverage for all or part of 2014 (12.9% of Americans)

- You applied to the Marketplace for an exemption and received a unique Exemption Certificate Number (ECN) or your application is pending
- If not, you'll complete [Form 8965](#) (4% of Americans fall into this category) with your tax return to see if you qualify for an exemption.
- If you can afford to buy insurance and choose not to, you'll have to pay a fee unless you qualify for an exemption

Slide notes

The uninsured; If you had no health coverage for all or part of 2014 (12.9% of Americans); You applied to the Marketplace for an exemption and received a unique Exemption Certificate Number (ECN) or your application is pending; If not, you'll complete Form 8965; (4% of Americans fall into this category;) with your tax return to see if you qualify for an exemption. ; If you can afford to buy insurance and choose not to, you'll have to pay a fee unless you qualify for an exemption.

Slide 22 - Getting an Exemption

Getting an Exemption

- 1) You don't need to pay the fee if you qualify for an "exemption." Examples include (a) There isn't an affordable health insurance plan available (b) Only a short gap in coverage (less than 3 months) (c) Eligibility for services through the Indian Health Service

**Slide notes**

You don't need to pay the fee if you qualify for an "exemption." Examples include (a) There isn't an affordable health insurance plan available (b) Only a short gap in coverage (less than 3 months) (c) Eligibility for services through the Indian Health Service

Slide 23 - Types of Exemptions

Types of Exemptions



There are two types of exemptions

- IRS exemptions that you can claim when you file your tax return
- Marketplace exemptions that you'll need to request by completing a paper application and mailing it to the Marketplace

A complete list of exemptions and applications are on HealthCare.gov or through the Marketplace Call Center at 1-800-318-2596 (TTY: 1-855-889-4325)

Slide notes

Types of exemptions; There are two types of exemptions: IRS exemptions that you can claim when you file your tax return; Marketplace exemptions that you'll need to request by completing a paper application and mailing it to the Marketplace. A complete list of exemptions and applications are on Healthcare dot gov or through the Marketplace Call Center at 1-800-318-2596 (TTY: 1-855-889-4325)

Slide 24 - Exemption Approval Notice

Exemption Approval Notice



If the Marketplace approves your exemption application, keep the approval notice you get in the mail with other important tax documents, like your W-2

- It includes a unique Exemption Certificate Number or ECN that you will enter on your federal income tax return when you file your federal taxes for the months you didn't have health coverage

- If the ECN isn't granted for the whole year, you may still have to pay a fee for some months.

- If you mailed an exemption application to the marketplace, and are still waiting for a decision when you file your tax return, follow the instructions with your tax return to enter "Pending" in the appropriate places

If you claim an exemption directly with the IRS using [Form 8965](#), you won't need an ECN

Slide notes

If the Marketplace approves your exemption application, keep the approval notice you get in the mail with other important tax documents, like your W-2

- It includes a unique Exemption Certificate Number or ECN that you will enter on your federal income tax return when you file your federal taxes for the months you didn't have health coverage

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If you claim an exemption directly with the IRS using Form 8965, you won't need an ECN

Slide 25 - Paying the Fee

Paying the Fee



If you could afford to buy insurance and chose not to, you may have to pay a fee

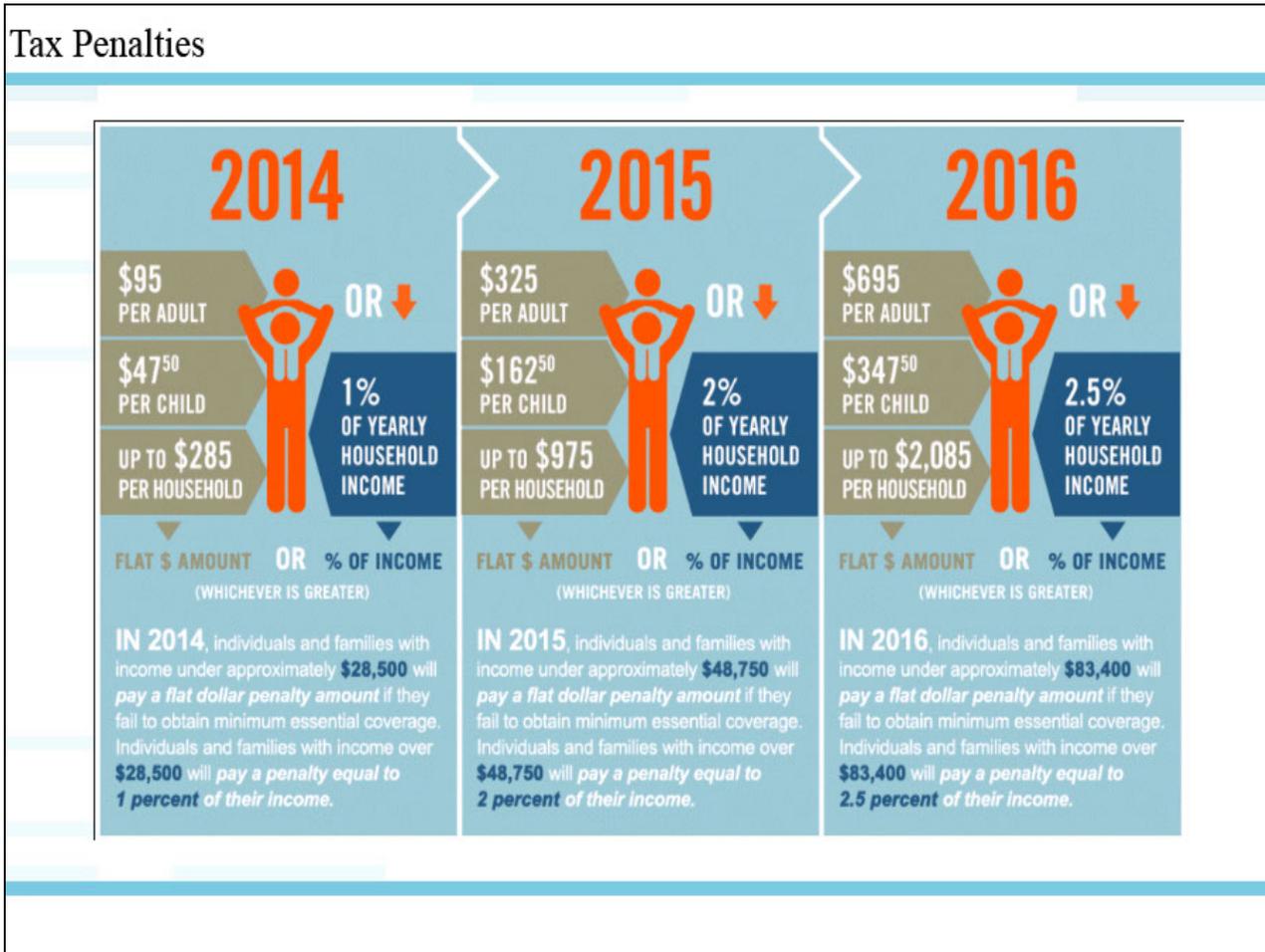
- If you don't qualify for an exemption, you may need to pay a fee with your federal tax return
- The fee is based on your income, and how many months you didn't have health insurance.
- Generally, the higher your income, and the more months you were without health insurance, the higher the fee.

Slide notes

Paying the Fee; If you could afford to buy insurance and chose not to, you may have to pay a fee

- If you don't qualify for an exemption, you may need to pay a fee with your federal tax return
- The fee is based on your income, and how many months you didn't have health insurance.
- Generally, the higher your income, and the more months you were without health insurance, the higher the fee.

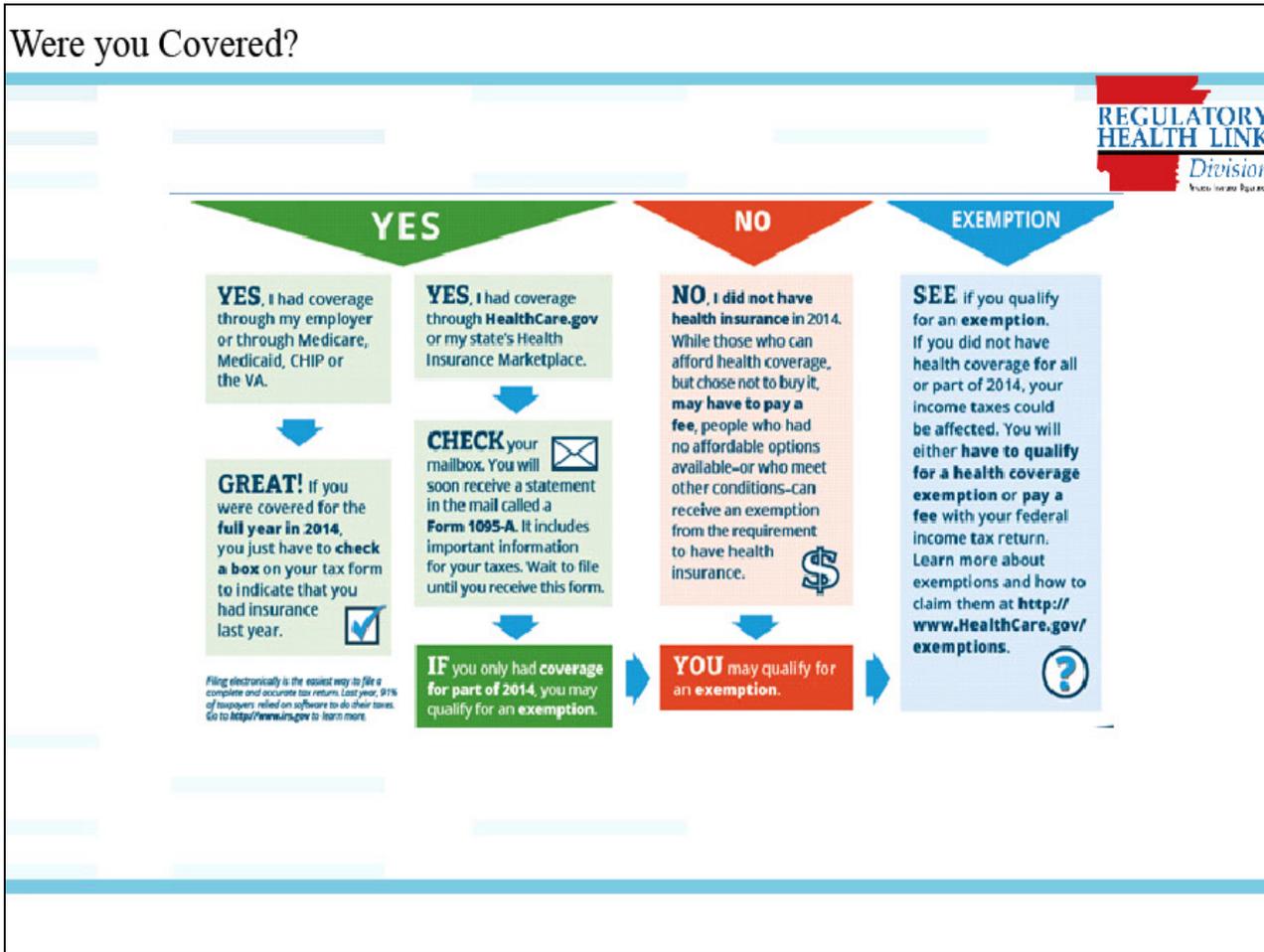
Slide 26 - Tax Penalties graphic



Slide notes

This graphic shows the differences in tax penalties for each year.

Slide 27 - Were you covered



Slide notes

Review the chart to see if you were covered.

Slide 28 - Penalties for each year

Penalties

REGULATORY HEALTH LINK
Division

PENALTY
You could be subject to a **tax penalty** for being uninsured

2014 Tax Penalty

\$95 Individuals	\$285 families
----------------------------	--------------------------

OR

1% of your taxable income

2015 Tax Penalty

\$325 per adult	\$975 families
---------------------------	--------------------------

OR

2% of your taxable income

Slide notes

Again it is important to emphasize the importance to consumers of the tax penalties that they may have to pay if they do not have Minimum Essential Coverage.

Slide 29 - Small business mandate

Small business mandate



For 2015 and after, employers employing at least 50 full and part time employees that is equivalent to 50 full time employees will be subject to the employer shared responsibility provisions. This means the employer must offer minimum essential coverage which is “affordable,” that provides minimum value to their full time employees and their dependents, or potentially make an employer shared responsibility to the IRS.

Slide notes

For 2015 and after, employers employing at least 50 full and part time employees that is equivalent to 50 full time employees will be subject to the employer shared responsibility provisions. This means the employer must offer minimum essential coverage which is “affordable,” that provides minimum value to their full time employees and their dependents, or potentially make an employer shared responsibility to the IRS.

Slide 30 - Employer Shared Responsibility

Employer Shared Responsibility



Full-time employee is an individual employed, on average, at least 30 hours per week. Under the Employer Shared Responsibility provisions, if employers do not offer affordable health coverage that provides a minimum level of coverage to their full-time employees and their dependents, the employer may be subject to an employer shared responsibility payment.

Slide notes

Employer Shared Responsibility; Full-time employee is an individual employed, on average, at least 30 hours per week. Under the Employer Shared Responsibility provisions, if these employers do not offer affordable health coverage that provides a minimum level of coverage to their full-time employees and their dependents, the employer may be subject to an employer shared responsibility payment.

Slide 31 - Tax Credits eligibility

Tax Credits



Am I eligible for the Premium Tax Credit? Yes, if you meet the following:

- ✓ You or a family member (you, your spouse, or a dependent) enroll in coverage through the Marketplace.
- ✓ You file a joint return if you are married. *Special rules are available for victims of domestic abuse or spousal/abuser divorce.
- ✓ You have a household income** within certain ranges. **Household income is not always your wages. Refer to this page for more information.
- ✓ You cannot be claimed as a dependent by anyone else.
- ✓ You or a family member cannot get affordable coverage through your employer, determined by specific guidelines.
- ✓ You or a family member are not eligible for coverage through a government program, such as Medicaid, Medicare, CHIP, or TRICARE.

Slide notes

Review this check list to see if you are eligible to receive Premium Tax Credits.

Slide 32 - How does Premium Tax Credit Work

Tax Credits



How does the Premium Tax Credit work? If you're eligible, you can:

Have the credit paid in advance to your insurance company  →  **OR** **Get the full benefit of the credit when you file your tax return**  → 

This will lower your monthly premiums. When you file your federal tax return, you will reconcile your advance payment of the premium tax credit with the actual credit you calculate on your return.

Pay full price for your insurance now and get the full benefit of the premium tax credit when you file your tax return.

Slide notes

This graph shows how the Premium Tax Credit work.

Slide 33 - Tax Credits - Change in Information

Tax Credits - Change in Information



A change in your life could change your Premium Tax Credit.

Your premium tax credit is determined by your income, family size, address, and other factors. If any one of these factors changes during the year, your premium tax credit amount will change. This means you need to report any change in your circumstances to the Marketplace **as soon as possible**. This will help you avoid getting a smaller refund or owing money when you file your tax return.

You can change your information online or by phone.



Log into "My Account"

Then click "Report a Life Change"



Call the Marketplace at 1-800-318-2596.*

*This number is for the federal Marketplace only. If enrolled in coverage through a state Marketplace, call, or visit your state's website.

Slide notes

A change in your life could change your Premium Tax Credit

Slide 34 - Taxes Scenario 1

Taxes - Scenario 1



Thomas & Chloe adopted a child on April 20. This qualified them for a special enrollment period to enroll in private health insurance, and they signed up for a plan that covered them starting April 20th. They keep this coverage for the rest of the year, but before they signed up for it in April, Thomas & Chloe were uninsured.

For which months do Thomas & Chloe have minimum essential coverage?

April through December.

Uninsured for most of April but are considered to have MEC for that entire month because they had MEC for at least one day in April

Slide notes

Thomas & Chloe adopted a child on April 20. This qualified them for a special enrollment period to enroll in private health insurance, and they sign up for a plan that covered them starting April 20th. They keep this coverage for the rest of the year, but before they signed up for it in April, Thomas & Chloe were uninsured.

For which months do Thomas & Chloe have minimum essential coverage?

April through December. Uninsured for most of April but are considered to have MEC for that entire month because they had MEC for at least one day in April.

Slide 35 - Taxes Scenario 2

Taxes - Scenario 2



Jarrold graduated from college in May. From January 1st - August 31st, he was enrolled in a student health plan through his university. On September 1st, Jarrold started a new job that offered health coverage. He enrolled in this coverage from September 1st - December 31st.

For which months does Jarrold have MEC?

Jarrold has MEC for the entire year. Both his student health plan and employer plan are considered MEC and he never experienced a coverage gap.

Slide notes

Jarrold graduated from college in May. From January 1st through August 31st, he was enrolled in a student health plan through his university. On September 1st, Jarrold started a new job that offered health coverage. He enrolled in this coverage from September 1st through December 31st .

For which months does Jarrold have MEC?

Jarrold has MEC for the entire year. Both his student health plan and employer plan are considered MEC and he never experienced a coverage gap.

Slide 36 - Taxes Scenario 3

Taxes - Scenario 3



Nadia lives in Puerto Rico. On July 1st she started a job that provides health insurance coverage, but before starting that job she was uninsured.

For which months does Nadia have MEC?

Because Nadia lives in Puerto Rico, a US territory, she is considered to have MEC for the entire year even though she was uninsured for the first half of the year. She will show this on her tax return by claiming an exemption.

Slide notes

Nadia lives in Puerto Rico. On July 1 she started a job that provides health insurance coverage, but before starting that job she was uninsured.

For which months does Nadia have MEC?

Because Nadia lives in Puerto Rico, a US territory, she is considered to have MEC for the entire year even though she was uninsured for the first half of the year. She will show this on her tax return by claiming an exemption.

Slide 37 - Taxes Scenario 4

Taxes - Scenario 4



Erica is a member of the Quapaw Tribe of Native Americans and works for a non-profit. Erica elected to not join her employer sponsored health coverage plan.

Is Erica subject to a tax penalty for not having MEC?

No, because she is a member of a federally recognized Indian tribe, or eligible for services through the Indian Health Service. She would need to apply for exemption, using the form 8965.

Slide notes

Erica is a member of the Quapaw Tribe of Native Americans and works for a non-profit. Erica elected to not join her employer sponsored health coverage plan.

Is Erica subject to a tax penalty for not having MEC?

No because she is a member of a federally recognized Indian tribe, or eligible for services through the Indian Health Service. She would need to apply for exemption, using the form 8965.

Slide 38 - Taxes Scenario 5

Taxes - Scenario 5



Sandra has been living abroad in Paris, France for the past 340 days.

Does Sandra have minimum essential coverage regardless of whether she enrolled in any health care coverage?

Because Sandra is considered a bonafide resident of a foreign country, she is treated as having MEC for that year. She had to not be physically present in the United States for at least 330 full days in a 12-month period to be treated as having an MEC. If Sandra had been physically present in the US for less than 330 full days, she would not have been eligible for this exemption. She will report her status with the federal income tax form on Form 8965.

Slide notes

Sandra has been living abroad in Paris, France for the past 340 days.

Does Sandra have minimum essential coverage regardless of whether she enrolled in any health care coverage?

Because Sandra is considered a bonafide resident of a foreign country, she is treated as having MEC for that year. She had to not be physically present in the United States for at least 330 full days in a 12-month period to be treated as having an MEC. If Sandra had been physically present in the US for less than 330 full days, she would not have been eligible for this exemption. She will report her status with the federal income tax form on Form 8965.

Slide 39 - Taxes Scenario 6

Taxes - Scenario 6



Tanya is a single person household, making \$35,000 a year. She works for a manufacturing company that offers employer sponsored health coverage. Her premium is \$350/month.

Is Tanya eligible for an exemption?

Yes, Tanya is eligible for an exemption based upon her household income. Tanya's premium would be more than 8% of her modified adjusted gross income. She would need to complete exemption Form 8965.

Slide notes

Tanya is a single person household, making \$35,000 a year. She works for a manufacturing company that offers employer sponsored health coverage. Her premium is \$350/month.

Is Tanya eligible for an exemption?

Yes, Tanya is eligible for an exemption based upon her household income. Tanya's premium would be more than 8% of her modified adjusted gross income. She would need to complete exemption Form 8965.

Slide 40 - Taxes Scenario 7

Taxes - Scenario 7



Courtney is filing her income taxes. She has not received her Form 1095.

Where can she locate a copy of her Form 1095?

Courtney can log into her healthcare.gov account and print the Form 1095 to complete and attach to her income taxes. She can also call the Marketplace at 1-800-318-2596 and speak to a representative.

Slide notes

Courtney is filing her income taxes. She has not received her Form 1095.

Where can she locate a copy of her Form 1095?

Courtney can log into her healthcare.gov account and print the form to complete and attach to her income taxes. She can also call the Marketplace at 1-800-318-2596 and speak to a representative.

Slide 41 - Taxes Scenario 8

Taxes - Scenario 8



Sue's premium tax credit is calculated, and the advance payment is reconciled on Form 8962.

What other form will Sue need to complete Form 8962?

Sue will need to have Form 1095 to reconcile her payment.

Slide notes

Sue's premium tax credit is calculated and the advance payment is reconciled on Form 8962.

What other form will Sue need to complete Form 8962?

Sue will need to have Form 1095 to reconcile her payment.

Slide 42 - Final Slide

Taxes and the ACA



Congratulations!
You have successfully completed this segment.

Slide notes

Congratulations! You have successfully completed this segment.