Welcome

Fran Rosebush
Assets & Opportunity Network, Taxpayer Opportunity Network
CFED

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Today’s Speakers

**Stefanie Costello**
Health Insurance Specialist  
Centers for Medicare and Medicaid Services,  
U.S. Dept. of Health and Human Services

**Tara Straw**
Senior Health Policy Analyst  
Center on Budget and Policy Priorities
This presentation provides an overview of the connections between Health Insurance Marketplace coverage and Federal income taxes, including:

- Outreach and education efforts
- Different consumer audiences and what they should expect
- Tax forms and tools
- Resources
Target Consumer Audiences

You had health coverage in 2014
- If that coverage was a health plan through the Marketplace
- If you have non-Marketplace coverage (such as employer sponsored insurance, Medicare, or Medicaid)

You were uninsured for part or all of 2014
- You don’t have an exemption
- You have an approved exemption
Non-Marketplace Coverage

Most people just need to check a box – more than 75% of taxpayers

If you had non-Marketplace Essential Health Coverage for every month of 2014 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.
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
What will Consumers See?

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 (starting mid-January)
Log In To “My Account”
My Account
1095-A Messages

Each initial 1095A that is created will trigger an automatic message that is available here with a direct link to the PDF for download. If the consumer had selected to get email updates from the Marketplace, then when each message posts for a 1095A it will send an automated email letting the consumer know that there is a new message in their account.

Consumers that have a corrected 1095A that is created will have a different message post when the PDF is available to let the consumer know that it is a corrected 1095A.
New Section in My Account

Tax forms

Your Form 1095-A for federal income taxes

Here's where you'll find your 1095-A forms. Each one has information you'll need to fill out your federal income tax return after the coverage year. These forms are sent to you in the mail by early February. Forms may be available here a little sooner.

The 1095-A includes:
- Information about everyone in your tax household who was enrolled in a Marketplace plan.
- Information about your plan premium that you'll need to fill out your federal income tax return.
- The amount of any advance payments of the premium tax credit paid to your health plan.

You may get more than one Form 1095-A, like if your household enrolled in more than one Marketplace health plan or if you reported a life change during the year.

You'll need information from each form this year when you're ready to file 2014 taxes for your household. Using Form 1095-A, you can:
- Complete questions about your Marketplace health coverage on your federal tax return.
- Confirm the amount of premium tax credit that you're eligible for, based on your actual income for the year.

Remember: If you got advance payments of the premium tax credit to help pay for your Marketplace health plan premium, you'll have to file a federal income tax return, even if you usually don't.

Learn more about the 1095-A and how to use it.

Previous Coverage Year (2014): Instructional text to help the consumer understand what the 1095A is, when it'll be received, what they need to do and how to get help with next steps for the 2014 filing process.
My Account-
Form 1095-A Download

Dynamic: Statement is displayed when one or more corrected 1095A forms are posted to the account.

Dynamic Table: Table is displayed once there is one 1095A available to the consumer.

If no 1095As have been generated and posted to the consumer’s application/account then the table is not visible on the Tax Forms section.

Static: Help information below the table on what to do if the information is not correct.

You have at least one corrected Form 1095-A. If you have 2 versions of the same form, use the corrected form, which has the most recent date.

Your 1095-A forms

<table>
<thead>
<tr>
<th>Name</th>
<th>Plan Name</th>
<th>Date Posted</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>John, Jane, Marianne, Billy Joe, Sarah Beth...</td>
<td>Blue Cross and Blue Shield of Illinois Blue Choice Bronze PPO™ 006</td>
<td>06/11/2014</td>
<td>Download</td>
</tr>
<tr>
<td></td>
<td>Coverage dates</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>03/31/2014 - 12/31/2014</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mary</td>
<td>IlliniCare Health Ambetter Essential Care 1 Sinai Health Select Network</td>
<td>02/18/2014</td>
<td>Download</td>
</tr>
<tr>
<td></td>
<td>Coverage dates</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>01/01/2014 - 03/31/2014</td>
<td></td>
<td></td>
</tr>
<tr>
<td>John, Jane, Marianne</td>
<td>Blue Cross and Blue Shield of Illinois Blue Precision Gold HMO™ 001</td>
<td>01/14/2014</td>
<td>Download</td>
</tr>
<tr>
<td></td>
<td>Coverage dates</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>01/01/2014 - 03/31/2014</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

What to do if you think your Form 1095-A is wrong.
Form 1095-A Elements

- Information about a tax filer or other relevant adult, and his/her tax household, who were enrolled in a Marketplace QHP
- Information that can be used to complete a federal income tax return (e.g., monthly premium amount)
- The amount of APTC that was paid to an issuer on a consumer’s behalf
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
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 III, lines 21-33, reports information about the tax filer’s insurance coverage that they will need to complete Form 8962 to claim the PTC and reconcile APTC, including monthly:

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

<table>
<thead>
<tr>
<th>Month</th>
<th>A. Monthly Premium Amount</th>
<th>B. Monthly Premium Amount of Second Lowest Cost Silver Plan (SLCSP)</th>
<th>C. Monthly Advance Payment of Premium Tax Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>February</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>March</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>April</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
For consumers who didn’t receive APTC (because they didn’t apply for it or were found ineligible):
- Monthly APTC Amount will be populated as “0”
- SLCSP will be populated as “0”

The Stand Alone Dental Plan (SADP) name, start date, and end date, won’t be included on Form 1095-A

For consumers enrolled in both a QHP and SADP, the portion of the SADP premium amount for pediatric dental benefits will be included on Form 1095-A
- In Part III, Column A, and will be added to the premium allocated to essential health benefits (EHBs) for the QHP
If you had **no** health coverage for **all or part of** 2014 (14% 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.
Getting an Exemption

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

- If you had coverage starting in May 2014 or earlier, you qualify for an exemption for the months before your coverage started
There are two types of exemptions

- **IRS exemptions** that you can get from the IRS by checking the appropriate box 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

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)
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 year 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 apply for the exemption directly from the IRS using Form 8965, you won’t need an ECN.
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
The Amount of the Fee

- If you didn’t have health insurance for all of 2014, you’ll pay the higher of
  - $95 per person who was without coverage for the year ($47.50 per child under 18)
    - The maximum fee per family using this method is $285
  - An amount that varies depending on your income (generally 1% of your yearly household income over a certain threshold)
- The fee increases every year
  - In 2015, it’s $325 per person or 2% of your yearly household income over the threshold
  - In 2016, it’s $695 per person or 2.5% of income over the threshold
  - After that it's adjusted for inflation
How We’ll Share Messages

- New content on HealthCare.gov and IRS.gov
- Web-based Tax Tools (for some consumers)
- Form 1095-A, with cover letter & instructions
- Fact Sheets
  - For consumers (HealthCare.gov, IRS.gov)
  - For partners (Marketplace.cms.gov, IRS.gov)
- Training/outreach for Marketplace Assisters and Navigators, Agents and Brokers, Tax Preparers
- Email Campaign
- Social Media Strategy
- Press outreach
- Messaging through IRS channels and programs (Free File and Volunteer Income Tax Assistance)
- Talking points
Tax Tools in Development

Online tools available mid-January on HealthCare.gov

- Provide a step in filing taxes for *certain* consumers
- To find essential info that might not appear on 1095-A

1. Tool if you didn’t take/qualify for APTC and want to see if you can qualify for PTC
   - Provides report with monthly break down of the SLCSP or LCBP using 2014 plan data
   - Doesn’t provide APTC, PTC, eligibility, etc.

2. Tool to see if you qualify for an exemption

- No account or login required (anonymous)
Consumers in State-Based Marketplaces (SBMs)

- CMS is coordinating with SBMs to understand their state-level messaging and outreach.
- HealthCare.gov can offer high-level info, then refer to the State website for specific details and assistance.
- Call Center will provide state-level referrals as they do for Marketplace application and enrollment questions.
Open Enrollment in the Federally-facilitated Health Insurance Marketplace

Starts November 15, 2014 and ends February 15, 2015 for coverage in 2015

Information for first-time enrollees in the Federally-facilitated Marketplace
What is the Health Insurance Marketplace?

- A way to find health coverage that fits your budget and meets your needs
- With one application, find out if you qualify to
  - Enroll in a Marketplace plan
  - Enroll in Medicaid or the Children’s Health Insurance Program (CHIP)
  - Get tax credits that can lower monthly premiums, and cost-sharing reductions
- All Marketplace health plans cover essential health benefits including doctor visits, preventive care, hospitalization, prescriptions, and more
When Can You Enroll?

1. Annual Open Enrollment Period
   - November 15 – February 15
   - Coverage can begin as early as January 1 if you enroll by December 15

2. Special Enrollment Periods (SEP) for certain circumstances during the year

Slice 1
- Have a change in your job?
- Loss of job-based coverage
- Have a change in your income?
- Turn 26 and leave a parent’s plan?

Slice 2
- Move to a new residence?
- Out of your plan’s service area
- Have a baby or adopt a child?
- Get married or divorced?

You can apply for Medicaid and Children’s Health Insurance Program coverage at any time.
The premium tax credit may be taken as advance payments to lower monthly premium costs, or as a refundable credit on the tax return you file for the coverage year.

Among other things, eligibility is based on:

- Household income between 100% to 400% FPL and family size
- Obtaining health insurance through the Marketplace
- Ineligibility for government-sponsored coverage, affordable employer-sponsored insurance, or certain other minimum essential coverage
Who is Eligible for Cost-Sharing Reductions?

- Lower costs on deductibles, copayments, and coinsurance
- To be eligible, you must
  - Have income between 100% FPL and 250% FPL
  - Receive the premium tax credit
  - Enroll in a Marketplace Silver-level plan
- Members of federally recognized Indian tribes
  - Don’t have to pay cost-sharing if household income is at or below 300% FPL
## Incomes That Qualify for Lower Costs for Coverage in 2015

<table>
<thead>
<tr>
<th>Number of people in your household</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
</tr>
</thead>
<tbody>
<tr>
<td>You may qualify for <em>lower premiums on a Marketplace insurance plan</em> if your yearly income is between...</td>
<td>$11,670 - $46,680</td>
<td>$15,730 - $62,920</td>
<td>$19,790 - $79,160</td>
<td>$23,850 - $95,400</td>
<td>$27,910 - $111,640</td>
<td>$31,970 - $127,880</td>
</tr>
<tr>
<td>See next row if your income is at the lower end of this range</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>You may qualify for <em>lower premiums AND lower out-of-pocket costs for Marketplace insurance</em> if your yearly income is between...</td>
<td>$11,670 - $29,175</td>
<td>$15,730 - $39,325</td>
<td>$19,790 - $49,475</td>
<td>$23,850 - $59,625</td>
<td>$27,910 - $69,775</td>
<td>$31,970 - $79,925</td>
</tr>
<tr>
<td>If your state is expanding Medicaid in 2014: You may qualify for <em>Medicaid coverage</em> if your yearly income is below...</td>
<td>$16,105</td>
<td>$21,707</td>
<td>$27,310</td>
<td>$32,913</td>
<td>$38,513</td>
<td>$44,119</td>
</tr>
<tr>
<td>If your state isn’t expanding Medicaid: <em>You may not qualify for any Marketplace savings programs</em> if your yearly income is below...</td>
<td>$11,670</td>
<td>$15,730</td>
<td>$19,790</td>
<td>$23,850</td>
<td>$27,910</td>
<td>$31,970</td>
</tr>
</tbody>
</table>

Amounts are higher in Alaska and Hawaii.
4 Ways to Get Marketplace Coverage

**Over the phone**
Call the Marketplace Call Center at 1-800-318-2596. TTY users should call 1-855-889-4325. A customer service representative can help you apply and enroll over the phone.

**Online**
Visit HealthCare.gov to apply and enroll on the web.
CuidadoDeSalud.gov for Spanish.

**In-person help**
Get help from people in your community trained and certified to help you apply and enroll in the Marketplace. Visit Localhelp.HealthCare.gov, or call the Marketplace Call Center.

**Paper application**
If you don’t have a computer or time to apply and enroll over the phone, you can fill out a paper application. Call the Marketplace Call Center to get an application or download a copy from HealthCare.gov.
How the Marketplace Works

1. Create an account
   First provide some basic information. Then choose a user name, password, and security questions for added protection.

2. Apply
   Next you'll enter information about you and your family, including your income, household size, other coverage you're eligible for, and more.
   Visit HealthCare.gov to get a checklist to help you gather the information you'll need.

3. Pick a plan
   Next you'll see all the plans and programs you're eligible for and compare them side-by-side.
   You'll also find out if you can get lower costs on monthly premiums and out-of-pocket costs.

4. Enroll
   Choose a plan that meets your needs and enroll!
   Coverage starts as soon as January 1, 2015
   May apply or change plan during a Special Enrollment Period due to certain life changing events.
Choose How to Use Your Premium Tax Credit (If You Qualify)

Choose to Get It Now:
Advance Payments of the Premium Tax Credit

- All or some of the premium tax credit is paid directly to your plan on a monthly basis
- You pay the difference between the monthly premium and the advance tax credit amount that you choose (up to the full amount for which you qualify)
- You reconcile when you file your tax return for the coverage year*

Choose to Get It Later

- Don’t request any advance payments
- You pay the entire monthly plan premium
- Claim the full amount on the tax return you file for the coverage year

*You should report all changes in the information you provided on your application to avoid owing money after reconciliation on your tax return.
ACA Resources

Tara Straw
January 15, 2015
FAQs on the Coverage Requirement

• Who needs coverage?
  – MEC is required for just about everyone.
  – But remember that many people can be exempt from the individual shared responsibility payment (ISRP).

• Do we need to see verification of insurance coverage?
  – No! Many people won’t have proof of coverage and that’s fine. Ask whether each person on the tax return had coverage and use due diligence.

• Is _______ MEC?
  – Probably! The full list of MEC is in Pub 4012, ACA-4 (see 4491X update)
FAQs on the Coverage Requirement

• Let’s say that one taxpayer has coverage all year and his spouse qualifies for an exemption. I complete Form 8965 for the spouse’s exemption, but where do I note the taxpayer’s coverage?
  – This can be entered on the ACA Worksheet (formerly known as Worksheet 8) but it’s not transferred to the IRS on a tax form.

• I claim my brother’s girlfriend’s kids as my dependents. Who is responsible for their insurance coverage?
  – You are! The taxpayer is responsible for reporting the insurance coverage or exemption, or for paying the ISRP for everyone on their tax return.
FAQs on Exemptions

Exemptions look complicated. Where do I start?

Does the taxpayer already have an exemption from the Marketplace?
  YES → Enter on Form 8965, Part I
  NO → Does the taxpayer have income below the filing threshold?
     YES → Enter on Form 8965, Part II
     NO → Exemptions for individuals (duration varies):

<table>
<thead>
<tr>
<th>Exemption</th>
<th>IRS Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certain noncitizens and citizens living abroad</td>
<td>Code C</td>
</tr>
<tr>
<td>Health care sharing ministry</td>
<td>Code D</td>
</tr>
<tr>
<td>Federally-recognized Indian tribe or eligible for IHS</td>
<td>Code E</td>
</tr>
<tr>
<td>Limited benefit Medicaid</td>
<td>Code H</td>
</tr>
<tr>
<td>Incarceration</td>
<td>Code F</td>
</tr>
<tr>
<td>Insurance is unaffordable</td>
<td>Code A</td>
</tr>
<tr>
<td>Aggregate cost of insurance is unaffordable</td>
<td>Code G</td>
</tr>
<tr>
<td>Individuals in a state that did not expand Medicaid</td>
<td>Code G</td>
</tr>
</tbody>
</table>

Exemptions for individuals that have a limited duration:

<table>
<thead>
<tr>
<th>Exemption</th>
<th>IRS Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short coverage gap</td>
<td>Code B</td>
</tr>
<tr>
<td>Coverage by May 1 or “in-line”</td>
<td>Code G</td>
</tr>
<tr>
<td>Non-calendar year coverage</td>
<td>Code H</td>
</tr>
</tbody>
</table>

Does anyone qualify for a Marketplace hardship exemption?
  NO → Exemptions for individuals (duration varies)
  YES → Enter “Pending” on Form 8965, Part I

ACA: Everything You Need to Know
Individuals in a State that Did Not Expand Medicaid (Code G)

This exemption applies to:

- Individuals who resided at any time during the year in a state that did not expand Medicaid, and
- Had income below 138% FPL (i.e., would have been eligible for Medicaid if the state had expanded).

Available on the return in 2014 only. In future years, must apply for (and be denied) Medicaid to claim this exemption!

Example

Rashid was uninsured for all of 2014. His wife, Miriam, had insurance all year through work. Leila was born in November, was covered by Medicaid. Their household income was $25,000 (128% FPL for a family of 3) and they live in Texas, a non-expansion state. They are all U.S. citizens.

Does Rashid qualify for an exemption?
Yes, Rashid’s household income is below 138% FPL and he lived in a non-expansion state. Rashid qualifies for this exemption for the entire year even if he had other insurance options, such as coverage through his wife’s employer or insurance in the Marketplace with PTC.
FAQs on Exemptions

• Can the same person claim multiple exemptions?
  – Yes! But there is no need to claim multiple exemptions for the same month.

• Does everyone with an ITIN qualify for a Code C exemption?
  – No. Code C applies to:
    o Individuals who are not U.S. citizens, U.S. nationals or lawfully present (e.g., undocumented immigrants)
    o 1040NR (or 1040NR-EZ) filers (but do not attach Form 8965 to the NR return)
    o Individuals who are residents of U.S. territories
    o U.S. citizens or residents who are absent from the U.S. for at least 330 full days within a 12-month period
    o U.S. citizens who are bona fide residents of another country for the entire tax year.
FAQs on Exemptions

• What is an ECN?
  – An ECN is an “exemption certificate number.” It’s reported in Part I for exemptions that were previously granted by the Marketplace.
  – Marketplace exemptions require applications.
  – Exception: If someone lived in a state that did not expand Medicaid, and the person applied for Medicaid and was found to be in the “gap” (below PTC eligibility), an exemption was granted automatically.
FAQs on Exemptions

• What if the taxpayer received an ECN but lost it?
  – They can call the Marketplace call center at 1-800-318-2596.
  – Note: 1095-As can be found in the taxpayer’s Marketplace account but ECNs cannot.

• What does an ECN look like?
  – It’s a 6- or 7-digit letter/number code.
### FAQs on Exemptions

**An Exemption Approval**

**A Medicaid Denial**

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**Health Insurance Marketplace**

Department of Health and Human Services

465 Industrial Boulevard

London, Kentucky 40741

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**Dear [Name],**

You recently submitted an application to the Health Insurance Marketplace for an exemption from the "shared responsibility payment" that some individuals may owe if they aren't enrolled in health coverage starting in 2014.

What are the results of my application?

Review the table below for your eligibility results.

<table>
<thead>
<tr>
<th>Family Member(s)</th>
<th>Exemption Type</th>
<th>Eligibility Results</th>
<th>Timeframe for Exemption</th>
<th>Next Steps</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Exemption for members of a recognized religious sect</td>
<td>Qualify for an exemption</td>
<td>Effective beginning Jan of 2014</td>
<td>Save this notice and note your exemption certificate number (ECN) on your federal income tax return.</td>
</tr>
<tr>
<td></td>
<td>Exemption for members of a recognized religious sect</td>
<td>Qualify for an exemption</td>
<td>Effective beginning Jan of 2014</td>
<td>Save this notice and note your exemption certificate number (ECN) on your federal income tax return.</td>
</tr>
</tbody>
</table>

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**What are the results of my application?**

Review the table below for your eligibility results. Based on the information you provided, the new federal health care law provides that you could be eligible for free or low cost health care through TennCare. However, the state of TN has chosen not to offer you this new health care coverage at this time.

You are not required to pay a penalty for not having health insurance because of your income and because the state of TN declined to expand TennCare to cover individuals in your situation.

<table>
<thead>
<tr>
<th>Family Member(s)</th>
<th>Results</th>
<th>Next Steps</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Eligible for an exemption for 2014. Save this notice for your records. If you file a federal income tax return for 2014, you'll need to provide this exemption certificate number (ECN) on your return. Important: If you provide this information on your tax return so the Internal Revenue Service (IRS) knows you're eligible for the exemption.</td>
<td>Choose a health plan and make first month's payment</td>
</tr>
<tr>
<td></td>
<td>Eligible for an exemption for 2014. Save this notice for your records. If you file a federal income tax return for 2014, you'll need to provide this exemption certificate number (ECN) on your return. Important: If you provide this information on your tax return so the Internal Revenue Service (IRS) knows you're eligible for the exemption.</td>
<td>Choose a health plan and make first month's payment</td>
</tr>
<tr>
<td></td>
<td>Eligible for TennCare for now but you may need to provide more information to maintain your coverage.</td>
<td></td>
</tr>
</tbody>
</table>
FAQs on Exemptions

• Does a taxpayer need to show proof that they qualify for an exemption that can be claimed in Part III?
  – In general, no. Do not attach supporting statements to the tax return. However, if a taxpayer is audited, it’s helpful for the taxpayer to keep a record of any documents that support an exemption.
    o Example: If someone claims Code A because their employer-sponsored insurance was unaffordable, they should keep a record of the cost of that insurance.
A taxpayer was Married Filing Separately but received advance payment of PTC. What should I do?

– Consider whether an exception applies:
  o Domestic abuse?
  o Abandoned spouse?

– If an exception applies, check the box on Form 8965 for “Relief.”

– If not, the TP is not eligible for PTC. See Form 8965 instructions.
A young, hipster taxpayer has a Form 1095-A. I entered the information in Form 8962, but it says he has zero PTC. Is this right?

– Maybe! This has to do with the calculation of the PTC. If a person’s expected contribution (determined by income) is higher than the cost of their premium, they will receive zero tax credit. This is most likely to happen with younger people, who have lower premiums.
• The penalty amount seems wrong. What did I do wrong?

Make sure you checked the right boxes in the ACA Wkt!

Check to indicate that the individual had coverage in the Marketplace for at least one month. **Also complete Form 8962.**

Check to indicate that the individual qualifies for an exemption for at least one month. **Also complete Form 8965.**

Check to indicate the person had no coverage.*

**Consider whether exemptions apply.**

*Do this only if the person was in the household all 12 months.

Check to indicate that the individual had MEC all year.

Tricky! Check only the months where the person had **no** coverage and **no** exemption, i.e., the penalty months.
CBPP Resources

• VITA specific materials on the ACA and tax preparation
  – Sign up for future webinars or view the materials for previous webinars
    o Coming soon: Advanced reconciliation
  – Visit our online volunteer training course
    o Six training modules to explain the ACA – start to finish
    o Quizzes to test your knowledge
    o All done at your own pace
  – Coming soon: An on-site tool for tax preparers

http://www.healthreformbeyondthebasics.org/home/for-tax-preparers/
Contact Info

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For more information and resources, please visit: http://www.healthreformbeyondthebasics.org/home/for-tax-preparers/

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Complete the survey
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