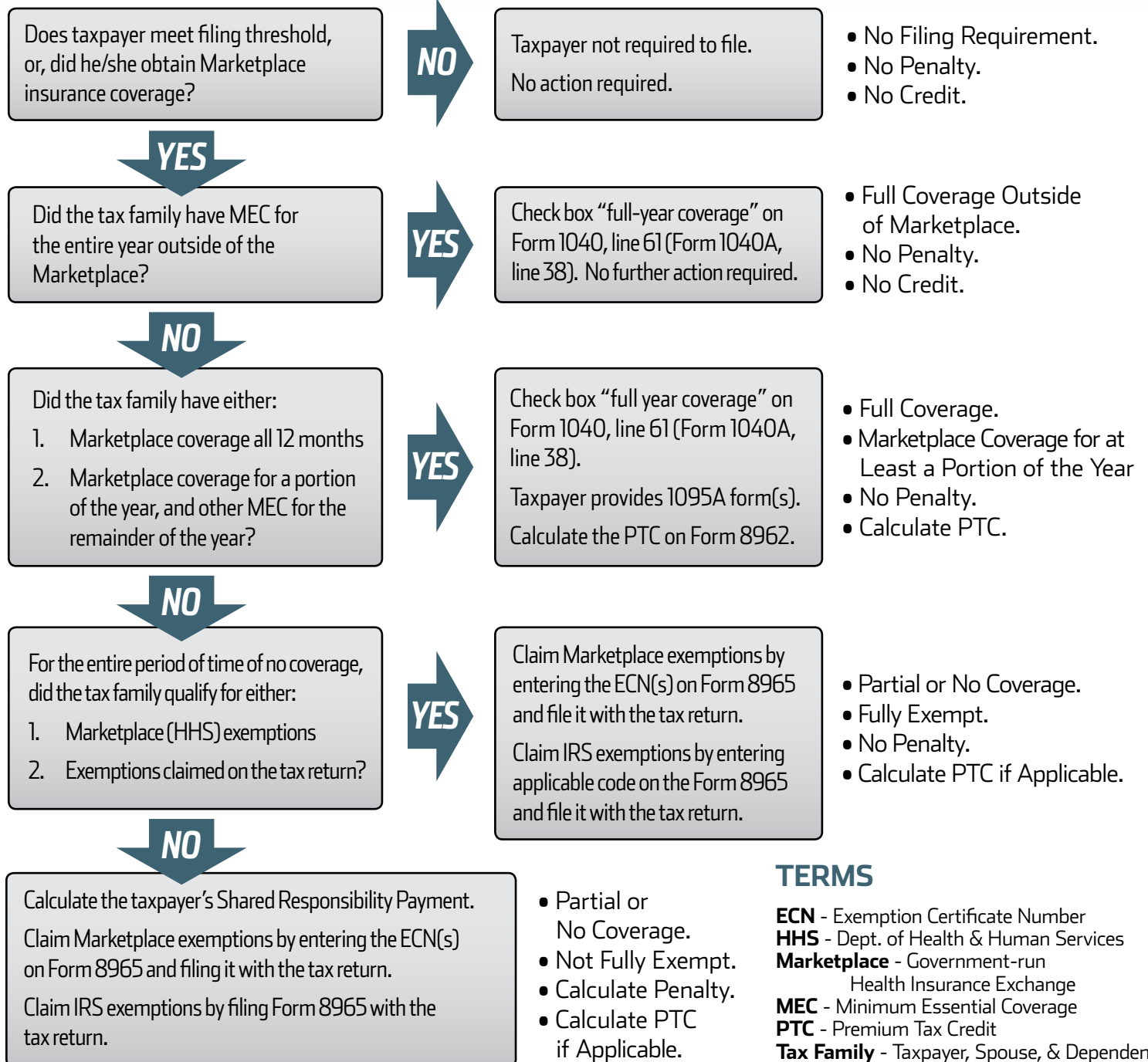


Affordable Care Act Resource Guide



ACA - OVERVIEW

Beginning in 2014, US citizens, their dependents, and legal resident aliens are required to have Minimum Essential Health Care Coverage (MEC), have a health coverage exemption, or make a Shared Responsibility Payment (aka penalty or ISRP) with their tax return. (See page 5 for a list coverages that qualify as MEC)



TERMS

- ECN** - Exemption Certificate Number
- HHS** - Dept. of Health & Human Services
- Marketplace** - Government-run Health Insurance Exchange
- MEC** - Minimum Essential Coverage
- PTC** - Premium Tax Credit
- Tax Family** - Taxpayer, Spouse, & Dependents

Reminder:

- 1095 form(s) will be issued by the Marketplace if anyone in the tax family had Marketplace coverage for any months during the year. Calculate the PTC on Form 8962.
- For the purposes of the PTC, eligibility is based on the most recently published set of poverty lines as of the first day of the annual open enrollment period. As a result, the tax credit for 2014 will be based on 2013 poverty lines.

PREMIUM TAX CREDIT (PTC)

Taxpayers with lower household income may qualify for a refundable credit to help lower insurance premiums if they purchased insurance through a government-run Marketplace and were not eligible for other MEC (such as employer-sponsored coverage) during the months they were enrolled in Marketplace coverage. A portion of the refundable credit may be advanced to the insurance company on behalf of the taxpayer; the remainder is claimed at the time of filing the tax return.

- Individuals insured through the Marketplace will receive Form 1095-A, which provides information necessary to complete form 8962.
- Taxpayers filing status of Married Filing Separately are not eligible for a Premium Tax Credit unless they are a victim of Domestic Abuse, Spousal Abandonment, or qualify as HOH filing status. When that situation applies, the relief box on the 8962 must be checked.
- Taxpayers that are a dependent of another are not eligible for a Premium Tax Credit.
- IRS form 8962 is used to compute the Premium Tax Credit (PTC) or to reconcile advance payments of the Premium Tax Credit (APTC).
 - Note: For some lower income taxpayers there are caps to the amount of overpayment the taxpayer will owe back on their tax return. APTC's are reconciled on the tax return, on the Form 8962 – Premium Tax Credit.

PREMIUM TAX CREDIT

Taxpayer's Maximum Premium as Percentage of Income (full table can be found in the 8962 instructions)

Household Income Level (% above Federal Poverty Level)	Maximum Premium as Percentage of Income
Less than 133%	2.0%
At least 133% but less than 150%	3.0% - 4.0%
At least 150% but less than 200%	4.0% - 6.3%
At least 200% but less than 250%	6.3% - 8.05%
At least 250% but less than 300%	8.05% - 9.5%
At least 300% but less than 400%	9.5%

REPAYMENT CAPS

If the amt on Form 8962, line 5 is..	Single Filing Status	Any Other Filing Status
Less than 200%	\$300	\$600
At Least 200% but less than 300%	\$750	\$1,500
At Least 300% but less than 400%	\$1,250	\$2,500
400% or more	No cap	No cap

2013 FEDERAL POVERTY LINES

Persons in household	Poverty Line for 48 Contiguous States & DC	Poverty Line for Alaska	Poverty Line for Hawaii
1	\$11,490	\$14,350	\$13,230
2	\$15,510	\$19,380	\$17,850
3	\$19,530	\$24,410	\$22,470
4	\$23,550	\$29,440	\$27,090
5	\$27,570	\$34,470	\$31,710
6	\$31,590	\$39,500	\$36,330
7	\$35,610	\$44,530	\$40,950
8	\$39,630	\$49,560	\$45,570
For households with more than 8 persons add \$ for each additional person	\$4,020	\$5,030	\$4,620

EXEMPTIONS TO THE MANDATE

Several exemptions from the mandate are available to the taxpayer and tax family. The exemptions may be required to be obtained from HHS, or they may be available only from the IRS. Some exemptions can be given by both agencies. (See page 4 for listing of valid exemptions.)

IRS form 8965 is used to report a coverage exemption granted by the Marketplace or to claim a coverage exemption on the tax return. The ECN must be obtained from the Marketplace for HHS-granted exemptions; the ECN is reported on Form 8965. Taxpayers who have applied for but not yet received an ECN can enter "Pending" in part 1, column C of Form 8965.

To help taxpayers determine if they qualify for an exemption, CMS has launched a health coverage exemption tool at HealthCare.gov. This tool will give results for both exemption granted from the Marketplace and for exemptions that should be claimed on the tax return.

Click [HERE](#) to access the Exemption Tool.

INDIVIDUAL SHARED RESPONSIBILITY PAYMENT (ISRP)

The ISRP is a tax (also referred to as a penalty) for not having MEC. The taxpayer incurs an ISRP when any member of the tax family goes without MEC for any month during the year without an exemption.

The formula for calculating the ISRP is the greater of:

- Percent of income or
- The family's flat dollar amount

*Not to exceed the cost of the average National Bronze premium for the family size involved.

ISRP - % OF HOUSEHOLD INCOME

Year	% Of Household Income
2014	1 % income
2015	2 % income
2016	2.5 % income


ISRP FLAT DOLLAR AMOUNTS

Year	Adult	Child (under 18)	Family Cap
2014	\$ 95	\$ 47.50	\$ 285
2015	\$325	\$162.50	\$ 975
2016	\$695	\$347.50	\$2085

2014 AVERAGE NATIONAL BRONZE PLAN PREMIUM TABLE

Number of Months	Family Size				
If you did not have MEC or an exemption for -	1	2	3	4	5 or more
1	\$204	\$408	\$612	\$816	\$1,020
2	408	816	1,224	1,632	2,040
3	612	1,224	1,836	2,448	3,060
4	816	1,632	2,448	3,264	4,080
5	1,020	2,040	3,060	4,080	5,100
6	1,224	2,448	3,672	4,896	6,120
7	1,428	2,856	4,284	5,712	7,140
8	1,632	3,264	4,896	6,528	8,160
9	1,836	3,672	5,508	7,344	9,180
10	2,040	4,080	6,120	8,160	10,200
11	2,244	4,488	6,732	8,976	11,220
12	2,448	4,896	7,344	9,792	12,240

TYPES OF COVERAGE EXEMPTIONS FROM THE 8965 INSTRUCTIONS

Coverage Exemptions	Granted by Marketplace	Claimed on tax return	Code for Exemption
Coverage is considered unaffordable – You cannot afford coverage because the minimum amount you must pay for premiums is more than 8% of your household income.		✓	A
Short-term coverage gap – You went without coverage for less than 3 consecutive months during the year.		✓	B
Citizens living abroad and certain noncitizens – You are: <ul style="list-style-type: none"> a US citizen or resident who spent at least 330 full days outside of the US during a 12-month period, a U.S. citizen who is a bona fide resident of a foreign country or U.S. territory, or neither a U.S. citizen or U.S. national nor an alien lawfully present in the U.S. 		✓	C
Household income below the filing threshold – Your household income is below the minimum threshold for filing a tax return.		✓	No Code, See Part II, Form 8965
Members of a health care sharing ministry – You are a member of a health care sharing ministry.	✓	✓	D
Members of Federally-recognized Indian tribes – You are a member of a Federally-recognized Indian tribe.	✓	✓	E
Incarceration – You are in a jail, prison, or similar penal institution or correctional facility after the disposition of charges.	✓	✓	F
Members of certain religious sects – You are a member of a recognized religious sect.	✓		No Code, See Part I, Form 8965
Limited benefit Medicaid and TRICARE program – You are enrolled in certain types of Medicaid and TRICARE programs that are not minimum essential coverage. (Available only in 2014.)		✓	H
Fiscal year employer-sponsored plan – You were eligible, but did not purchase, coverage under an employer plan with a plan year that started in 2013 and ended in 2014. (Available only in 2014.)		✓	H
Hardships			
<ul style="list-style-type: none"> Two or more family members' aggregate cost of self-only employer-sponsored coverage is more than 8% of household income, as is the cost of any available employer-sponsored coverage for the entire family. 		✓	G
<ul style="list-style-type: none"> You purchased insurance through the Marketplace during the initial enrollment period but have a coverage gap at the beginning of 2014. 		✓	G
<ul style="list-style-type: none"> You applied for CHIP coverage during the initial open enrollment period and were found eligible for CHIP based on that application but have a coverage gap at the beginning of 2014. 		✓	G
<ul style="list-style-type: none"> You are an American Indian, Alaska native, or a spouse or descendent of either who is eligible for services through an Indian health care provider. 	✓	✓	E
<ul style="list-style-type: none"> Your gross income is below the filing threshold. 		✓	No Code, See Part II, Form 8965
<ul style="list-style-type: none"> You are experiencing circumstances that prevent you from obtaining coverage under a qualified health plan. 	✓		No Code See Part I, Form 8965
<ul style="list-style-type: none"> You do not have access to affordable coverage based on your projected household income. 	✓		No Code See Part I, Form 8965
<ul style="list-style-type: none"> You are ineligible for Medicaid solely because the state in which you live does not participate in the Medicaid expansion under the Affordable Care Act. 	✓		No Code See Part I, Form 8965
<ul style="list-style-type: none"> You have been notified that your health insurance policy will not be renewed and you consider the other plans available unaffordable. 	✓		No Code See Part I, Form 8965

MINIMUM ESSENTIAL COVERAGE – WHAT QUALIFIES?

Employer Sponsored Coverage

- Employee Coverage
(Including Self-Insured Plans)
- COBRA Coverage
- Retiree

Individual Health Coverage

- Purchased From an Insurance Company Directly
- Purchased Through the Marketplace
- Provided Through a Student Health Plan
- Provided Through a Student Health Plan that is Self-Funded by a University (Only for a Plan Year Beginning on or Before Dec. 31, 2014, Unless Recognized as MEC by HHS)

Coverage Under Government-Sponsored Programs

- Medicare Part A Coverage (Hospital Insurance)
- Medicare Advantage Plans
- Most Medicaid Coverage
- Children's Health Insurance Program (CHIP)
- Most Types of TRICARE Coverage Under Title 10, Chapter 55 of the United States Code
- Comprehensive Health Care Programs Offered by the Department of Veterans Affairs
- State High-Risk Health Insurance Pools (Only for a Plan Year Beginning on or Before December 31, 2014, Unless Recognized as MEC by HHS)
- Coverage Provided to Peace Corps Volunteers
- Department of Defense Non-Appropriated Fund Health Benefits Program
- Refugee Medical Assistance

Other Coverage



- Certain Foreign Coverage
- Certain Coverage for Business Owners

MAY PROVIDE LIMITED BENEFITS BUT DOES NOT QUALIFY AS MINIMUM ESSENTIAL COVERAGE:

- Coverage Consisting Solely of Excepted Benefits such as:
 - Standalone Dental and Vision Insurance
 - Accident or Disability Income Insurance
 - Workers' Compensation Insurance
- Medicaid Providing Only Family Planning Services*
- Medicaid Providing Only Tuberculosis-Related Services*
- Medicaid Providing Only Coverage Limited to Treatment of Emergency Medical Conditions*
- Pregnancy-Related Medicaid Coverage*
- Medicaid Coverage for the Medically Needy*
- Section 1115 Medicaid Demonstration Projects*
- Space Available TRICARE Coverage Provided Under Title 10, Chapter 55 of the United States Code for Individuals Who Are Not Eligible for TRICARE Coverage for Health Services from Private Sector Providers*
- Line of Duty TRICARE Coverage Provided Under Title 10, Chapter 55 of the United States Code*
- AmeriCorps Coverage for Those Serving in Programs Receiving AmeriCorps State and National Grants
- AfterCorps Coverage Purchased by Returning Members of the Peace Corps

***In Notice 2014-10, the IRS announced relief from the individual shared responsibility payment for months in 2014 in which individuals are covered under one of these programs.**