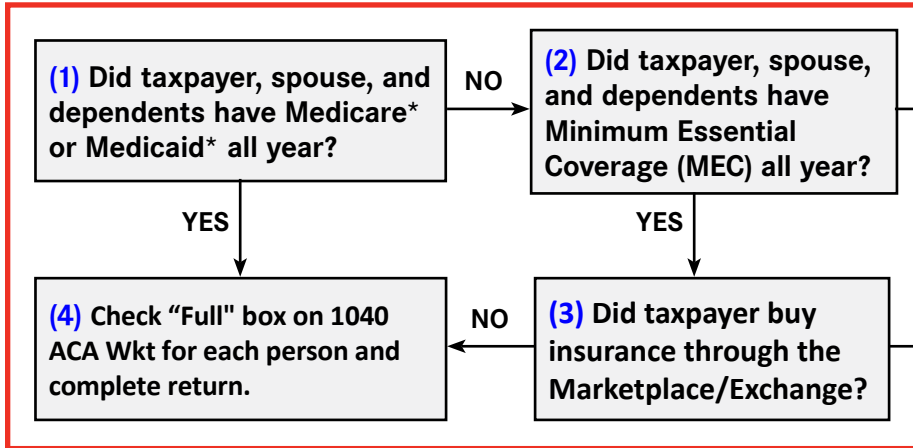
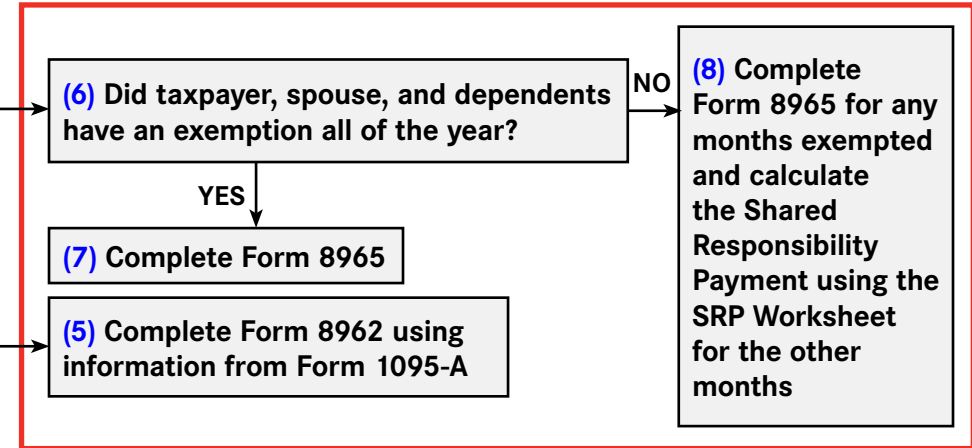


# ACA Resource Tool for Tax Counselors

## Normal Tax Return Preparation



## Special Processing



\* Part A Medicare, Medicare Advantage, and most Medicaid — see Chart in Pub 4012

### Normal Tax Return Preparation

- A YES answer to (1) generally excludes any special processing and return can be prepared as indicated (4).
- If Minimum Essential Coverage is in effect all year (2) and insurance was not purchased through the Marketplace/Exchange (3), then no special processing is required and return can be prepared as indicated (4).

### Special Processing Required

- If taxpayer, spouse, and dependents have exemptions all or part of the year (6), Form 8965 must be completed (7) and attached to the return.
- No insurance and no exemption for all or part of the year will result in (8) calculation of the Shared Responsibility Payment using the SRP Worksheet.
- Form 8962 (5) must be completed and attached to the return if insurance was purchased through the Marketplace/Exchange (3). Form 1095-A issued from the Marketplace/Exchange is required to complete Form 8962 to reconcile year-end Premium Tax Credit (PTC).

### Exemptions from the requirement to obtain Minimum Essential Coverage

- **Religious conscience** — taxpayers who are members of a religious sect that is recognized as conscientiously opposed to accepting any insurance benefits.
- **Healthcare sharing ministry** — taxpayers who are members of a recognized healthcare sharing ministry.
- **Indian tribes** — taxpayers who are members of a federally recognized Indian tribe or taxpayers who are eligible for services through an Indian care provider.
- **Income below the income tax return filing requirement** — taxpayers whose income is below the minimum threshold for filing a tax return.
- **Short coverage gap** — taxpayers who went without coverage for less than three consecutive months during the year.
- **Hardship** — taxpayers who have suffered a hardship that makes them unable to obtain coverage.
- **Affordability** — taxpayers who can't afford coverage because the minimum amount they must pay for the premiums is more than 8% of their household income.
- **Incarceration** — taxpayers who are in jail, prison, or a similar penal institution or correctional facility after the disposition of charges.
- **Not lawfully present** — taxpayers who are not U.S. citizens, U.S. nationals or aliens lawfully present in the U.S.

## Overview of What a Taxpayer Needs to Know About the Health Care Law Known as the Affordable Care Act (ACA)

The ACA requires a taxpayer and each member of his/her family to have qualifying health insurance known as Minimum Essential Coverage (MEC), **OR** have an exemption, **OR** make a Shared Responsibility Payment (SRP) when the taxpayer files his/her federal income tax return. If a taxpayer purchases insurance coverage through the Health Insurance Marketplace/Exchange, s/he may be eligible for a Premium Tax Credit (PTC).

Coverage	Credits	Payments
<ul style="list-style-type: none"><li>• If taxpayer has Minimum Essential Coverage (MEC), s/he doesn't need to do anything more than continue the insurance.</li><li>• If taxpayer doesn't have or maintain MEC, s/he will have to get an exemption or make a payment with the federal tax return.</li><li>• If taxpayer doesn't have MEC, s/he may be able to get it through the Health Insurance Marketplace/Exchange.</li></ul>	<ul style="list-style-type: none"><li>• If taxpayer gets MEC through the health insurance Marketplace/Exchange, s/he may be eligible for the Premium Tax Credit (PTC).</li><li>• The PTC can be paid in advance to taxpayer's insurance company or to taxpayer when s/he files his/her federal income tax return.</li><li>• If taxpayer was granted an advance PTC, taxpayer should report changes in circumstances that will affect the credit to the Marketplace/Exchange as they happen.</li></ul>	<ul style="list-style-type: none"><li>• If taxpayer doesn't have MEC or qualify for an exemption s/he may have to make an Individual Shared Responsibility Payment (SRP) when s/he files his/her federal income tax return.</li><li>• Generally, the payment amount is the greater of a percentage of the household income above the taxpayer's filing threshold or a fixed amount, which varies by year. The taxpayer needs to report his/her coverage, exemption or payment on his/her federal tax return.</li></ul>

### ***What health insurance information does a taxpayer need to bring this year to support tax preparation?***

1. Health insurance coverage information for taxpayer, spouse and all dependents.
2. If taxpayer doesn't have full-year coverage, information on monthly coverage.
3. If taxpayer purchased health insurance through the Marketplace/Exchange, Form 1095-A. S/he should receive this form by January 31.
4. Any health care exemptions received from the IRS or the Marketplace/Exchange.
5. All information needed to complete returns for taxpayer, spouse and for each dependent that has a filing requirement.

For more information about the Marketplace/Exchange, visit **HealthCare.gov**.

For more information on the Affordable Care Act, go to **irs.gov/aca**.

*This document has been prepared for general information purposes only and is not intended to be relied upon as tax or other advice. The charts and related notes may assist Tax-Aide volunteers to prepare aspects of a federal tax return that relate to the Affordable Care Act (ACA). This document should not be relied upon solely, and Tax-Aide volunteers should refer to appropriate reference materials for complete details. This document has been printed by AARP Foundation Tax-Aide for use by AARP Foundation Tax-Aide Volunteers only. All other use prohibited unless permission granted. Call 1-800-424-2277 for more information.*