

Affordable Care Act Exemptions – 2014 Quick Reference Guide

Exemptions Available on Tax Return (in order of ease of use)

| Description | Code | Notes | Duration ¹ |
|---|------|---|---|
| Household income below filing threshold - 8965 7a | – | After input of MAGI for dependents that have a filing requirement Exemption applies to all members in the tax family | Covers full year |
| Gross income below filing threshold - 8965 7b | – | Include gross income of taxpayer (and spouse if MFJ) only (do not include income of dependents); Exemption applies to all members in the tax family | Covers full year |
| Certain citizens living abroad Certain noncitizens | C | A U.S. citizen or resident who spent at least 330 full days outside of the U.S. during a 12-month period; A U.S. citizen who is a bona fide resident of a foreign country or U.S. territory; A resident alien who was a citizen of a foreign country with which the U.S. has an income tax treaty with a nondiscrimination clause, and who was a bona fide resident of a foreign country for the tax year; or Not a U.S. citizen, not a U.S. national, and not lawfully present in the U.S. | Covers months of such status |
| Short coverage gap (<3 months) | B | One such gap only (max 2 months) (the first one if there are two short gaps) Another exemption may apply to a gap that is before or after a short gap | Covers months of short gap |
| Months prior to effective date of MEC | G | For a person who enrolls in Marketplace, Medicaid, CHIP, any individual, or any group MEC with an effective date on or before May 1, 2014 For people who applied to the Marketplace during open enrollment (or extended open enrollment), purchased coverage after 12/24/2013 and the coverage was not effective for one or more months in 2014 | Covers months prior to May 1, 2014 Covers all months prior to coverage |
| Incarceration ² | F | Includes being in a jail, prison, or similar penal institution or correctional facility after the disposition of charges Does not include: Time in jail pending disposition of charges (being held but not convicted of a crime), nor time in probation, parole, or home confinement | Covers months of incarceration |
| Member of Indian tribe or individual otherwise eligible for services from an Indian health care provider ² | E | You were either a member of a Federally-recognized Indian tribe, including an Alaska Native Claims Settlement Act (ANCSA) Corporation Shareholder (regional or village), or you were otherwise eligible for services through an Indian health care provider or the Indian Health Service Federally-recognized Indian tribes list at www.bia.gov/WhoWeAre/BIA/OIS/TribalGovernmentServices/TribalDirectory ; ANCSA list at dnr.alaska.gov/mlw/trails/17b/corpindex.cfm | Covers months of tribe membership |
| Health care sharing ministry (HCSM) ² | D | A HCSM is a tax-exempt organization acting as clearinghouse for those who have medical expenses and those who desire to share those medical expenses | Covers months of ministry membership |
| Ineligible for Medicaid solely because state does not participate in Medicaid expansion under ACA ² | G | Household income is less than 138% of FPL in states not expanding Medicaid: AK, AL, FL, GA, ID, IN, KS, LA, ME, MO, MS, MT, NC, NE, NH, OK, SC, SD, TN, TX, UT, VA, WY, WI, and for 2014 only: PA Household income for this 138% Medicaid eligibility determination is increased by untaxed social security | Covers full year |
| Transition relief for 2014 only for certain non-calendar year plans | H | Eligible for employer plan starting in 2013 and ending in 2014, but did not purchase coverage. For example, employer coverage plan is on a July 31 year-end: can claim exemption for first 7 months of 2014 only | Covers months of old fiscal year in 2014 only |
| Transition relief for 2014 only for certain limited benefit Medicaid and TRICARE programs | H | Limited-benefit Medicaid: –Family planning services –Tubercular services –Pregnancy-related –Emergency medical service –\$1115 demonstrations –Medically needy, “Spend-down” or “Share-of-cost” Limited-benefit TRICARE: –Space-available care –Line-of-duty care | Covers months enrolled in the program in 2014 only |

Affordable Care Act Exemptions – 2014 Quick Reference Guide – Page 2

| Affordability Exemptions | Code | Notes | Duration ¹ |
|--|------|--|--|
| Coverage is unaffordable because its cost is more than 8% of household MAGI and: | | Household MAGI = AGI + exempt interest income + excluded foreign income + pre-tax medical (salary reduction plan) Include MAGI of each tax family member with a filing requirement MUST compare against correct plan cost (use worksheets in F 8965 instructions) | Covers: |
| 1. Employer does NOT offer coverage | A | Use the lowest-cost bronze Marketplace plan for all individuals shown on the return who do not have an employer offer and do not qualify for another exemption ⁴ ; use the SLCSP for those individuals shown on the return who can get MEC in the Marketplace ⁵ and who are not eligible for another exemption; Exemption applies to members in the tax family included in the bronze plan quote | Applicable months |
| 2. Employer offers coverage to taxpayer or family member | A | Lowest cost employer coverage available for employee-only coverage; Must know cost of coverage offered by employer; Exemption applies to individual offered coverage only; If employee-only coverage is affordable, exclude such family member from test 3 below | Applicable months |
| 3. Employer offers family coverage to taxpayer or spouse | A | Lowest cost employer family coverage for eligible tax family members who do not qualify for another exemption; Must know cost of family coverage offered by employer; Exemption applies to eligible tax family members (see 8965 instructions) | Applicable months |
| 4. More than one tax family member is offered employer coverage | G | Two or more family members offered employer coverage: (1) Individual coverage offers are affordable but (2) their combined cost is greater than 8% of income and (3) no family coverage is offered for less than 8% of income; Must know cost of coverages offered by employers; Exemption applies to all members in the tax family | The whole year, if criteria met for at least one month |

Marketplace-ONLY Exemptions (ECN issued by Marketplace)³

| |
|---|
| Members of certain religious sects |
| You are experiencing circumstances that prevent you from obtaining coverage under a qualified health plan. |
| You do not have access to affordable coverage based on your projected household income |
| You have been notified that your health insurance policy will not be renewed and you consider other plans available unaffordable |
| You were engaged in service in AmeriCorps State and National, VISTA, or NCCC programs and were covered by short-term duration coverage or self-funded coverage provided by these programs |

Retroactive Marketplace-ONLY Exemptions Available (ECN issued by Marketplace)³

| | | |
|--|---|---|
| Members of certain religious sects | | |
| Membership in an Indian Tribe | | |
| Hardship - 14 categories below: | Have up to 3 years after the month of the hardship to apply (documentation is required in most circumstances) | Exemption is effective at least one month before and after hardship |
| <ol style="list-style-type: none"> 1. Homelessness 2. Eviction in the last 6 months or facing eviction or foreclosure 3. Utility shut-off notice 4. Domestic violence 5. Recent death of a close family member 6. Disaster that resulted in significant property damage 7. Bankruptcy in the last 6 months 8. Debt from medical expenses in the last 24 months 9. High expenses caring for ill, disabled or aging relative 10. Failure of another party to comply with a medical support order for a dependent child who is determined ineligible for Medicaid or CHIP | <ol style="list-style-type: none"> 11. Through an appeals process, determined eligible for a Marketplace QHP, PTC, or CSR but was not enrolled 12. Determined ineligible for Medicaid because the state did not expand (must have applied and been denied) 13. Individual health insurance plan was cancelled and you believe Marketplace plans are considered unaffordable 14. Other hardship in obtaining coverage (including for people in AmeriCorps, VISTA and NCCC who are enrolled limited duration or self-funded coverage) | |

¹ One day of MEC in a month satisfies the MEC requirement for the whole month; one day of exemption in a month covers the whole month; may need to test on a month-by-month basis, annualized if needed

² Exemption may be obtained from the Marketplace also – if have ECN, use Part I of Form 8965

³ Use “PENDING” as the ECN on Form 8965 if the ECN has not yet been received

⁴ Include individuals even if they have, or could have had, other coverage (Medicare, Medicaid, CHIP, other gov’t)

⁵ Exclude individuals who have, or could have had, disqualifying coverage (employer-offered, Medicare, Medicaid, CHIP, other gov’t)