

Affordable Care Act Client Checklist

(Summary for Tax Professionals)

Premium Tax Credit

- The Premium Tax Credit applies to your clients who enrolled in a qualified health plan offered through a Marketplace.
 - These clients will receive a Form 1095-A, Health Insurance Marketplace Statement, which must be provided to you before being able to file a tax return.
 - Information included on Form 1095-A will flow to Form 8962 in order to reconcile the amount of premium tax credit.
 - Advance payment of the premium tax credit (APTC) is a payment made for coverage during the year to the insurance provider that pays for part or all of the premiums for the coverage of the taxpayer or an individual in their tax family.
 - The taxpayer must file Form 8962 to reconcile any Advance Premium Tax Credit (APTC) against the Premium Tax Credit (PTC) eligible for the tax year. If the APTC is more than the PTC, the taxpayer will have excess APTC and must repay the excess, subject to certain limitations. If PTC is more than the APTC, the taxpayer can reduce their tax payment or increase their refund by the difference.
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Individual Shared Responsibility Payment

- Beginning in 2014, your clients must have health care coverage, have a health coverage exemption, or make a shared responsibility payment with their tax return. (For clients subject to the individual shared responsibility payment, they may be eligible for the exemptions below.)
- Minimum essential coverage is coverage under a government-sponsored program, coverage from an employer, a plan that they purchased in the individual market, or certain other coverage.
- For 2014, the annual shared responsibility payment amount is the greater of: a) 1% of household income above filing threshold, or b) Family's flat dollar amount, \$95 per adult and \$47.50 per child, limited to family maximum of \$285

Types of Coverage Exemptions

	Granted by Marketplace	Claimed on Tax Returns	Code for Exemption on Return	Exemption certificate # (If granted by Marketplace)
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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.

Yes

A

Short coverage gap: You went without coverage for less than 3 consecutive months during the year. *

B

Citizens living abroad and certain noncitizens: You are: 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, or neither a U.S. citizen or U.S. national nor an alien lawfully present in the U.S.

Yes

C

Household income below the filing threshold: Your household income is below the minimum threshold for filing a tax return. *

Yes

None. Use
Form 8965,
Part II

Member of a health care sharing ministry.

Yes

Yes

D

Member of a federally-recognized Indian tribe.

Yes

Yes

E

Incarceration: You are in a jail, prison, or similar penal institution or correctional facility after the disposition of charges.

Yes

Yes

F

Member of a recognized religious sect.

Yes

Yes

None. Use
Form 8965,
Part I

Limited benefit Medicaid and TRICARE programs: You are enrolled in certain types of Medicaid and TRICARE programs that are not minimum essential coverage. (Available only in 2014.)

Yes

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.)

Yes

H

* Qualification of exemption is automatically calculated on the tax return by the software.

** Exemption chart reproduced from IRS Form 8965 Instructions (draft).

Types of Coverage Exemptions

	Granted by Marketplace	Claimed on Tax Returns	Code for Exemption on Return	Exemption certificate # (If granted by Marketplace)
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Hardships

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.

Yes

G

You purchased insurance through the Marketplace during the initial enrollment period but have a coverage gap at the beginning of 2014

Yes

G

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.

Yes

G

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.

Yes

Yes

E

Your gross income is below the filing threshold. *

Yes

None. Use
[Form 8965](#),
Part II

You are experiencing circumstances that prevent you from obtaining coverage under a qualified health plan.

Yes

None. Use
[Form 8965](#),
Part I

You do not have access to affordable coverage based on your projected household income.

Yes

None. Use
[Form 8965](#),
Part I

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.

Yes

None. Use
[Form 8965](#),
Part I

You have been notified that your health insurance policy will not be renewed and you consider the other plans available unaffordable.

Yes

None. Use
[Form 8965](#),
Part I

You were homeless.

You were evicted or facing eviction or foreclosure in the last six months.

You received a shut-off notice from a utility company.

You recently experienced domestic violence.

You recently experienced the death of a close family member.

You experienced a fire, flood, or other natural human-caused disaster that caused substantial damage to your property.

You filed for bankruptcy in the last 6 months.

You had medical expenses that couldn't be paid in the last 24 months.

You experienced unexpected increases in necessary expenses due to caring for an ill, disabled, or aging family member

* Qualification of exemption is automatically calculated on the tax return by the software.

** Exemption chart reproduced from IRS Form 8965 Instructions (draft).