



MAKING HEALTH INSURANCE MAKE SENSE

Answers to Some of the Most Commonly Asked Questions

Q: What do I need to do when I file my taxes this year if I had health insurance through the Marketplace?

A: If anyone in your household enrolled in a health plan through the Health Insurance Marketplace in 2014, you'll need some new information when you file your federal income taxes. If you didn't have health coverage for three or more months, you can apply for an exemption or you might pay a fee.

3 Tips About Marketplace Coverage and Your Taxes

Use these Marketplace tips so you'll be ready when it's time to file:

1. **Watch your mail for Form 1095-A** If you enrolled in a health plan through the Marketplace in 2014, you'll get Form 1095-A in the mail from the Marketplace by early February. It includes basic information that you'll need to know about your household's enrollment, premium payments, and premium tax credit amounts. Keep it with your other important tax information.

In case of errors on Form 1095-A – When you get Form 1095-A make sure the information matches your records. Check your coverage start date, and end date if your coverage ended; check the number of people in your household, and the premium tax credit information, if applicable. If you think anything is wrong, contact the Marketplace call center at: 1-800-318-2596; (TTY: 1-855-889-4325).

2. **Your final premium tax credit for 2014 is computed with your federal income tax return.** The Marketplace used your application information to determine your amount of premium tax credit. If you were like most people who qualified, you probably used "advance payments" of this premium tax credit to lower what you paid for monthly premiums. Your completed federal income tax return will show the final or actual

amount of your premium tax credit. Your tax software or preparer will figure out this amount, or you'll complete and attach the Premium Tax Credit Form (Form 8962) to your tax return when you file. **Consumers must complete Form 8962 and file it with their return if they want to claim the premium tax credit or they received premium assistance through advance credit payments.**

3. In most cases, if you didn't have health coverage for part of 2014, use Form 8965.

If your Marketplace coverage started partway through 2014 and you were uninsured earlier in the year, you'll need to fill out Form 8965. This will show you if you qualify for an exemption from paying a fee for the months you didn't have coverage.

Help is available.

- Many people who signed up for Marketplace coverage can get free assistance with filling out their taxes. This may include free access to tax software programs, or free in-person assistance. For more information, visit IRS.gov/freefile or IRS.gov/VITA.
- If you have questions about your taxes, need Form 8962, or want to learn more about the fee for not having health coverage, visit IRS.gov.
- For more information about how your Marketplace coverage will affect your taxes, visit HealthCare.gov/taxes/ or call the Marketplace Call Center at 1-800-318-2596 (TTY: 1-855-889-4325)

Q: **What if I did not have health insurance in 2014? I've heard that I could pay a penalty when I file my taxes; is that true?**

A: The Affordable Care Act law, known as Healthcare Reform, does require everyone, including children, to maintain a minimum level of health coverage all year, or your taxes could be affected.

Here are a few things to know:

1. You may pay a fee as part of your taxes if you didn't have health coverage in 2014, and don't get an exemption. If you could've afforded health coverage in 2014 but chose not to buy it and 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 coverage. Generally, the higher your income and the more months you were without health coverage, the higher the fee.

If you didn't have health coverage 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.

Or

- An amount that varies depending on your income (generally 1% of your yearly household income over a certain threshold).

The fee increases each 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 your income over the threshold. Again, you will pay the *higher amount* of the two each year. After 2016 it's adjusted for inflation.

- 2) If you are approved for an exemption, you won't have to pay a fee for not having health coverage. You might be able to get an exemption because of a special situation, like not having any affordable health insurance plans available to you, (the lowest-priced coverage available to you would cost more than 8% of your household income), having only a short gap in coverage, or being eligible for services through the Indian Health Service. In addition, if you had coverage starting in May 2014 or earlier, you qualify for an exemption for the months before your coverage started.

There are 2 types of exemptions:

1. IRS exemptions that you can get from the IRS when you file your tax return.
2. Marketplace exemptions that you'll need to request by completing a paper application and mailing it to the Health Insurance Marketplace.

For a complete list of exemptions and more information, visit HealthCare.gov or call the Marketplace Call Center at 1-800-318-2596. TTY users should call 1-855-889-4325.

If the Marketplace approves your exemption application, save the approval notice you get in the mail. If you get an exemption from the Marketplace, you'll get a notice in the mail that includes a unique Exemption Certificate Number (ECN). Keep this notice with other important tax documents. You'll need to enter that ECN 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 Premium Tax Credit Form (Form 8962), you won't need an ECN.

Help is available.

- For more information about how health coverage will affect your taxes, visit HealthCare.gov/taxes/ or call the Marketplace Call Center at 1-800-318-2596.
- Many people who signed up for Marketplace coverage can get free assistance with filling out their taxes. This may include free access to tax software programs, or free in-person assistance. For more information, visit IRS.gov/freefile or IRS.gov/VITA.
- If you have general questions about your taxes, or want to learn more about the fee for not having health coverage, visit IRS.gov.

Reminder: There is still time to enroll in a Health Insurance Marketplace plan for 2015. Health Insurance Marketplace enrollment continues this year until February 15. If you want to enroll for the first time or look at your options for 2015, and possibly find a more cost-effective plan for your needs, and would like free help with enrollment in Missouri or in the greater Kansas City area, log onto <http://www.covermissouri.org/events/> (for Missouri) or <http://extension.missouri.edu/WebSite/DisplayPage.aspx?PID=2309> (additional Missouri events) or <http://www.coverkc.org/events.htm> (for Kansas City area events) and click on the different events, by date, on the interactive calendar to find information and phone numbers about events or enrollment appointments, before the deadline.