

MEMORANDUM

TO: All Clients
FROM: Donna Wright
DATE: November 21, 2014
RE: Hlth Ins Exemption to Penalty

Most all of my clients H A V E health insurance and so this Memo is only for a few but - - if you didn't have coverage in 2014 I need you to be proactive here.

All these rules are still so new that nobody really knows how all this is going to work bureaucratically. The procedures are coming to us in dribs and drabs.

Last month in my Newsletter I told you that the exemption to the penalty required an exemption certificate number which will take time to get, otherwise the return will not be accepted for e-file, thereby, holding up your refund. Now I'm instructed that there are a few "hardship" cases that I can take directly to the return without a certificate number.

Attached here is the list that might apply to you. If this applies to you, please have all your facts and documentation available at our appointment. That will speed up the process greatly.

Have a wonderful Thanksgiving!



- [Affordable Care Act Topics](#)
- [Individuals and Families](#)
- [Employers](#)
- [Other Organizations](#)
- [List of Tax Provisions](#)
- [Legal Guidance and Other Resources](#)
- [Questions and Answers](#)
- [Health Care Tax Tips](#)
- [Affordable Care Act Tax Provisions Home](#)

- [Disposiciones Tributarias de la Ley de Cuidado de Salud a Bajo Precio](#)

Individual Shared Responsibility Provision - Exemptions

The individual shared responsibility provision requires you and each member of your family to have basic health insurance coverage (also known as minimum essential coverage), qualify for an exemption, or make an individual shared responsibility payment when you file your federal income tax return.

How you get the exemption depends upon the type of exemption for which you are eligible. You can obtain some exemptions only from the Marketplace in the area where you live, others only from the IRS, and yet others from either the Marketplace or the IRS.

Publication 5172 -- Facts about Health Coverage Exemptions

The chart below shows the types of exemptions available and whether they must be granted by the Marketplace, claimed on an income tax return filed with the IRS, or either may be granted by the Marketplace or claimed on a tax return. For additional information about how to get exemptions that may be granted by the Marketplace, visit HealthCare.gov/exemptions.

Information will be made available later about how to report health insurance coverage and claim exemptions on your income tax return.

Exemptions	May only be granted by Marketplace	May be granted by Marketplace or claimed on tax return	May only be claimed on tax return
<p>Coverage is considered unaffordable - The amount you would have paid for employer-sponsored coverage or a bronze level health plan (depending on your circumstances) is more than eight percent of your actual household income for the year as computed on your tax return. Also see the second hardship listed below, which provides a prospective exemption granted by the Marketplace if the amount you would have paid for coverage is more than eight percent of your projected household income for the year.</p>			☉
<p>Short coverage gap - You went without coverage for less than three consecutive months during the year. For more information, see question 22 of our questions and answers.</p>			☉
<p>Household income below the return filing threshold - Your household income is below the minimum threshold for filing a tax return. Learn more about household income.</p>			☉
<p>Certain noncitizens - You are neither a U.S. citizen, a U.S. national, nor an alien lawfully present in the U.S.</p>			☉
<p>Members of a health care sharing ministry - You are a member of a health care sharing ministry, which is an organization described in section 501(c)(3) whose members share a common set of ethical or religious beliefs and have shared medical expenses in accordance with those beliefs continuously since at least December 31, 1999.</p>		☉	
<p>Members of Federally-recognized Indian Tribes - You are a member of a federally-recognized Indian tribe.</p>		☉	
<p>Incarceration - You are in a jail, prison, or similar penal institution or correctional facility after the disposition of charges.</p>		☉	



HealthCare.gov
Get more information about the Affordable Care Act from the Department of Health & Human Services.

[Go to HealthCare.gov](http://HealthCare.gov)

Members of certain religious sects - You are a member of a religious sect in existence since December 31, 1950, that is recognized by the Social Security Administration (SSA) as conscientiously opposed to accepting any insurance benefits, including Medicare and Social Security.

Hardships:

- Your gross income is below the filing threshold. To find out if you are required to file, use our [interactive Tax Assistant](#).
- Two or more family members' aggregate cost of self-only employer-sponsored coverage exceeds 8 percent of household income, as does the cost of any available employer-sponsored coverage for the entire family.
- You purchased insurance through the Marketplace during the initial enrollment period but have a coverage gap at the beginning of 2014. See this [HHS Question and Answer](#).
- You are an American Indian, Alaska Native, or a spouse or descendant who is eligible for services through an Indian health care provider. [Learn more](#).
- You experienced circumstances that prevented you from obtaining coverage under a qualified health plan, including, but not limited to, homelessness, eviction, foreclosure, domestic violence, death of a close family member, and unpaid medical bills. [Learn more about the criteria for this exemption](#).
- You do not have access to affordable coverage based on your projected household income.
- You are ineligible for Medicaid solely because the State does not participate in the Medicaid expansion under the Affordable Care Act.
- You have been notified that your health insurance policy will not be renewed and you consider the other plans available unaffordable. See [HHS guidance](#) and [HHS Questions and Answers](#) for more information.