### Affordable Care Act

#### HEALTH CARE COVERAGE

<table>
<thead>
<tr>
<th>Type</th>
<th>Number</th>
<th>Perc</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full Year Coverage</td>
<td>7184</td>
<td>89.23%</td>
</tr>
<tr>
<td>Shared Resp. Payment</td>
<td>309</td>
<td>3.84%</td>
</tr>
<tr>
<td>Exemption</td>
<td>538</td>
<td>6.68%</td>
</tr>
<tr>
<td>Prem Tax Credit</td>
<td>25</td>
<td>0.31%</td>
</tr>
</tbody>
</table>

Most CASH clients had coverage all year

---

Client completes, Reviewed by Screener/TP

Completed and reviewed by Screener /TP/QR

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Visit [http://www.healthcare.gov](http://www.healthcare.gov) or call 1-800-318-2596 for more information on health insurance options and assistance.

---

<table>
<thead>
<tr>
<th>Part VI - Health Care Coverage - Last year, did you, your spouse, or dependent(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
</tr>
<tr>
<td></td>
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</tr>
</tbody>
</table>

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To be Completed by a Certified Volunteer Preparer (Use Publication 4012 and check the appropriate box(es) indicating Minimum Essential Coverage (MEC) for everyone listed on the return.)

<table>
<thead>
<tr>
<th>Name (List dependents in the same order as in Part II)</th>
<th>MEC Entire Year</th>
<th>No MEC</th>
<th>Part Year MEC (mark months with coverage)</th>
<th>Exemption (mark months exemptions applies)</th>
<th>Exemption All Year</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxpayer</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Spouse</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dependent</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Dependent</td>
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</tr>
<tr>
<td>Dependent</td>
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</tr>
<tr>
<td>Dependent</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
1095 Forms—what’s the difference

• **Form 1095-A** (Health Insurance Marketplace Statement)
  – this is the only form that clients must have for taxes

• **Form 1095-B** (Health Coverage) is mailed to individuals by the insurer to report minimum essential coverage.

• **Form 1095-C** (Employer Provided Health Insurance Offer and Coverage Insurance) is issued to employees by companies with 50 employees or more.
Marketplace Coverage Options

• Medicaid – do not need 1095-A
  – Client will have Medicaid Card
• Essential Plan – Do not need 1095-A
  – Client will have paid $20 for Ins
• Pays premium to an Ins Coverage-Adv. Prep
  – “Metal” plans: Bronze/Silver/Gold
  – Affects small percentage of clients.
  – May or may not get a subsidy.
Minimum Essential Coverage - MEC

• **Employer-sponsored coverage:**
  – Group health insurance coverage for employees under—
  – COBRA coverage,
  – Retiree coverage, or

• **Individual health coverage:**
  – Health insurance purchased directly from an ins. company
  – Health insurance you purchase through the Marketplace
  – Health insurance provided through a student health plan
  – Catastrophic coverage

• **Coverage under government-sponsored programs:**
  – Medicare Part A coverage,
  – Medicare Advantage plans,
  – Most Medicaid coverage,
  – Children’s Health Insurance Program (CHIP) coverage,
  – Most types of TRICARE coverage,
  – Comprehensive health care programs offered by the Department of Veterans Affairs,
  – Refugee Medical Assistance, or
  – Coverage through a Basic Health Program (BHP) standard health plan.

• In NY, this is the Essential Plan
Exemptions – most common

- **Income below the filing threshold** —
  - Gross income or your household income was less than your applicable minimum threshold for filing a tax return.

- **Short coverage gap** —
  - Went without coverage for less than 3 consecutive months during the year.
    - There is a look-back rule for gaps of coverage at the start of the year.

- **Coverage Not Affordable** – Explained on the next slides.
  - If you need help with this, ask the Site Staff
Coverage Not Affordable Exemption

1) Was Employer Insurance offered?
   If so, you must assess that for affordability.
   If Employer Insurance is affordable, you cannot claim the Marketplace un-affordability exemption

2) Was Marketplace coverage affordable?
   TaxSlayer calculates using LCBP and SLCSP values
   • CAUTION: the rules for selecting the LCBP are different from those for the SLCSP!!
   • Pay special attention to family income, children's ages
How to Enter Exemptions (continued)

Do you qualify for Health Care Exemptions?

You only need to fill in these values if a household member was not eligible for employer-sponsored coverage for one or more months. These values will be used to compute your annualized required contribution from the Marketplace Coverage Affordability Worksheet.

To determine if you can claim the “Coverage is Considered Unaffordable” exemption if health insurance was not offered through an employer, enter the premium values captured from the healthcare.gov tax tool that is made available to you. The link at the bottom of this page will assist you in determining the needed premium amounts. Note: If you were eligible for employer-sponsored coverage, select continue below and enter the required information asked to further determine affordability.

Monthly Premium for the Lowest Cost Bronze Plan Premium (worksheet line 1)

$  

Monthly Premium for the Second Lowest Cost Silver Plan Premium (worksheet line 10)

$  

Click here to obtain the LCBP and SLCSP premium amounts to enter above. Click here to determine if you can claim a health coverage exemption.

Lowest cost bronze plan (LCBP) for everyone in the tax household who is:
- Not offered employer sponsored coverage, and
- Does not qualify for another exemption.

Remember: Include people who are covered through Medicare or Medicaid!

Second lowest cost silver plan (SLCSP): Do not include individuals in your tax household who are eligible for other employer sponsored or government sponsored MEC, or who are otherwise exempt. For example, that means that the SLCSP cost would NOT INCLUDE the taxpayer or spouse who is enrolled in or eligible for Medicare or Medicaid. (This is different from LCBP).

If the taxpayer is unsure whether they or their dependents were eligible for Medicaid, see https://www.medicaid.gov/medicaid/program-information/medicaid-and-chip-eligibility-levels/index.html

Tip: Go to the taxpayer’s marketplace, such as healthcare.gov to find LCBP and SLCSP.

Note: The look up tool asks about tobacco use. Tobacco use is the use of a tobacco product 4 or more times per week within no longer than the past 8 months by legal users of tobacco products (generally those 18 and older). See the healthcare.gov tax tool tips starting on page H-20.
Marketplace Affordability Definition

Is the cheapest Marketplace plan cost (for the tax household) reduced by any Premium Tax Credit (for those eligible for PTC), Less than ~8% of the household income?

**Tax Household** means everyone on the tax return (with a few exceptions)

**Marketplace Insurance** means Bronze/Silver/Gold plan

**Eligible for PTC** means not eligible for other MEC
## 2018 Monthly Premium Amount of Lowest Cost Bronze Plan, By Coverage Family Type

<table>
<thead>
<tr>
<th>COUNTY</th>
<th>Individual</th>
<th>Couple</th>
<th>Individual + Child(ren)</th>
<th>Couple + Child(ren)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monroe</td>
<td>$354.04</td>
<td>$708.08</td>
<td>$601.87</td>
<td>$1,009.01</td>
</tr>
</tbody>
</table>

## 2018 Monthly Premiums for Second Lowest Cost Silver Plans (SLCSP) by Coverage Family Type

<table>
<thead>
<tr>
<th>Coverage Type:</th>
<th>Individual</th>
<th>Couple</th>
<th>Dependent Children Under Age 26</th>
<th>Dependent Children Ages 26-29</th>
<th>Child Only * Under 21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monroe</td>
<td>$449.12</td>
<td>$898.23</td>
<td>$763.49</td>
<td>$1,279.98</td>
<td>$774.68</td>
</tr>
</tbody>
</table>
Lowest Cost Bronze Plan Selection Rules

• Look at EVERYONE in the tax family (taxpayer and dependents)
  – EXCLUDE
    • anyone eligible for employer-provided insurance
    • anyone who already has a different coverage exemption
  – INCLUDE (even if they have insurance)
    • Children eligible for Child-Health Plus
    • Anyone eligible for Medicaid or Essential Plan
    • Senior aged 65+ who are Medicare-eligible

Remember: Include people who are covered through Medicare or Medicaid!
Second Lowest Cost Silver Plan Selection Rules

• Consider ONLY those people who are not eligible for MEC other than from Marketplace Plans.
  – EXCLUDE (even if they did not enroll):
    • Anyone eligible for Medicaid or Essential Plan
    • Children who are eligible for Child-Health Plus
    • Senior aged 65+ who is eligible for Medicare

• After excluding some people, who is left for SLCSP?
  – Multiple People – Enter cost from appropriate multiple-person column
    • Individual + Children, Couple, Couple + Children
  – Only one Person – Enter cost from the Individual column
  – No one – Enter $0 for the SLCSP value
Who Qualifies for Medicaid, EP, CHP?

For **Medicaid and Essential Plan**, the family qualifies if Income is up to: (enter $0 for SLCSP)

*Income = AGI + non-taxable income: e.g. Social Security

<table>
<thead>
<tr>
<th>Family Size</th>
<th>Medicaid (138% FPL)</th>
<th>Essential Plan (200% FPL)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-person</td>
<td>$16,643</td>
<td>$24,120</td>
</tr>
<tr>
<td>2-person</td>
<td>$22,411</td>
<td>$32,480</td>
</tr>
<tr>
<td>3-person</td>
<td>$28,180</td>
<td>$40,840</td>
</tr>
<tr>
<td>4-person</td>
<td>$33,948</td>
<td>$49,200</td>
</tr>
<tr>
<td>5-person</td>
<td>$39,716</td>
<td>$57,560</td>
</tr>
</tbody>
</table>

For **Child Health Plus**, all children under age 19 qualify (Exclude these children from SLCSP)

(CHP expires at end of the 19th birthday month)
### 2018 Monthly Premium Amount of Lowest Cost Bronze Plan, By Coverage Family Type

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<tr>
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<td>$763.49</td>
<td>$1,279.98</td>
<td>$774.68</td>
</tr>
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</table>
TaxSlayer Example 1
Single person, Medicaid-eligible

Do you qualify for Health Care Exemptions?

You only need to fill in these values if a household member was not eligible for employer-sponsored coverage for one or more months. These values will be used to compute your annualized required contribution from the Marketplace Coverage Affordability Worksheet.

To determine if you can claim the "Coverage is Considered Unaffordable" exemption if health insurance was not offered through an employer, enter the premium values captured from the healthcare.gov tax tool that is made available to you. The link at the bottom of this page will assist you in determining the needed premium amounts. Note: If you were eligible for employer-sponsored coverage, select continue below and enter the required information asked to further determine affordability.

Monthly Premium for the Lowest Cost Bronze Plan Premium (worksheet line 1)

354

LCBP

Monthly Premium for the Second Lowest Cost Silver Plan Premium (worksheet line 10)

0 x

SLCSP

Click here to obtain the LCBP and SLCSP premium amounts to enter above.

Click here to determine if you can claim a health coverage exemption.

BACK

CONTINUE
Example 2

- Taxpayer is a 42 year old single parent
- There is one dependent child, age 15
- The family income level is $35,000

What are the correct values for LCBP and SLCSP?

What if there were two dependent children – one age 15 and the other a full-time student age 20?
- At the same $35,000 income? At $45,000 income?
TaxSlayer Demo
Unaffordability Exemption
Summary - Unaffordability

1) Apply the different rules for LCBP and SLCSP to select the right values to enter in TaxSlayer.

2) No PTC would be allowed if a person was eligible for other MEC – it doesn’t matter if they signed up or not.

3) Check first for income below the Essential Plan threshold ($0 SLCSP). Then check for children’s ages for CHP eligibility.

4) Make sure to enter the annual cost in each month of the TaxSlayer affordability worksheet.
Client’s PTC was based on their estimate of 2018 income.

Now that the actual 2018 income is known, the amount of PTC may have been too high or too low.

PTC paid was too high: Client pays back the extra PTC
PTC paid was too low: Client gets credit for missing PTC
**Example 1095-A**

**Health Insurance Marketplace Statement**

**Part I: Recipient Information**

<table>
<thead>
<tr>
<th>1 Marketplace Identifier</th>
<th>2 Marketplace-assigned policy number</th>
<th>3 Policy issuer’s name</th>
</tr>
</thead>
<tbody>
<tr>
<td>12-333XXXX</td>
<td>354789</td>
<td>DELAWARE BLUE</td>
</tr>
</tbody>
</table>

4 Recipient’s name: ALBERT J MEADOWS

5 Recipient’s SSN: 302-00-XXXX

6 Recipient’s date of birth: 01/17/1954

7 Recipient’s spouse’s name: LOIS C MEADOWS

8 Recipient’s spouse’s SSN: 312-00-XXXX

9 Recipient’s spouse’s date of birth: 03/25/1976

10 Policy start date: 01/01/2018

11 Policy Termination Date: 12/31/2018

12 Street Address (including apartment number): 24 NORTH ST

**Part II: Covered Individuals**

<table>
<thead>
<tr>
<th>16 ALBERT J MEADOWS</th>
<th>302-00-XXXX</th>
<th>01/17/1954</th>
<th>01/01/2018</th>
<th>12/31/2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>17 LOIS C MEADOWS</td>
<td>312-00-XXXX</td>
<td>03/25/1976</td>
<td>01/01/2018</td>
<td>12/31/2018</td>
</tr>
<tr>
<td>18 WARREN A MEADOWS</td>
<td>322-00-XXXX</td>
<td>06/21/2003</td>
<td>01/01/2018</td>
<td>12/31/2018</td>
</tr>
<tr>
<td>19</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Part III: Coverage Information**

<table>
<thead>
<tr>
<th>Month</th>
<th>A Monthly Enrollment Premiums</th>
<th>B Monthly Second Lowest Cost Silver Plan (SLCSP) Premium</th>
<th>C. Monthly Advance Payment of Premium Tax Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>21 January</td>
<td>$763.61</td>
<td>$978.83</td>
<td>$600.00</td>
</tr>
<tr>
<td>22 February</td>
<td>$763.61</td>
<td>$978.83</td>
<td>$600.00</td>
</tr>
<tr>
<td>23 March</td>
<td>$763.61</td>
<td>$978.83</td>
<td>$600.00</td>
</tr>
<tr>
<td>24 April</td>
<td>$763.61</td>
<td>$978.83</td>
<td>$600.00</td>
</tr>
<tr>
<td>25 May</td>
<td>$763.61</td>
<td>$978.83</td>
<td>$600.00</td>
</tr>
<tr>
<td>26 June</td>
<td>$763.61</td>
<td>$978.83</td>
<td>$600.00</td>
</tr>
<tr>
<td>27 July</td>
<td>$763.61</td>
<td>$978.83</td>
<td>$600.00</td>
</tr>
<tr>
<td>28 August</td>
<td>$763.61</td>
<td>$978.83</td>
<td>$600.00</td>
</tr>
<tr>
<td>29 September</td>
<td>$763.61</td>
<td>$978.83</td>
<td>$600.00</td>
</tr>
<tr>
<td>30 October</td>
<td>$763.61</td>
<td>$978.83</td>
<td>$600.00</td>
</tr>
<tr>
<td>31 November</td>
<td>$763.61</td>
<td>$978.83</td>
<td>$600.00</td>
</tr>
<tr>
<td>32 December</td>
<td>$763.61</td>
<td>$978.83</td>
<td>$600.00</td>
</tr>
<tr>
<td>33 Annual Totals</td>
<td>$9,163.32</td>
<td>$11,745.96</td>
<td>$7,200.00</td>
</tr>
</tbody>
</table>
PTC Results

If too much PTC was given – decrease client refund. Sch 2 line 46

If too little PTC was given – increase client refund. Sch 5 line 70
Thank You

Time for Questions as needed.

Thanks for attending!
ACA Review Questions

1. Joe is 20 and works to help put himself through college. He is totally supported by his parents. They claim him as a dependent covered him on their Health Ins all 12 months.
   a) Does Joe have Minimum Essential Coverage (MEC)?
   b) Who has to account for Joe’s health insurance coverage on their tax return?

2. Joe started his job June 1st and was not eligible for Ins. through his employer until Jan 1 of the next year. He was covered under Medicaid until May 31.
   a) Can he go to the Marketplace to get insurance?
   b) What does Joe need to be careful about when getting insurance through the Marketplace?
   c) If Joe underestimates his income for the year will Joe have a “repayment?”
   d) If he overestimates his income, what happens on Joe’s tax return?
   e) What form will Joe need to show the tax preparer?
   f) Can Joe’s taxes be prepared without this form? Why or why not?

3. Hank has retiree health coverage from his old employer. His wife, Sara is in good health and has a dental policy only. Do both Hank and Sara have MEC?

4. Johnny was covered by Medicaid until February 23 of last year when he got a job. His employer-sponsored health coverage started after his probationary period ended on May 23
   a) Does Johnny have full-year coverage?
   b) Will Johnny be liable for a shared responsibility payment?
      1. If yes, for what months?
      2. If no, why not?