

Facts about the **Individual Shared Responsibility Provision**



Health Insurance Policy



... what you need to know.

The [individual shared responsibility provision](#) of the Health Care Law requires you, your spouse if you file a joint return, and anyone you can claim as a dependent on your tax return to have qualifying health care coverage, qualify for a health coverage exemption, or make a shared responsibility payment when filing the return. Many people already have qualifying health care coverage and only need to maintain that coverage. If you, your spouse if you file a joint return, and all your dependents had coverage for the full year, you will simply check a box on Form 1040, 1040A or 1040EZ. No further action is required.

Qualifying Health Care Coverage

Qualifying health care coverage is also referred to as [minimum essential coverage](#) and includes:

- Most health insurance coverage provided by your employer
- Health insurance purchased through the Health Insurance Marketplace
- Coverage under government-sponsored programs including Medicare, most types of Medicaid, and health care programs for veterans
- Health insurance purchased directly from an insurance company
- Other coverage including certain foreign coverage and coverage for business owners who are not considered employees

Health Coverage Exemptions

If you, your spouse if you file a joint return, or any of your dependents is exempt from the requirement to have qualifying health insurance you will file [Form 8965](#), Health Coverage Exemption, with your return. The following chart shows the types of [health coverage exemptions](#) and how to obtain them.

May Only be Granted by the Marketplace	May be Granted by Marketplace or Claimed on the Tax Return	May Only be Claimed on the Tax Return
<ul style="list-style-type: none">✓ Members of certain religious sects✓ General hardship✓ Determined ineligible for Medicaid in a state that did not expand Medicaid coverage✓ Unable to renew existing coverage✓ Coverage considered unaffordable based on projected income✓ Coverage under certain Medicaid programs that are not minimum essential coverage	<ul style="list-style-type: none">✓ Members of a health care sharing ministry✓ Incarceration✓ Members of Indian Tribes, and individuals eligible for services through an Indian health care provider or the Indian Health Service	<ul style="list-style-type: none">✓ Coverage is considered unaffordable✓ Short coverage gap✓ Resident of a state that did not expand Medicaid, with household income below 138 percent of the federal poverty line✓ Citizens living abroad and certain noncitizens✓ Aggregate cost of employer-sponsored self-only coverage considered unaffordable✓ Income below filing threshold

TIP: If you do not have coverage and your income is below the filing requirement threshold for your filing status, you are exempt and should not make a payment. You do not need to file a return solely to claim this exemption.

Shared Responsibility Payment

For any month that you, your spouse if you file a joint return, or any of your dependents don't have qualifying health care coverage or an exemption, you will need to make an individual responsibility payment with your tax return.

The annual shared responsibility payment amount is the greater of a percentage of your household income in excess of the return filing threshold or a flat dollar amount. The amount you will have to pay may be limited depending on your circumstances. Use the worksheet in the [Instructions for Form 8965](#), Health Coverage Exemptions, to figure the amount of your shared responsibility payment. Tax preparation software can help you calculate your payment when filing a return electronically.

Visit [IRS.gov/aca](#), for more information about the individual shared responsibility payment provision, including the [Interactive Tax Assistance](#) tool which can help you determine whether you and your family members are eligible for a coverage exemption or required to make a shared responsibility payment.