Health Care-Related Tax Provisions That Affect Individuals
Federal Agency Roles

Dept. of Health & Human Services (HHS)

- Lead Federal Agency
  - Health Insurance Coverage
  - Financial Assistance
  - Health Policy
  - Education

Internal Revenue Service (IRS)

- Administers Tax Provisions, including Credits
Tax Professionals

- Educate clients on ACA tax provisions and how to obtain non-tax healthcare information
- Provide assistance on tax requirements
- Assist in preparation of tax returns
- Section 7216 requirements apply
Resources

- IRS website: IRS.gov/aca
- HHS website: Healthcare.gov
- SBA website: SBA.gov/healthcare
- DOL website: DOL.gov/ebsa/healthreform
What you need to do now...

Educate yourself and your clients

• Visit the Healthcare.gov

• Learn about
  – Health Insurance Marketplaces
  – Purchasing insurance
  – Getting help to pay
What you need to do now...

• About your 2012 and 2013 taxes:
  – Nothing related to health insurance coverage

• About Health Insurance Coverage:
  – Be prepared for questions on notice individuals will receive from their employer
    • Explanation of coverage available
    • How to contact Marketplaces
    • Notice of potential eligibility for the Premium Tax Credit (PTC)
    • Guidance provided by Department of Labor

Latest info at: DOL.gov/ebsa/healthreform
What you need to know now…

Health Insurance Marketplace enrollment begins October 1, 2013 and provides:

• Access to health insurance information

• A new place to purchase health insurance, including eligibility for financial assistance and public insurance programs

Healthcare.gov/marketplace
What you need to know now...

One process used to determine eligibility for:

- Medicaid
- Children’s Health Insurance Program (CHIP)
- Financial assistance through the Marketplace:
  - PTC to lower premiums
  - Cost Sharing Reduction

Individuals need not file 2012 or 2013 income tax return to receive financial assistance at Marketplace
What you need to know now...

How the PTC works:

- Can be received monthly in advance to assist in paying for health insurance premiums
- Requires reconciliation - like withholdings - on tax return at the end of the year
- Must enroll in coverage through the Marketplace
What you need to know now...

What the Advance Premium Tax Credit (APTC) is:

- Advance payment made directly to insurer
- Reduces out-of-pocket expenses for monthly premiums
What you need to know now...

• Determination of APTC eligibility & amount through Marketplace application
  – APTC for 2014 based on projected income and family size for 2014
  – Information provided on the application will be compared to IRS data and the data of other federal agencies, as appropriate
  – Report changes in income / family circumstances to the Marketplace

Healthcare.gov/marketplace
What you need to know for 2014...

Individual Shared Responsibility §5000A

• Starting in 2014, everyone must either:

  Have Minimum Essential health Coverage (MEC)
  OR
  Have a Coverage Exemption
  OR
  Make a Shared Responsibility Payment
What you need to know for 2014...

Minimum Essential Coverage (MEC) includes:

• Employer-sponsored, including COBRA and retiree coverage
• Coverage purchased in individual market and the new Marketplace
• Medicare, including Medicare Advantage
• Medicaid and Children’s Health Insurance Program (CHIP)
• TRICARE and certain types of Veteran’s health coverage
What you need to know for 2014...

Exemptions from coverage requirements:

- Are a member of a:
  - Recognized religious sect conscientiously opposed to accepting insurance benefits
  - Recognized health care sharing ministry
  - Federally recognized Indian tribe
- Have no filing requirement
- Had a short coverage gap
- Suffered a hardship
- Did not have access to affordable coverage
- Were incarcerated
- Were not lawfully present

How are exemptions claimed?
What you need to know for 2014...

Reporting coverage or exemptions, or making payments

- No reporting until the 2014 tax return is filed in 2015
- Payments, if due, will be reported and paid like other taxes
What you need to know for 2015...

• Advance Premium Tax Credit recipients must file to reconcile

• Other items individuals may have to include on a 2014 tax return:
  – Report insurance coverage for 2014
  – Establish or claim an exemption
  – Claim the Premium Tax Credit
Additional Resources

Tax Provisions
- IRS website: IRS.gov/aca

Other health care-related information
- HHS website: Healthcare.gov
- SBA website: SBA.gov/healthcare
- DOL website: DOL.gov/ebsa/healthreform