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Health Care-Related Tax Provisions That Affect Individuals





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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





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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





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Resources

- IRS website: [IRS.gov/aca](https://www.irs.gov/aca)
- HHS website: [Healthcare.gov](https://www.healthcare.gov)
- SBA website: [SBA.gov/healthcare](https://www.sba.gov/healthcare)
- DOL website: [DOL.gov/ebsa/healthreform](https://www.dol.gov/ebsa/healthreform)





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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





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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...

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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

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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

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What you need to know now...

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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

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What you need to know for 2014...

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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

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What you need to know for 2014...

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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...

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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...

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- 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



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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