



# VITA/TCE Volunteer Tax Alert (VTA)

Thank you for volunteering and for your dedication to top **QUALITY** service!

<b>VTA Number</b>	VTA-2016-02																										
<b>Date Issued</b>	February 12, 2016																										
<b>Intended Audience</b>	Partners, Volunteers and IRS SPEC Relationship Managers																										
<b>Purpose</b>	<p>To notify partners, volunteers and IRS Relationship Managers about</p> <ol style="list-style-type: none"> <li>1. A correction to the Spanish Link &amp; Learn Taxes</li> <li>2. Two changes to the Publication 4012, <i>VITA/TCE Volunteer Resource Guide</i>, (Legislative Extenders tab and ACA tab, including 2015 TaxWise screen shots)</li> <li>3. Corrections to the income codes in Publication 4011, <i>Foreign Student and Scholar Resource Guide</i>.</li> </ol> <p>Note: The corrected ACA tab pages are attached to this alert.</p>																										
<b>Tax Law Change</b>	<p>Please note the following changes. The electronic version of Publication 4012 will not be updated. Please make these corrections in your paper copy. This list does not include changes already made in Publication 4491X:</p> <table border="1"> <thead> <tr> <th>Page</th> <th>Change</th> </tr> </thead> <tbody> <tr> <td><b>Spanish Link &amp; Learn Taxes, Basic Course, Introduction page 32</b></td> <td>The 1<sup>st</sup> and 3<sup>rd</sup> bullets are the same on this activity. One of the bullets should state Stevens's age, which is part of the answer, but not included in any bullets. Steven is 22 years old.</td> </tr> <tr> <td><b>Publication 4012:</b></td> <td></td> </tr> <tr> <td>EXT-6</td> <td>Step 5 - add the following text to the end of the sentence with the Tax Prevention Act of 2014, "The Consolidated Appropriations Act of 2016 extended the exclusion to 12/31/2016".</td> </tr> <tr> <td>EXT-7</td> <td>Capital Gain or Loss Transactions Worksheet column (f) code changed to H.</td> </tr> <tr> <td>ACA-1</td> <td>Chart updated to reflect changes to TaxWise ACA Worksheet. <b>Replace this page.</b></td> </tr> <tr> <td>ACA-2</td> <td>Screen shot and directions updated for 2015. <b>Replace this page.</b></td> </tr> <tr> <td>ACA-3</td> <td>Screen shot and directions updated for 2015. <b>Replace this page.</b></td> </tr> <tr> <td>ACA-4</td> <td>Chart finalized. <b>Replace this page.</b></td> </tr> <tr> <td>ACA-6</td> <td>Draft watermark removed.</td> </tr> <tr> <td>ACA-9</td> <td>Added a TIP at the top of the page, under the first paragraph: <b>TIP:</b> In TaxWise, use the Add a form feature to add the Affordability Worksheet.</td> </tr> <tr> <td></td> <td>Added the following under the heading "<b>NO there is not an offer of employer coverage:</b>" See the Marketplace Coverage Affordability Worksheet on the following page.</td> </tr> <tr> <td>ACA-10</td> <td>Added the following for line 6: <b>Caution:</b> If line 6 of the TaxWise Marketplace Affordability Worksheet is below 100% or above 400%, line 10 will <u>not</u> be red. If line 10 is <u>not</u> red, <b>DO NOT MAKE ANY ENTRIES ON LINE 10.</b></td> </tr> </tbody> </table>	Page	Change	<b>Spanish Link &amp; Learn Taxes, Basic Course, Introduction page 32</b>	The 1 <sup>st</sup> and 3 <sup>rd</sup> bullets are the same on this activity. One of the bullets should state Stevens's age, which is part of the answer, but not included in any bullets. Steven is 22 years old.	<b>Publication 4012:</b>		EXT-6	Step 5 - add the following text to the end of the sentence with the Tax Prevention Act of 2014, "The Consolidated Appropriations Act of 2016 extended the exclusion to 12/31/2016".	EXT-7	Capital Gain or Loss Transactions Worksheet column (f) code changed to H.	ACA-1	Chart updated to reflect changes to TaxWise ACA Worksheet. <b>Replace this page.</b>	ACA-2	Screen shot and directions updated for 2015. <b>Replace this page.</b>	ACA-3	Screen shot and directions updated for 2015. <b>Replace this page.</b>	ACA-4	Chart finalized. <b>Replace this page.</b>	ACA-6	Draft watermark removed.	ACA-9	Added a TIP at the top of the page, under the first paragraph: <b>TIP:</b> In TaxWise, use the Add a form feature to add the Affordability Worksheet.		Added the following under the heading " <b>NO there is not an offer of employer coverage:</b> " See the Marketplace Coverage Affordability Worksheet on the following page.	ACA-10	Added the following for line 6: <b>Caution:</b> If line 6 of the TaxWise Marketplace Affordability Worksheet is below 100% or above 400%, line 10 will <u>not</u> be red. If line 10 is <u>not</u> red, <b>DO NOT MAKE ANY ENTRIES ON LINE 10.</b>
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	<p>Added the following for line 10: Line 10 will be red in TaxWise if the SLCSP is required. If line 6 of the TaxWise Marketplace Affordability Worksheet is below 100% or above 400%, line 5 of the worksheet will show 0% and line 10 will not be red. If Line 10 is not red, DO NOT MAKE ANY ENTRIES ON LINE 10.</p>												
	<p>Added two TIPS to the bottom center of the page:  <b>TIP:</b> Link to this form from the TaxWise Affordability Worksheet, Part B, if needed.  <b>TIP:</b> Note that more than one marketplace coverage affordability worksheet may be needed if circumstances changed during the year.</p>												
	<p>Last sentence in the gray section at the top of the page changed to:  For each individual, coverage is unaffordable and the individual is exempt for any month in which (B), the Required Contribution Amount, is more than (A), the Affordability Threshold.</p>												
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	<p>In <b>Publication 4011</b>, <i>Foreign Student and Scholar Resource Guide</i>, income codes are incorrect on the tabs and the headings. See the corrected 2015 codes below and on Form 1042-S:</p> <table> <thead> <tr> <th>Old Code</th> <th>New Code for 2015</th> </tr> </thead> <tbody> <tr> <td>15</td> <td>16 – scholarships</td> </tr> <tr> <td>16</td> <td>17 – independent contractors</td> </tr> <tr> <td>17</td> <td>18 – dependent services (Former USSR and Canada, mostly)</td> </tr> <tr> <td>18</td> <td>19 – teacher/researcher wages</td> </tr> <tr> <td>19</td> <td>20 – student/trainee wages</td> </tr> </tbody> </table>	Old Code	New Code for 2015	15	16 – scholarships	16	17 – independent contractors	17	18 – dependent services (Former USSR and Canada, mostly)	18	19 – teacher/researcher wages	19	20 – student/trainee wages
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<b>Message to Volunteers</b>	Please review this information to be used in preparing returns.												
<b>Resources</b>	Note: The corrected ACA tab pages are included as pages 3 - 11 of this alert.												

*For additional questions, please talk to your site coordinator, partner or IRS SPEC relationship manager.*

# AFFORDABLE CARE ACT (ACA)

## Approaching the ACA

For each person in the tax household:

<b>1</b>	<b>Did the taxpayer, spouse, or any dependent have qualifying health plan coverage purchased through the Marketplace?</b> If YES: In ACA Pg 1 Worksheet, select "Yes" for the first question and complete Form 8962.
<b>2</b>	<b>Was the taxpayer, spouse, or any dependent eligible for an exemption for any month without coverage?</b> If YES: In ACA Pg1 Worksheet, select "Yes" for the second question and complete Form 8965.
<b>3</b>	<b>Did this person have coverage or an exemption in each month of the year?</b> If YES: In ACA Pg1 Worksheet, select "Had minimum essential coverage and/or is applying for or was granted an exemption for the entire year" for that person. (See software image on next page) <i>If every person on the return had minimum essential coverage for each month of the year, TaxWise will check the box on Form 1040, line 61.</i>
<b>4</b>	<b>Did this person have minimum essential coverage or an exemption for part of the year?</b> If YES: In ACA Pg 1 Worksheet, select "Had minimum essential coverage and/or is applying for or was granted an exemption for part of the year." <i>Place a check in the box for each month the individual had no coverage AND no exemption. A shared responsibility payment will be calculated for each checked month.</i>
<b>5</b>	<b>Did this person have no coverage AND no exemption for the entire year?</b> If YES: In ACA Pg1 Worksheet, select "Did not have minimum essential coverage and is not claiming an exemption for any part of the year." A shared responsibility payment will be calculated for that person for each month of the year.
<b>!</b>	<b>Remember</b> <ul style="list-style-type: none"><li>• Each person in the tax household should be screened individually to determine in which months the person had coverage, is eligible for an exemption, or is subject to a shared responsibility payment.</li><li>• A tax return claiming zero personal exemptions (a dependent filing his or her own return) should not complete the ACA Pg 1 Worksheet. The dependent's coverage exemption or premium tax credit will be reported on the return of the taxpayer who properly claims his or her dependency exemption.</li></ul>

# TaxWise ACA PG 1 Worksheet

## TaxWise Tip

ACA Worksheet must be completed unless the return is being filed by a dependent.

Used to indicate that the individual had coverage or an exemption on Form 8965 for some months of the year, but not the entire year.

Used to indicate that the individual had coverage or is eligible for an exemption on Form 8965 for each month of the year.

Select if anyone on the return was granted an exemption from the Marketplace, or is eligible for an exemption. **Also complete Form 8965.**

Check to indicate if anyone on the return had coverage through the Marketplace for at least one month. **Also complete Form 8962 using Form 1095-A.**

**US Affordable Care Act Worksheet 2015**

Name: Husband & Wife Taxpayer SSN:                     

Did the taxpayer, spouse, or any dependent receive insurance through the Marketplace? See Form 8962  Yes  No

Was the taxpayer, spouse, or any dependent granted a Marketplace exemption or do you want to apply for any of the exemptions allowed on Form 8965?  Yes  No

**Husband Taxpayer**

Had minimum essential coverage and / or is applying for or was granted an exemption for the entire year

Had minimum essential coverage and / or is applying for or was granted an exemption for part of the year

Did not have minimum essential coverage and is not claiming an exemption for any part of the year

Check the boxes for each month this person did not have minimum essential coverage and is **NOT** claiming an exemption on Form 8965

January  February  March  April  May  June  July  
 August  September  October  November  December

**Son Taxpayer**

Had minimum essential coverage and / or is applying for or was granted an exemption for the entire year

Had minimum essential coverage and / or is applying for or was granted an exemption for part of the year

Did not have minimum essential coverage and is not claiming an exemption for any part of the year

Check the boxes for each month this person did not have minimum essential coverage and is **NOT** claiming an exemption on Form 8965

January  February  March  April  May  June  July  
 August  September  October  November  December

**Daughter Taxpayer**

Had minimum essential coverage and / or is applying for or was granted an exemption for the entire year

Had minimum essential coverage and / or is applying for or was granted an exemption for part of the year

Did not have minimum essential coverage and is not claiming an exemption for any part of the year

Check the boxes for each month this person did not have minimum essential coverage and is **NOT** claiming an exemption on Form 8965

January  February  March  April  May  June  July  
 August  September  October  November  December

Used to indicate a shared responsibility payment will be due for all 12 months.

- Do not select for a person who was born or died during the year. The coverage requirement applies only to FULL months alive.
- The coverage requirement for an adopted child applies only to the FULL months after the adoption occurs.
- Do not select if a person had either coverage or an exemption for any month.

**Caution!** These are the shared responsibility payment months. Only check the months when the person had no coverage AND no exemption.

# TaxWise ACA PG 2 Worksheet (cont.)

TaxWise will complete these boxes (based on date of birth) to indicate people under age 18, which affects the shared responsibility payment computation.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>1</b> Total number of boxes checked per month, maximum of 5	4	4	4	4	4	4	4	4	4	4	4	4
<b>2</b> Total number of boxes checked per month for individuals 18 or over	2	2	2	2	2	2	2	2	2	2	2	2
<b>3</b> One-half the number of boxes checked per month for individuals under 18	1	1	1	1	1	1	1	1	1	1	1	1
<b>4</b> Add lines 2 and 3 for each month	3	3	3	3	3	3	3	3	3	3	3	3
<b>5</b> Multiply line 4 by \$325 for each month, maximum of \$975	975	975	975	975	975	975	975	975	975	975	975	975

**6** Sum of the number of boxes checked on line 1 above for the year 48

**7** Modified AGI for this return  
 Enter the total modified AGI for any dependent included in this return who is required to file a tax return - F3 if zero Household income

**8** Filing threshold 40000

**9** Subtract line 8 from line 7 0

**10** Multiply line 9 by 2% 40000

**11** Is line 10 more than \$975?  
 Yes. Multiply line 10 by the number of months for which line 1 is more than zero.  
 No. Amount calculated based on worksheet B 20600

**12** Divide line 11 by 12 19400

**13** Multiply line 6 by \$207 388

**14** Smaller of line 12 or line 13 11700

**975**  
**9936**  
**975**

**Caution:** Enter dependent's MAGI only if the dependent has a tax filing requirement. Do not enter the MAGI of taxpayer or spouse as it is already included. See page ACA-8 for dependents' filing threshold chart.

**Caution:** This is the Shared Responsibility Payment. If everyone on the tax return has MEC or qualifies for an exemption for every month the amount on this line should be 0.

## Types of Minimum Essential Coverage

Minimum essential coverage means health care coverage under any of the following programs. It does not, however, include coverage consisting solely of excepted benefits. Excepted benefits include stand-alone vision and dental plans (except pediatric dental coverage), workers' compensation coverage, and coverage limited to a specified disease or illness.

### Employer-sponsored coverage:

- Group health insurance coverage for employees under—
  - A governmental plan, such as the Federal Employees Health Benefit program
  - A plan or coverage offered in the small or large group market within a state
  - A grandfathered health plan offered in a group market
- A self-insured health plan for employees
- COBRA coverage
- Retiree coverage
- Coverage under an expatriate health plan for employees

### Individual health coverage:

- Health insurance you purchase directly from an insurance company
- Health insurance you purchase through the Marketplace
- Health insurance provided through a student health plan
- Catastrophic plans
- Coverage under an expatriate health plan for non-employees such as students and missionaries

### 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
- Health coverage provided to Peace Corps volunteers
- Department of Defense Nonappropriated Fund Health Benefits Program
- Refugee Medical Assistance
- Coverage through a Basic Health Program (BHP) standard health plan

### Other coverage:

- Certain foreign coverage
- Certain coverage for business owners
- Coverage recognized by HHS as minimum essential coverage.\*\*

\*Medicaid programs that provide limited benefits generally don't qualify as minimum essential coverage; however, HHS will provide a hardship exemption to individuals with certain types of limited-benefit Medicaid coverage.

\*\*Plans recognized as minimum essential coverage are listed at: [www.cms.gov/CCIIO/Programs-and-Initiatives/Health-Insurance-Market-Reforms/minimum-essential-coverage.html](http://www.cms.gov/CCIIO/Programs-and-Initiatives/Health-Insurance-Market-Reforms/minimum-essential-coverage.html), scroll down and click on the link for the list of approved plans.

No proof of coverage is needed. Oral statement from the taxpayer is acceptable, unless normal due diligence leads you to believe the taxpayer's statement is incorrect.

## Types of Coverage Exemptions

This chart shows all of the coverage exemptions available for 2015, including information about where the coverage exemptions can be obtained and the code for the coverage exemption that is to be used on Form 8965 when you claim the exemption. If your coverage exemption was granted by the Marketplace, you will need to enter the Exemption Certificate Number (ECN) provided by the Marketplace (see the instructions for [Part I](#)).

Coverage Exemption	Granted by Marketplace	Claimed on tax return	Code for Exemption
<b>Income below the filing threshold</b> — Your gross income or your household income was less than your applicable minimum threshold for filing a tax return.		✓	No Code See Part II
<b>Coverage considered unaffordable</b> — The minimum amount you would have paid for premiums is more than 8.05% of your <a href="#">household income</a> .		✓	A
<b>Short coverage gap</b> — You went without coverage for less than 3 consecutive months during the year.		✓	B
<b>Citizens living abroad and certain noncitizens</b> — You were: <ul style="list-style-type: none"> <li>• A U.S. citizen or resident who spent at least 330 full days outside of the U.S. during a 12-month period;</li> <li>• A U.S. citizen who was a bona fide resident of a foreign country or U.S. territory;</li> <li>• A resident alien who was a citizen of a foreign country with which the U.S. has an income tax treaty with a nondiscrimination clause, and you were a bona fide resident of a foreign country for the tax year;</li> <li>• Not lawfully present in the U.S. and not a U.S. citizen or U.S. national. For more information about who is treated as lawfully present for purposes of this coverage exemption, visit <a href="#">healthcare.gov</a>; or</li> <li>• A nonresident alien, including (1) a dual-status alien in the first year of residency and (2) a nonresident alien or dual-status nonresident alien who elects to file a joint return with a spouse. For definitions of resident alien and nonresident alien, see IRS Tax Topic 851 at <a href="#">www.irs.gov/taxtopics/tc851.html</a>.</li> </ul>		✓	C
<b>Members of a health care sharing ministry</b> — You were a member of a health care sharing ministry.	✓	✓	D
<b>Members of Indian tribes</b> — You were either a member of a Federally-recognized Indian tribe, including an Alaska Native Claims Settlement Act (ANCSA) Corporation Shareholder (regional or village), or you were otherwise eligible for services through an Indian health care provider or the Indian Health Service.	✓	✓	E
<b>Incarceration</b> — You were in a jail, prison, or similar penal institution or correctional facility after the disposition of charges.	✓	✓	F
<b>Aggregate self-only coverage considered unaffordable</b> — Two or more family members' aggregate cost of self-only employer-sponsored coverage was more than 8.05% of household income, as was the cost of any available employer-sponsored coverage for the entire family.		✓	G
<b>Resident of a state that did not expand Medicaid</b> — Your household income was below 138% of the federal poverty line for your family size and at any time in 2015 you resided in a state that didn't participate in the Medicaid expansion under the Affordable Care Act.		✓	G
<b>Member of tax household born, adopted, or died</b> — During 2015 a child was added to your tax household by birth or adoption, or a member of your tax household died during the year and you can't check the full-year coverage checkbox on your tax return.		✓	H
<b>Members of certain religious sects</b> — You are a member of a recognized religious sect.	✓		Need ECN See Part I
<b>Determined ineligible for Medicaid in a state that didn't expand Medicaid coverage</b> — You were determined ineligible for Medicaid solely because the state in which you resided didn't participate in Medicaid expansion under the Affordable Care Act.	✓		Need ECN See Part I
<b>General hardship</b> — You experienced a hardship that prevented you from obtaining coverage under a qualified health plan.	✓		Need ECN See Part I
<b>Coverage considered unaffordable based on projected income</b> — You didn't have access to coverage that is considered affordable based on your projected household income.	✓		Need ECN See Part I
<b>Unable to renew existing coverage</b> — You were notified that your health insurance policy was not renewable and you considered the other plans available unaffordable.	✓		Need ECN See Part I
<b>Certain Medicaid programs that are not minimum essential coverage</b> — You were (1) enrolled in Medicaid coverage provided to a pregnant woman that is not recognized as minimum essential coverage; (2) enrolled in Medicaid coverage provided to a medically needy individual (also known as Spend-down Medicaid or Share-of-Cost Medicaid) that is not recognized as minimum essential coverage; or (3) enrolled in Medicaid, and received minimum essential coverage for one or more months of the year by meeting a spend-down, but not in other months because the spend-down had not been met.	✓		Need ECN See Part I

### Hardship Exemptions Granted by the Marketplace

- Homelessness
- Eviction in the last 6 months or facing eviction or foreclosure
- Utility shut-off notice
- Domestic violence
- Recent death of a close family member
- Disaster that resulted in significant property damage
- Bankruptcy in the last 6 months
- Significant debt from medical expense in the last 24 months
- High expense caring for ill, disabled or aging relative
- Failure of another party to comply with a medical support order for a dependent child who is determined ineligible for Medicaid or CHIP
- Through an appeals process, determined eligible for a Marketplace QHP, PTC, or CSR but was not enrolled
- Determined ineligible for Medicaid because the state did not expand coverage
- Individual health insurance plan was cancelled and you believe Marketplace plans are considered unaffordable
- Other hardship in obtaining coverage

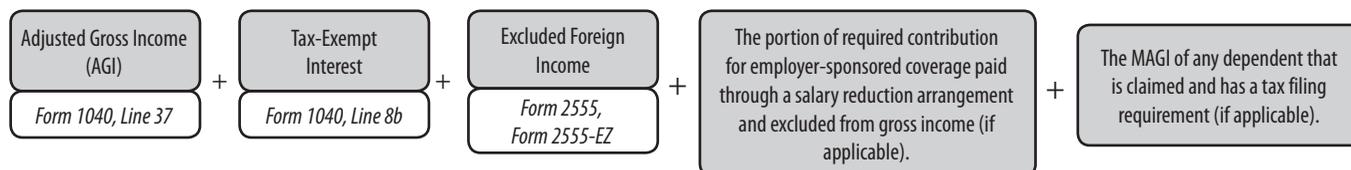
# Exemptions: Form 8965, Part III

## Insurance is Unaffordable, Code A or G

Coverage is unaffordable if it costs more than 8.05% of household income. To calculate eligibility for this exemption, the preparer must determine **affordability threshold** and **plan cost**.

TIP: In TaxWise, use the Add a form feature to add the Affordability Worksheet

### Line A: Affordability threshold =



**Affordability Worksheet Household Income X 8.05% = (A) Affordability Threshold**

### Affordability Worksheet

**(A) Affordability Threshold**  
 Enter 8.05% of your household income (see *Household income*). For this purpose, increase household income by the amount of any premium that is paid through a salary reduction arrangement and excluded from gross income.

### Line B Plan Cost:

Does the person have an offer\* of coverage through an employer?\*\*\*

#### YES there is an offer of employer coverage

For the employee	Does the <u>lowest-cost self-only plan</u> offered by the employer cost more than 8.05% of income? (This may be reported on Form 1095-C, if available directly from the employer.) If there was no offer of self-only coverage, go to the next step.	If yes, enter Code A for each applicable month for the employee
For the employee's family	Does the <u>lowest-cost plan that covers everyone in the tax household</u> who is eligible for coverage and is not otherwise exempt cost more than 8.05% of income?	If yes, enter Code A for each applicable month for each member of the employee's tax household (excluding the employee)
If two or more members of the family have offers of employer coverage	Are all of the following true: (1) individual offers of self-only coverage are affordable (i.e., less than 8.05% of household income), BUT (2) <u>their combined cost</u> is greater than 8.05% of household income, AND (3) no family coverage is offered for less than 8.05% of household income?	If yes, enter Code G for the entire year for all members of the tax household.

#### NO there is not an offer of employer coverage

See the Marketplace Coverage Affordability Worksheet on the following page.

\*COBRA is not considered an offer of employer sponsored coverage if the individual did not enroll in the coverage. If the individual enrolled in the COBRA coverage, s/he has MEC for that month and does not need an exemption.

\*\*If you or another member of your tax household has an offer of employer sponsored coverage for only part of the year, see Form 8965 Instructions for the Annualized Premium Worksheet.

# Marketplace Coverage Affordability Worksheet

**TIP**

If the **lowest cost bronze plan (LCBP)** costs less than 8.05% of income (above), there is an affordable offer of coverage. No Code A exemption is available. (The Marketplace presented affordable coverage and the marketplace affordability exemption does not apply)

**LCBP:** Go to the taxpayer's Marketplace, such as [www.healthcare.gov](http://www.healthcare.gov).

*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 6 months by legal users of tobacco products (generally those 18 and older).*

The LCBP quote will be for all individuals on the return that did not have an offer of employer coverage and who did not qualify for another exemption. That means that the LCBP would include, for example, the taxpayer and spouse who are on Medicare or Medicaid.

For this line on this worksheet, use tax household MAGI for Form 8962 purposes (adjusted gross income + tax exempt interest + excluded foreign earned income). Include MAGI of any claimed dependents with a filing requirement.

 <p>Do not complete this worksheet unless you were instructed to do so in the Affordability Worksheet.</p>	
1.	Enter the monthly premium for the lowest cost bronze plan that covers everyone in your tax household for whom a personal exemption deduction is claimed, who is not eligible for employer coverage, and who does not qualify for another coverage exemption for the month. To find the lowest cost bronze plan go to <a href="http://www.HealthCare.gov/tax-tool">www.HealthCare.gov/tax-tool</a> or the Marketplace for your area. If you are married and file a separate return, enter the monthly premium here and on line 12. Don't complete lines 2-11. . . . .
2.	Enter your household income (see <i>Household income</i> ) . . . . .
3.	Enter the total of all nontaxable social security benefits received by you, your spouse, and each claimed dependent who must file a tax return* . . . . .
4.	Add lines 2 and 3 . . . . .
5.	Enter the federal poverty line for the number of individuals in your tax household less any dependents not claimed. See the instructions for Form 8962, line 4 . . . . .
6.	Divide line 4 by line 5. If the result (without rounding) is less than 1.0 or more than 4.0, skip lines 7 through 10 and enter -0- on line 11 . . . . .
7.	Multiply line 6 by 100 and round to the nearest whole number. Enter the applicable figure for the result from the table in the instructions for Form 8962, line 7 . . . . .
8.	Multiply line 4 by line 7 . . . . .
9.	Divide line 8 by 12.0 . . . . .
10.	Enter the monthly premium for the second lowest cost silver plan premium that covers everyone in your tax household for whom a personal exemption deduction is claimed, who is not eligible for minimum essential coverage (other than coverage in the individual market), and who does not qualify for another coverage exemption for the month. To find the second lowest cost silver plan go to <a href="http://www.HealthCare.gov/tax-tool">www.HealthCare.gov/tax-tool</a> or the Marketplace for your area . . . . .
11.	Subtract line 9 from line 10. If zero or less, enter -0-. . . . .
12.	Subtract line 11 from line 1. If zero or less, enter -0-. This is the individual's required contribution for the month . . . . .
13.	Is the individual eligible for this coverage for every month of the year? . . . . .
	<input type="checkbox"/> <b>Yes.</b> Multiply line 12 by 12.0. This is the annualized premium. Enter this amount in the space for every month on the <u>Affordability Worksheet</u> . . . . . <input type="checkbox"/> <b>No.</b> Multiply line 12 by 12.0. This is the annualized premium. Enter this amount in the space on the <u>Affordability Worksheet</u> for each month the individual was eligible for the coverage being tested. Enter the annualized premium in the space for the appropriate months on the <u>Affordability Worksheet</u> . . . . .
<p>*If the individual filed Form 1040, figure the nontaxable social security benefits received by that individual by subtracting Form 1040, line 20b from Form 1040, line 20a. If the individual filed Form 1040A, figure the nontaxable social security benefits received by that individual by subtracting Form 1040A, line 14b from Form 1040A, line 14a. If the individual filed Form 1040EZ, he or she should have received a Form SSA-1099 or Form RRB-1099 showing the social security benefits received by that individual, all of which were nontaxable.</p>	

**Caution:** If line 6 of the TaxWise Marketplace Affordability Worksheet is below 100% or above 400%, line 10 will not be red. If Line 10 is not red, DO NOT MAKE ANY ENTRIES ON LINE 10.

Line 10 will be red in TaxWise if the SLCSP is required. If line 6 of the TaxWise Marketplace Affordability Worksheet is below 100% or above 400% , line 5 of the worksheet will show 0% and line 10 will not be red. If Line 10 is not red, DO NOT MAKE ANY ENTRIES ON LINE 10.

Enter the appropriate amount on the Affordability Worksheet as directed. This worksheet will compare the annualized premium to the affordability threshold.

If the annualized premium costs less than 8.05% of income, no exemption applies.

If the annualized premium costs more than 8.05% of income, Code A applies.

TIP: Link to this form from the TaxWise Affordability Worksheet, Part B, if needed.

TIP: Note that more than one marketplace coverage affordability worksheet may be needed if circumstances changed during the year.

**Second lowest cost silver plan (SLCSP):** Go to the Marketplace at: [healthcare.gov/taxes/tools](http://healthcare.gov/taxes/tools).

Do not include individuals in your tax household that are eligible for other employer sponsored or government sponsored MEC, or who are otherwise exempt.

That means that the SLCSP cost would NOT INCLUDE, for example, the taxpayer and spouse who are enrolled in or eligible for Medicare or Medicaid. (This is different from line 1).

## Affordability Worksheet (continued)

### (B) Required Contribution Amount

For each member of your tax household, enter in the columns provided the annual premium for the first option below that applies to that person. If the monthly premium is the same for the whole year, enter the annual premium in the space for each month. If the premiums cover only part of the year, use the Annualized Premium Worksheet to determine what the annualized premium would be for each month. Once you have figured the annualized premium, enter it in the space for each month.

Options (use the first that applies to each member of your tax household, including you, for each month):

1. The lowest cost self-only policy offered to each member of your tax household by his or her employer.
2. The lowest cost family policy\* offered by your employer or your spouse's employer (if you are filing a joint return).
3. The amount from the Marketplace Coverage Affordability Worksheet.

For each individual, coverage is unaffordable and the individual is exempt for any month in which (B), the Required Contribution Amount, is more than (A), the Affordability Threshold.

Members of your tax household (enter one name per column):						
Premium for:						
January						
February						
March						
April						
May						
June						
July						
August						
September						
October						
November						
December						

Use annualized figures for each month in order to compare to the affordability threshold, which is calculated on an annual basis.

\*The policy must cover everyone in your tax household:

- for whom a personal exemption deduction is claimed on your tax return,
- who is not eligible for employer coverage, and
- who does not qualify for another coverage exemption.

# Premium Tax Credit: Form 8962

**Form 8962 In TaxWise**

US 8962 Premium Tax Credit 2015

Name: [REDACTED] SSN: [REDACTED]

Check here if applying for relief (see instructions)  
If married filing separately and not applying for relief, complete lines 1 through 5, skip lines 6 through 8b, and complete lines 9 and 10. When completing lines 11 or 12 through 23, complete only Column F to determine how much you must repay.

**Part I: Annual and Monthly Contribution Amount**

1 Tax family size 1  
2a Modified AGI 0  
b Enter total of your dependents' modified AGI 0  
3 Household income 0

4 Federal poverty line - check the appropriate box for the state you resided in. If you moved during 2015 and you lived in Alaska and / or Hawaii, or if filing jointly and you and your spouse lived in different states, check all of the boxes that apply. The table that results in the highest income will be used.  
 Alaska  Hawaii  Other 48 states and DC

5 Household income as a percentage of Federal poverty line 0 %

6 Is the result on line 5 401%? See instructions if the result is less than 100%.  
 No. Continue to line 7.  
 Yes. You are not eligible to receive PTC. If advance payment of the PTC was made, skip lines 7 and 8 and go to line 9. If you did not receive any advance payment of PTC, stop here.

If the percentage on line 5 is less than 100%, did the taxpayer meet the requirements under "Estimated household income at least 100% of the Federal poverty line" or "Alien lawfully present in the United States" in the instructions?  Yes  No

7 Applicable figure from the table in the instructions 0.0000  
8a Annual contribution amount. Multiply line 3 by line 7 0  
8b Monthly contribution amount. Divide line 8a by 12 0

**Part II: Premium Tax Credit Claim and Reconciliation of Advance Payment of Premium Tax Credit**

9 Are you allocating policy amounts with another taxpayer or do you want to use the alternative calculation for year of marriage? (see instructions)  
 Yes. Skip to Part IV, Shared Policy Allocation, or Part V, Alternative Calculation for Year of Marriage  
 No. Continue to line 10.

10 Check the "Yes" box below if ALL of the following conditions apply (see instructions).  
a You were enrolled in a qualified health plan for all 12 months during 2015;  
b Your enrollment premium was the same for every month of 2015. Your enrollment premium is reported in Part III, column A, lines 21 through 32, of Form 1095-A;  
c Your SLCSPP premium is the same for every month of 2015. Your SLCSPP premium is reported in Part III, column B, lines 21 through 32, of Form 1095-A. (See missing or incorrect SLCSPP premium on Form 1095-A in the instructions).  
 Yes. Continue to line 11. Compute your annual PTC. Skip lines 12 - 23 and continue to line 24.  
 No. Continue to lines 12 - 23. Compute your monthly PTC and continue to line 24.

**Annual Calculation**  
Complete only line 11 or lines 12 through 23. If the percentage on line 5 is more than 400 or the taxpayer is a dependent of another who received PTC, only complete column F. The taxpayer must repay all advance premium tax credit.

	A Annual enrollment premiums Form 1095-A line 33a	B Annual applicable SLCSPP premium Form 1095-A line 33b	C Annual contribution amount Line 8a	D Annual maximum premium assistance	E Annual premium tax credit allowed	F Annual advance payment of PTC Form 1095-A line 33c
11 Annual totals	0	0	0	0	0	0

**Monthly Calculation**

	A Monthly enrollment premiums Form 1095-A lines 21 - 32 column a	B Monthly applicable SLCSPP premium Form 1095-A lines 21 - 32 column b	C Monthly contribution amount Line 8b or alternative marriage contribution	D Monthly maximum premium assistance	E Monthly premium tax credit allowed	F Monthly advance payment of PTC Form 1095-A lines 21 - 32 column c
12 January	0	0	0	0	0	0
13 February	0	0	0	0	0	0
14 March	0	0	0	0	0	0
15 April	0	0	0	0	0	0
16 May	0	0	0	0	0	0
17 June	0	0	0	0	0	0
18 July	0	0	0	0	0	0
19 August	0	0	0	0	0	0
20 Sept	0	0	0	0	0	0
21 October	0	0	0	0	0	0
22 Nov	0	0	0	0	0	0
23 Dec	0	0	0	0	0	0
24 Total premium tax credit					0	
25 Advance payment of PTC						0
26 Net premium tax credit						0

**Part III: Repayment of Advance Payment of the Premium Tax Credit**

27 Excess advance payment of PTC 0  
28 Repayment limitation 0  
29 Excess advance payment premium tax credit repayment 0

This facsimile form is not approved for filing directly to the IRS. Print IRS form using "Print Return" or "Print Current Form".

Check here if taxpayer is Married Filing Separately but cannot file a joint return because of spousal abuse or abandonment in the last year. See Form 8962 Instructions for details.

If a taxpayer is Married Filing Separately and is not eligible for relief, he/she must repay APTC, subject to the repayment limitation. Enter the APTC amounts in column F.

**Line 2b:** Enter dependents' MAGI ONLY (not taxpayer or spouse) **IF dependents' gross income is above the filing threshold.** See page ACA-8 for dependents' filing threshold chart.

For purposes of Form 8962, MAGI includes dependents' AGI, Social Security benefits not included in income, tax-exempt interest, and excluded foreign earned income.

**Line 6:** Even if income is below 100% FPL, check YES if:  
(1) Taxpayer or an individual in taxpayer's tax family enrolled in a qualified health plan through the marketplace and  
(2) APTC was paid for coverage for one or more months, and  
(3) The Marketplace estimated at the time of enrollment that the taxpayer's household income would be between 100%-400% of the FPL for the family size for year of coverage.

—OR—  
(1) Taxpayer or an individual in taxpayer's tax family enrolled in a qualified health plan through the Marketplace, and the enrolled individual is a lawfully present individual ineligible for Medicaid due to immigration status.

**Line 9:** If the following situations apply, a shared policy allocation may be required and the return is out of scope:

- The 1095-A lists a covered person who is not on this tax return or,
- A person on the tax return was enrolled in another taxpayer's Marketplace coverage. (The person is listed on someone else's Form 1095-A)

If the following situation applies, an Alternative Calculation for Year of Marriage may be elected. If the taxpayer elects this option, the return is out of scope.

- Taxpayers got married during the year and are filing a joint return, and taxpayers were both unmarried as of December 31, 2014
- A member of the taxpayers' tax family was enrolled in a qualified health plan for which APTC was paid for months prior to the first full month of marriage, and
- Taxpayers have excess APTC that must be repaid

**Line 11 OR Lines 12-23:** Complete line 11 if Form 1095-A shows the same monthly amounts for all 12 months and the taxpayer's SLCSPP is the same for each month of the year. Otherwise, complete lines 12-23. Do not complete both.

**Caution:** Complete only column F if the household income is above 400% of the FPL or if the taxpayer is using filing status married filing separately and an exception does not apply. (F3 in columns A and B to remove red if necessary).

**Line 26:** The net premium tax credit a taxpayer can claim (the excess of the taxpayer's premium tax credit over APTC).

**Line 27:** The amount of excess APTC (amount by which APTC exceeds the taxpayer's premium tax credit) that needs to be repaid. Because there is a repayment limitation, all of the excess APTC may not have to be repaid.

Repayment Limitation on APTC		
Income (as % of FPL)	SINGLE Taxpayers Repayment Limitation:	OTHER Taxpayers Repayment Limitation:
Under 200%	\$300	\$600
At least 200% but less than 300%	\$750	\$1,500
At least 300% but less than 400%	\$1,250	\$2,500
400% and above	Full repayment	Full repayment

**TIP:** In certain situations where a taxpayer's income is slightly above an income repayment threshold, such as over 400% of FPL, consider any adjustments to gross income that the taxpayer may be eligible to claim (e.g. deductible IRA contribution) that may reduce income below the 400% threshold.

**TIP:** In certain rare circumstances it will be beneficial to file MFS if the spouse's separate income will be below 400% of FPL and will benefit from the repayment limitation.