Sample article for organizations to use to reach customers (630 word count)

Post the following article on your websites and/or use in other communication vehicles to help your customers.

The tax effects of divorce and separation

Income tax may be the last thing on your mind after a divorce or separation. However, these events can significantly affect your taxes. Alimony and a name change are just a few items you may need to consider. Here are some key tax tips to keep in mind if you are recently divorced or separated.

- **Child Support —** If you are making child support payments, they are not deductible. If you receive child support, the amount you receive is not taxable.
- **Alimony Paid —** If you make payments under a divorce or separate maintenance decree or written separation agreement, you may be able to deduct them as alimony. This applies only if the payments qualify as alimony for federal tax purposes. Voluntary payments made outside a divorce or separation decree are not deductible. You must enter your spouse's Social Security Number or Individual Taxpayer Identification Number on your Form 1040, Individual Tax Return, when you file.
- **Alimony Received —** If you get alimony from your spouse or former spouse, it's taxable in the year you get it. Alimony is not subject to tax withholding so you may need to increase the tax you pay during the year to avoid a penalty. To do this, you can make estimated tax payments or increase the amount of tax withheld from your wages.
- **Name Changes —** If you legally change your name after your divorce, notify the Social Security Administration of the change. File Form SS-5, Application for a Social Security Card. You can get the form on SSA.gov or call 800-772-1213 to order it. The name on your tax return must match SSA records. A name mismatch can delay your refund. You cannot apply for a card online. There is no charge for a Social Security card. This service is free.

Health Care Law Considerations

- **Special Marketplace Enrollment Period —** If you lose your health insurance coverage due to divorce, you are still required to have coverage for every month of the year for yourself and the dependents you can claim on your tax return. Losing coverage through a divorce is considered a qualifying life event that allows you to enroll in health coverage through the Health Insurance Marketplace during a Special Enrollment Period.
- **Changes in Circumstances —** If you purchase health insurance coverage through the Health Insurance Marketplace, you may get advance payments of the premium tax credit. If you do, you should report changes in circumstances to your Marketplace throughout the

year. These changes include a change in marital status, a name change, a change of address, and a change in your income or family size. Reporting these changes will help make sure that you get the proper type and amount of financial assistance. This will also help you avoid getting too much or too little credit in advance.

- **Shared Policy Allocation —** If you divorced or were legally separated during the tax year and are enrolled in the same qualified health plan, you and your former spouse must allocate policy amounts on your separate tax returns to figure your premium tax credit and reconcile any advance payments made on your behalf. Publication 974, Premium Tax Credit, has more information about the Shared Policy Allocation.

For more on this topic, see Publication 504, Divorced or Separated Individuals. You can get it on IRS.gov/forms at any time.

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NOTE TO EDITOR: Below are links to help taxpayers find the information they need.

Additional IRS Resources:

- Publication 555, Community Property
- Publication 974, Premium Tax Credit
- Publication 5152: Report changes to the Marketplace as they happen English | Spanish