

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

most commonly-asked questions about the health insurance information reporting required by the Affordable Care Act on 2014 federal income tax returns.

Mar. 18, 2015



With new forms and subsidies related to the Affordable Care Act (Obamacare), this has been one of the most challenging tax seasons in years.

To help taxpayers, the [American Institute of CPAs](#) (AICPA) has provided a list of the most commonly-asked questions about the health insurance information reporting required by the Affordable Care Act on 2014 federal income tax returns.

“Taxpayers will be in one of three situations – they will have had health insurance that met the requirements for minimum essential coverage under the Affordable Care

Act, they will have qualified for an exemption, or they will owe the penalty for not

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

Taxpayers will use Line 61 on [Form 1040](#), Line 38 on [Form 1040-A](#) and Line 11 on [Form 1040EZ](#) to report on their 2014 federal tax return whether they had health care that met minimum essential coverage standards under the ACA for each month of 2014, unless they were exempt. For many taxpayers, that just means checking the full-year coverage box on their tax return.

How do I know if I had minimum essential coverage?

Taxpayers who purchased health insurance from the Marketplace for 2014 received [Form 1095-A](#), Health Insurance Marketplace Statement, from the Marketplace verifying that they had minimum essential coverage. Most Medicare, Medicaid and veterans' health care programs qualify, as do health insurance policies purchased by taxpayers from an insurance company. Many employer-provided health insurance plans met the standards, but taxpayers will not receive a health insurance information statement from employers or insurance companies for the 2014 tax year. Employers and insurance companies are required to provide the information for 2015 and future years.

What if I didn't have minimum essential coverage?

Penalties, dubbed individual shared responsibility payments under the ACA, are owed by taxpayers for each month they did not have qualifying coverage. The primary taxpayer filing the tax return is responsible for penalties owed by any dependents claimed on the return who did not have minimum essential coverage.

How do I know what my penalty is?

The [instructions](#) for [Form 8965](#) include a worksheet that taxpayers – who did not have minimum essential coverage or who did not qualify for an exemption – use to calculate the amount they owe. The amount is reported on their tax return (Line 62

on [Form 1040](#), Line 38 on [Form 1040-A](#) and Line 11 on [Form 1040EZ](#)) and paid when

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

limit is equal to the national average a family would pay for a [Bronze-level insurance plan](#) on the Marketplace.

- **How do I request an exemption?**

Qualifying taxpayers can get an exemption from minimum essential coverage through the Marketplace or by claiming the exemption on their tax return using [Form 8965](#), which is filed with the tax return. Some exemptions are granted through the Marketplace, some are claimed directly on the tax return and some are available using either method. The IRS website has a [chart](#) explaining how each exemption can be obtained.

- **What is an Exemption Certificate Number?**

When the Marketplace grants an exemption it sends taxpayers a notice with a unique number, called an Exemption Certificate Number (ECN). The ECN must be entered on the taxpayer's [Form 8965](#) in Part I of the form under Column C. If the taxpayer's request for an exemption hasn't been approved by the time the taxpayer is ready to file his/her return, the taxpayer should enter "pending" in Column C. An ECN is not needed if the exemption is being directly claimed on the tax return.

- **What is the premium tax credit?**

Taxpayers who had health insurance in 2014 through the Health Insurance Marketplace may be eligible for the premium tax credit to help lower the cost of their coverage. Taxpayers who are eligible for the credit must file [Form 8962](#) with their return to claim the credit and also reconcile any advance payments received throughout the year against the actual amount of the credit. Taxpayers may be owed money or may have to pay back part of what they received.

- **When is the enrollment deadline?**

The open enrollment deadline to purchase health insurance for 2015 ended on

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

information?

If taxpayers are not required to file a federal income tax return, they do not have to file a return only to report their health insurance coverage or to claim an exemption from minimum essential coverage.

Benefits • Income Tax

CPA Practice Advisor is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors.

© 2024 Firmworks, LLC. All rights reserved