

# Health Insurance Coverage and Premium Credit

## Taxpayers who paid for health insurance through the MA Health Connector (or your specific state Health Marketplace).

*If you have coverage under MassHealth, Medicaid or other government/VA program, or through your employer, this information does not apply to you. Enjoy reading something else!*

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As a result of the national requirement for health insurance, additional federal forms will report coverage, calculate any premium tax credit, and indicate if taxpayers are exempt from the penalty for noncoverage. For some taxpayers, this will be a more complex tax preparation year.

- 1) Taxpayers who received coverage through any Health Marketplace will receive Form 1095-A, and need to provide that document at tax time, similar to the MA HC form.
- 2) Taxpayers whose household income falls within 400% of the Federal Poverty Level may have received the advance premium credit as a subsidy, or may be eligible to claim the credit on the tax return.

Here are examples of household income within 400% of the Federal Poverty Level:

up to \$45,960 (400%) for one individual. up to \$62,040 (400%) for a family of two. up to \$78,120 (400%) for a family of three. up to \$94,200 (400%) for a family of four.
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- 3) Taxpayers who received the advance premium tax credit based on what they estimated for household income, and actual income ended up being more, may have to repay some of the credit via the tax return. If actual income ended up being less, additional credit may be calculated.

Example: Married couple with a 2 year old child, total income \$65K, will be eligible for some credit (as it is unlikely the child received enough income to file a return!)

<see next page>

**INFORMATION YOU NEED TO BRING ME AND AVOID A SECOND APPOINTMENT:**

First, you must provide me with the 1095-A form, then:

If your household income is not more than 400% of the Federal Poverty Level

-AND-

you have dependents:

**I will need information about your dependent(s)' income, but only if they are required to file a return. Bring a copy of their income documents or a copy of their tax return if already filed.** This information is necessary for accurate credit calculation which is based on household income.

Click here if you're not sure whether your dependent has to file.

*Additionally, if your marital status changed during the year, please discuss this with me when making the tax appointment in advance: I will need the 1095-A form before our appointment, as this is one of the more complicated situations which the health care law has created!*

One footnote: Supreme Court is hearing the case on whether the premium credits will be allowed for just state-run Marketplaces or include the federal-run Marketplace for states which did not set them up. Two courts gave opposite rulings after opponents to the health care act filed suit. Currently the IRS position is that the premium credits apply to health insurance obtained at either Marketplaces.