Health Insurance and Your 2015 Federal Taxes

Many people have questions about how the Affordable Care Act impacts their taxes. Use this flowchart to see how you may be affected. If you have a unique situation or still have questions, make sure to talk to a tax preparer about your personal situation.

START HERE:
Did you have health coverage for all of 2015?
(Answer "yes" if you had coverage for at least one day of every month)

NO

Did you have any health coverage during 2015?

YES

NO

Did you get insurance from your employer, Medicaid, Medicare, or were you on your parent’s plan?

NO

Did you buy an insurance plan through the Marketplace?

NO

Did you buy medical insurance directly from an insurance company?

YES

NO

Did you get financial help (tax credits) to pay for your insurance premiums?

NO

NO

YES

YES

You should check to see if you are eligible for an exemption based on your immigration status, short coverage gap, affordability or a major life event that made it hard for you to get insurance. For more information on what qualifies and how to apply, see the resources on the back of this page.

In order to claim an exemption, you will need to either apply through the Marketplace or the IRS, depending on the type of exemption, and then complete FORM 8965. If you get an exemption from the Marketplace, use the Exemption Certificate Number to complete FORM 8965. If you don’t get an exemption, you will have to make a payment for each month you did not have coverage. Depending on the type of coverage you had, you should receive a FORM 1095-A, FORM 1095-B or FORM 1095-C. You will use this information along with the instructions for FORM 8965 to calculate the amount of the payment you need to make. It may be best to consult a tax expert in this circumstance.

You should have received FORM 1095-A from the Marketplace. You’ll also be able to access it in your Marketplace online account. You’ll need this form to fill out your taxes this year. If you received a tax credit to help pay for your premiums you must file a federal tax return for 2015 even if you usually don’t file or your income is below the level requiring you to do so.

You’ll also need to reconcile the amount of expected income you reported when you applied for coverage with your actual income. Use PREMIUM TAX CREDIT FORM 8962 to calculate your final health insurance tax credit. In some circumstances, you may be owed a refund if your actual income was lower than expected when you applied for coverage, or you may have to pay back some of the tax credit if your actual income was higher than you expected when you applied for coverage.

You may receive FORM 1095-B or FORM 1095-C, depending on the type of coverage you had. If they state you had coverage for the full year, you do not need to make a shared responsibility payment (the penalty for not having insurance).

If you had coverage for the entire year, make sure to mark the box on LINE 61 of your tax return.

Check the back of this flowchart for helpful resources.
Resources for Health Insurance and Your 2015 Federal Taxes

In-Person Help
You may be eligible to get help through the Volunteer Income Tax Assistance (VITA) program. Check for a site near you online at IRS.Treasury.Gov/freetaxprep
For in person assistance to enroll in health coverage visit: GetCovered.Illinois.gov

Phone Help
You can get telephone assistance from the IRS by calling 1-800-829-1040.
If you bought a plan on the Marketplace but did not receive a Form 1095-A, you can call the Marketplace at 1-800-318-2596.

Online Resources
Health coverage and your federal income taxes: Healthcare.gov/taxes
Affordable Care Act Tax Provisions: IRS.gov/ACA
Individual Shared Responsibility Payment Exemptions from the IRS: bit.ly/ISRP-IRS
Minimum Essential Coverage information from the IRS: bit.ly/MEC-IRS
Immigrants and the ACA FAQ from National Immigration Law Center: www.nilc.org/ACAfacts.html

Important Forms
FORM 1040
This is how you file your federal taxes. Note that if you received financial assistance to pay for your premium on the Marketplace, you cannot use the short form 1040EZ.

FORM 1095-B
You may receive this form from your health insurer detailing who was covered and for how long in 2015.

FORM 1095-A
If you bought insurance on a state or federal Marketplace, you’ll receive this form in the mail. It details the premiums you paid and any financial assistance you received. If you did not receive a form or think it’s incorrect, call the Marketplace.

FORM 1095-C
You may receive this form from your employer detailing who was covered and for how long in 2015.

Terms to Know:
Minimum Essential Coverage: For health insurance plans to count toward someone’s requirement to have coverage, they have to meet certain criteria. All of the plans offered through the Marketplace meet these criteria but some others may not.
Individual Shared Responsibility Payment: This is the penalty you’ll pay for each month you did not have health coverage, unless you are eligible for an exemption.
Special Enrollment Period (SEP): Adults can only enroll in Marketplace plans outside of the open enrollment period (which ended in January 2016) if they qualify for a Special Enrollment Period. You can see if you qualify (for example by losing your health insurance coverage or having a life event like getting married or having a child) by answering a few questions at healthcare.gov/screener.
Premium Tax Credit: This is the amount of money that helps lower the cost of your health insurance when you buy it from the Marketplace. Your eligibility is based on your income and family size. Because the financial help you get is a tax credit, the final amount you receive is calculated based on your actual 2015 income. In some circumstances, you may be owed a refund if your actual income was lower than expected when you applied for coverage, or you may have to pay back some of the tax credit if your actual income was higher than you expected when you applied for coverage. The final tax credit amount is calculated on Form 8962.

FORM 10965
You’ll use this form if you want to claim an exemption for the fee for each month you did not have health coverage. You’ll use the instructions for this form for figuring out your penalty, if you have one.

FORM 8962
If you purchased coverage through the Marketplace, use this form to calculate your final 2015 tax credit. If you received financial help to pay for your insurance up front or would like to receive a tax credit now, you will need to file this form along with your Form 1040.

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