

Health Coverage Exemptions for 2016 Taxes

Some consumers will be exempt from the penalty for not having health insurance if they meet certain criteria, but **all exemptions must be reported on IRS Form 8965**. Some exemptions must be applied for through the Health Insurance Marketplace. A consumer claiming these exemptions will receive an Exemption Certificate Number (ECN) to input on Form 8965. Other exemptions are not applied for through the Marketplace and can be claimed by inputting an ECN on Form 8965. A detailed list of exemptions can be found on IRS Form 8965 Instructions. **If a consumer files taxes and wants to indicate they are exempt from the penalty, they must complete Form 8965.**

Exemptions from the Penalty for Not Having Health Insurance in 2016	How to Claim the Exemption on a Tax Return
Exemptions based on income	
Income below 138% Federal Poverty Line in a state that did not expand Medicaid	Enter Code G on Form 8965, Part III
Determined ineligible for Medicaid in a state that did not expand Medicaid coverage	Enter Exemption Certificate Number (ECN) on Form 8965, Part I
Income below the return filing threshold	Check Box 7 on Form 8965, Part II
Coverage is considered unaffordable – <i>The amount you would have paid for employer-sponsored coverage or a bronze level health plan is more than 8.13 percent of your household income for the year as computed on your tax return.</i>	Enter Code A on Form 8965, Part III
Aggregate self-only coverage considered unaffordable – <i>Two or more family members' aggregate cost of self-only employer-sponsored coverage exceeds 8.05 percent of household income, as was the cost of any available employer-sponsored coverage for the family.</i>	Enter Code G on Form 8965, Part III
Coverage considered unaffordable based on projected income	Enter Exemption Certificate Number (ECN) on Form 8965, Part I
Exemptions based on being uninsured for only some part of 2016	
Short coverage gap - <i>You went without coverage for less than three consecutive months during the year.</i>	Enter Code B on Form 8965, Part III
Exemptions related to immigration status and living abroad during 2016	
Citizens living abroad and certain noncitizens	Enter Code C on Form 8965, Part III
Other exemptions	
General hardship - <i>You experienced circumstances that prevented you from obtaining coverage, including, homelessness, eviction, foreclosure, domestic violence, death of a close family member, and unpaid medical bills.</i>	Enter Exemption Certificate Number (ECN) on Form 8965, Part I
Unable to renew existing coverage - <i>You were notified that your health insurance policy was not renewable and you consider the other plans available unaffordable</i>	Enter Exemption Certificate Number (ECN) on Form 8965, Part I
Eligible for health coverage tax credit (HCTC)- This exemption is only available for July through December 2016.	Enter Code G on Form 8965, Part III
Members of certain recognized religious sects	Enter Exemption Certificate Number (ECN) on Form 8965, Part I
Members of Indian Tribes*	Enter Code E on Form 8965, Part III
Members of a health care sharing ministry*	Enter Code D on Form 8965, Part III
Incarceration* - <i>You are in a jail, prison, or similar penal institution or correctional facility after the disposition of charges.</i>	Enter Code F on Form 8965, Part III
Member of tax household born, adopted, or died during 2016.	Enter Code H on Form 8965, Part III
Certain Medicaid programs that are not minimum essential coverage.	Enter Exemption Certificate Number (ECN) on Form 8965, Part I

If a consumer has questions about applying for an exemption, contact _____ at _____ or **1-800.627.1548**

*As of September 1, 2016, these exemptions are no longer granted by the Marketplace, except Connecticut. Taxpayers who already have an ECN issued by the Marketplace for these exemptions may report the ECN on the Form 8965 filed with their income tax return for 2016. Taxpayers who do not have an ECN issued by the Marketplace, but qualify for one of these exemptions, may claim the exemption on Part III of Form 8965.

If a consumer has questions about applying for an exemption, contact _____ at _____ or **1-800.627.1548**