



# Affordable Care Act (ACA)

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[www.tax-aid.org](http://www.tax-aid.org)

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Tax-Aid would like to thank

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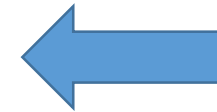
# Tax-Aid Disclaimer

- This summary provides basic information regarding basic tax law. Nothing in this summary supplants or replaces the requirements of the tax code. This summary is not intended as a substitute for advice from a taxpayer's own legal and financial advisors.
- Additional information about tax law can be found on [www.irs.gov](http://www.irs.gov)

# Agenda



- Background
- Individual shared responsibility provision
- Premium tax credit





# Reporting Coverage

	56	Subtract line 55 from line 47. If line 55 is more than line 47, enter -0-				
	57	Self-employment tax. Attach Schedule SE				
<b>Other Taxes</b>	58	Unreported social security and Medicare tax from Form: a <input type="checkbox"/> 4137 b <input type="checkbox"/> 8919				
	59	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required				
	60a	Household employment taxes from Schedule H				
	60b	b First-time homebuyer credit repayment. Attach Form 5405 if required				
	61	Health care: individual responsibility (see instructions) Full-year coverage <input checked="" type="checkbox"/>				
	62	Taxes from: a <input type="checkbox"/> Form 8959 b <input type="checkbox"/> Form 8960 c <input type="checkbox"/> Instructions; enter code(s)				
	63	Add lines 56 through 62. This is your <b>total tax</b>				
<b>Payments</b>	64	Federal income tax withheld from Forms W-2 and 1099	64			

✓ Check box and leave entry space blank if everyone on the return had coverage for the full year



# Information Statements

- **Marketplace\*** - Form 1095-A, *Health Insurance Marketplace Statement*
- **Insurers** - Form 1095-B, *Health Coverage*
- **Large Employers** – Form 1095-C, *Employer-Provided Health Insurance Coverage and Offer*

\* Also referred as CoveredCA.com



# Coverage Exemptions

- Coverage Exemptions only available at filing
- Submit form 8965 with federal return to claim coverage



# 2017 Coverage Exemptions

Exemptions are based on hardship:

(Check CoveredCA.com or Healthcare.gov for a full list of exemptions and how to apply on the Marketplace)

- Homeless
- Eviction/foreclosure or utility shut off
- Domestic violence
- Death of family member
- Experienced fire, flood or other natural disaster causing property loss
- Bankruptcy
- Unable to pay medical bills
- Unexpected increase in expenses due to care of a ill, disabled or aging family member
- Dependent denied coverage Medicaid/CHIP





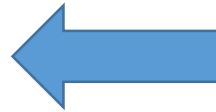
# Return Preparer Interview Best Practices

- Inquire as to whether or not client and dependents had coverage all year
- If available, use Form 1095-A, B or C to
  - verify coverage months and
  - determine who is covered

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# Basics of the Premium Tax Credit (PTC)



- Refundable tax credit
- *Must* buy Marketplace coverage
- Must file Form 8962 to claim the PTC and reconcile any advance payments



# Forms needed to claim PTC

- Form 1095-A from Marketplace
- Form 8962 to claim and reconcile PTC/APTC
- File Form 8962 with 1040, 1040A or 1040NR



# Return Preparer PTC Interview Best Practices

- Did client receive Form 1095-A from Marketplace?
- Were there changes in circumstances during the year?
  - Married/divorced
  - Eligible for government or employer sponsored coverage
  - Months without coverage



**Thank you**

**Fenwick**  
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**for making this training possible**