



Individual Shared Responsibility FAQ Certified Enrollers

Background:

The ACA requires everyone have [Minimum Essential Coverage](#) to comply with the law and avoid a *Shared Responsibility Payment* (also known as tax penalty, fee, or Individual Mandate payment). If a consumer 1) does not [qualify for an exemption](#) and 2) fails to have Minimum Essential Coverage, they will have a *Shared Responsibility Payment* due at tax time for the months the consumer did not have coverage or an exemption.

Frequently Asked Questions:

What if my consumer has questions about the requirement to have minimum essential health benefits, or their responsibilities because of the new White House administration?

The Affordable Care Act is still a federal law and will continue to be enforced until legislative or regulatory changes are made.

What if my consumer is confused about reporting their *shared responsibility* requirement on their tax return?

Tax filing provisions of the Affordable Care Act continue to be enforced until legislative or regulatory changes are made. Line 61 on the Tax Form 1040 **will not** impact the IRS acceptance or rejection of the filing of a tax return; however, if the consumer does not check the box at line 61, the IRS may contact the consumer for more information. See Appendix A for location of line 61 on Tax Form 1040.

What if my consumer thinks they qualify for an exemption?

Covered California **does not** determine exemptions. Exemption applications are available from the federal government. For more information and links to the application, visit www.healthcare.gov/exemptions or call the federal marketplace at 800.318.2596.

What if my consumer has questions about the tax penalty amount and how it's calculated?

Please visit the [Tax Penalty Details and Exemptions](#) page on Covered California's website for more information. The IRS provides an [Individual Shared Responsibility Tax Penalty estimate tool](#) the consumer can use to estimate their potential shared responsibility payment.

-See Below for Appendix A-



Appendix A: Page 2 of Tax Form 1040 highlighting Line 61

Form 1040 (2016) Page 2

38	Amount from line 37 (adjusted gross income)	38	
39a	Check <input type="checkbox"/> You were born before January 2, 1952, <input type="checkbox"/> Blind. Total boxes if: <input type="checkbox"/> Spouse was born before January 2, 1952, <input type="checkbox"/> Blind. checked ▶ 39a		
b	If your spouse itemizes on a separate return or you were a dual-status alien, check here ▶ 39b <input type="checkbox"/>		
40	Itemized deductions (from Schedule A) or your standard deduction (see left margin)	40	
41	Subtract line 40 from line 38	41	
42	Exemptions. If line 38 is \$155,650 or less, multiply \$4,050 by the number on line 6d. Otherwise, see instructions	42	
43	Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-	43	
44	Tax (see instructions). Check if any from: a <input type="checkbox"/> Form(s) 8814 b <input type="checkbox"/> Form 4972 c <input type="checkbox"/>	44	
45	Alternative minimum tax (see instructions). Attach Form 6251	45	
46	Excess advance premium tax credit repayment. Attach Form 8962	46	
47	Add lines 44, 45, and 46 ▶	47	
48	Foreign tax credit. Attach Form 1116 if required	48	
49	Credit for child and dependent care expenses. Attach Form 2441	49	
50	Education credits from Form 8863, line 19	50	
51	Retirement savings contributions credit. Attach Form 8880	51	
52	Child tax credit. Attach Schedule 8812, if required	52	
53	Residential energy credits. Attach Form 5695	53	
54	Other credits from Form: a <input type="checkbox"/> 3800 b <input type="checkbox"/> 8801 c <input type="checkbox"/>	54	
55	Add lines 48 through 54. These are your total credits ▶	55	
56	Subtract line 55 from line 47. If line 55 is more than line 47, enter -0-	56	
57	Self-employment tax. Attach Schedule SE	57	
58	Unreported social security and Medicare tax from Form: a <input type="checkbox"/> 4137 b <input type="checkbox"/> 8919	58	
59	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required	59	
60a	Household employment taxes from Schedule H	60a	
61	Health care: individual responsibility (see instructions) Full-year coverage <input type="checkbox"/>	61	
62	Taxes from: a <input type="checkbox"/> Form 8879 b <input type="checkbox"/> Form 8880 c <input type="checkbox"/> Instructions, enter code(s)	62	
63	Add lines 56 through 62. This is your total tax ▶	63	
64	Federal income tax withheld from Forms W-2 and 1099	64	
65	2016 estimated tax payments and amount applied from 2015 return	65	
66a	Earned income credit (EIC)	66a	
b	Nontaxable combat pay election 66b		
67	Additional child tax credit. Attach Schedule 8812	67	
68	American opportunity credit from Form 8863, line 8	68	
69	Net premium tax credit. Attach Form 8962	69	
70	Amount paid with request for extension to file	70	
71	Excess social security and tier 1 RRTA tax withheld	71	
72	Credit for federal tax on fuels. Attach Form 4136	72	
73	Credits from Form: a <input type="checkbox"/> 2439 b <input type="checkbox"/> Reserved c <input type="checkbox"/> 8885 d <input type="checkbox"/>	73	
74	Add lines 64, 65, 66a, and 67 through 73. These are your total payments ▶	74	
75	If line 74 is more than line 63, subtract line 63 from line 74. This is the amount you overpaid	75	
76a	Amount of line 75 you want refunded to you. If Form 8888 is attached, check here ▶ <input type="checkbox"/>	76a	
b	Routing number ▶ <input type="text"/>	c	Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings
d	Account number ▶ <input type="text"/>		
77	Amount of line 75 you want applied to your 2017 estimated tax ▶	77	
78	Amount you owe. Subtract line 74 from line 63. For details on how to pay, see instructions ▶	78	
79	Estimated tax penalty (see instructions)	79	
Third Party Designee	Do you want to allow another person to discuss this return with the IRS (see instructions)? <input type="checkbox"/> Yes. Complete below. <input type="checkbox"/> No		
	Designee's	Phone	Personal identification

Reminder: DO NOT produce or give tax advice to consumers on how to file their federal income taxes. DO NOT fill out federal tax forms. View our Tax Preparation Help for Consumers Handout that includes details about where consumers can find a licensed or registered tax preparer or low-cost tax preparation services.