



Health Coverage and Federal Income Taxes

Helpful information for the 2017 tax season

When you file your federal taxes for 2017 you will be asked for information regarding your health insurance coverage. If you had health coverage in 2017, you will have to check a box on your federal tax return indicating you had health coverage. If you purchased a health plan through the Health Insurance Marketplace (Marketplace) or did not have health coverage for all or part of the year, you should be aware of the additional steps that will take place as part of the tax filing process.

Individuals and families with a non-Marketplace health plan for all of 2017

You will need to check a box on your federal tax return if you had a health plan all year from a job, Medicare, COBRA, Medicaid, MICHild, Healthy Michigan or a plan you bought outside of the Marketplace, you will need to check a box on your federal tax return. You might receive a tax document called a Form 1095-B or a Form 1095-C in the mail from your health carrier. You don't need to attach this information to your tax return or wait to receive the form before filing your federal tax return.

Individuals and families who had a health plan through the Marketplace in 2017

If you bought a health plan from the Marketplace, they will mail you a Form 1095-A by January 31, 2018. Ensure your mailing address on your 2017 application is up-to-date because that is the address the Marketplace uses to mail you Form 1095-A. You can also download the form from your Healthcare.gov account. If your Form 1095-A is incorrect, contact the Marketplace Call Center to have it corrected.

When you signed up for health insurance, you had to estimate your income for 2017. Your estimated income determined the size of your tax credit. You need to compare your estimated income with your actual income, as this could impact the final amount of your tax credit. If your income or household size changed throughout the year, it could impact the final amount of your tax credit. You may see a smaller refund or owe money back if you underestimated your income. You may also get a bigger refund if you overestimated your income.

If you received an advance premium tax credit in 2017 you'll have to reconcile it when you file your federal tax

return using Form 1095-A and Form 8962. If you did not receive your tax credit in advance, you may claim it on your tax return using Form 1095-A and Form 8962. Failing to reconcile your 2017 advance premium tax credit may affect the tax credits you receive in the future.

Individuals and families who did not have a health plan in 2017

If you did not have coverage for more than two months in 2017, you will pay a fee when you file your federal tax return unless you qualify for an exemption. You can claim most exemptions on your tax return; however, some exemptions are only available through the Marketplace.

There are a variety of exemptions available including, but not limited to: the cost of coverage was too expensive; you experienced a hardship, such as medical expenses that resulted in substantial debt; a close family member passed away; or you experienced domestic violence. For a complete list of exemptions and information on how to apply, visit Healthcare.gov. If you do not qualify for an exemption you will have to pay a fee with your federal tax return. The fee is based on your income and how many months you did not have coverage.

For the 2017 plan year, the fee is calculated in two different ways. If you did not have health coverage for all of 2017, you will pay the higher of \$695 per adult and \$347.50 per child, limited to a family maximum of \$2,085 or 2.5% of household income for the months you were uninsured, subject to certain caps.

*This document is not meant to provide legal or tax advice. You should consult the IRS or your tax preparer or attorney if you have questions about filing your taxes.

RESOURCES

Marketplace Call Center 800-318-2596
IRS 800-829-1040
www.IRS.gov/aca
www.healthcare.gov/taxes
www.IRS.gov/VITA
www.IRS.gov/freefile

