

Exemption Information If You Couldn't Afford Health Coverage

Were you unable to buy health coverage last year because you could not afford it? You may be eligible for an exemption from the requirement to have health coverage.

The Affordable Care Act is making health insurance more affordable, helping more people get covered, and improving the quality of care that millions of Americans receive. Under the Affordable Care Act, individuals are required to have health coverage or else qualify for a coverage exemption. Individuals who don't have coverage will have to make a payment when filing their tax returns unless they qualify for an exemption. If you qualify, receiving an exemption is simple and easy.

It is important for individuals to know that exemptions are available and to understand the steps they need to take to request one. If the health coverage available to you last year would have been unaffordable, you may qualify for an exemption.

What Kind of Coverage Is Considered "Unaffordable"?

For this exemption, coverage is considered unaffordable if you would have had to pay more than 8.05 percent of your household income for the annual premium amount for health coverage in 2015 or 8.13% in 2016.

How Do I Get the Exemption Based on My Coverage Being Unaffordable?

You will simply claim it when you file your taxes. The process is fast and easy. To claim an exemption, select the exemption that applies to you, enter the corresponding code on [Form 8965](#) and send the form to the IRS with your income tax return. For this exemption, it will be "Coverage Considered Unaffordable," which is code A. To claim the "Coverage Considered Unaffordable" exemption if you are eligible for Marketplace coverage, you'll need to know the premium for the lowest cost Bronze plan you could have enrolled in for 2015. Visit <https://www.healthcare.gov/tax-tool> to find this information. If you would have had to pay more than 8.05 percent of your household income in premiums - after any applicable tax credit - for this lowest cost Bronze plan, you can claim this exemption.

If you already received a similar exemption through the Marketplace based on your projected income, you use the Exemption Certificate Number provided to you when you file your taxes. If you have questions about Marketplace exemptions or about your Exemption Certificate Number, visit HealthCare.gov/taxes, or call the Marketplace call center at 1-800-318-2596.

If you have questions about how to claim an exemption on your tax return, visit the Internal Revenue Service webpage on exemptions, available [here](#). To find out if you qualify for an exemption use the IRS interactive tool: "[Am I Eligible for a Coverage Exemption or Required to Make an Individual Shared Responsibility Payment?](#)"

Where can I get help with my taxes?

Most people use software to file their taxes, which is the easiest way to complete your tax return as it guides you through the process and does all the math. [Resources are available to help you file your taxes](#), including free tax filing services if you meet certain income requirements:

- [Free In-Person Volunteer Assistance through the Volunteer Income Tax Assistance \(VITA\) and Tax Counseling for the Elderly \(TCE\) programs.](#)
- [Free Software Returns through IRS Free File for taxpayers with incomes below \\$60,000.](#)
- [Commercial software.](#)
- [Professional assistance.](#)

How Long Does An Exemption for Unaffordable Coverage Last?

If you receive a “Coverage Considered Unaffordable,” exemption, it applies only to the months coverage was unaffordable in 2015. Since health plan prices change from year to year, you will need to check back each year to see if you are eligible for this exemption.