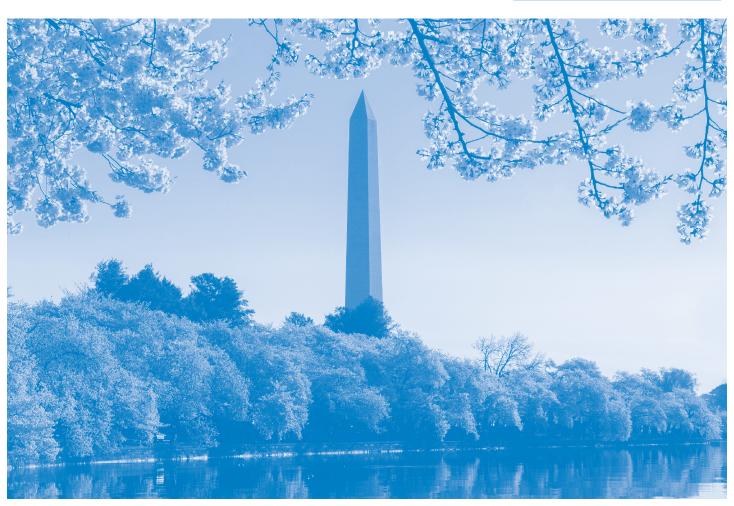


5157A

VITA/TCE Affordable Care Act - Taxpayer Scenarios

Volunteer Income Tax Assistance (VITA) / Tax Counseling for the Elderly (TCE)

2016 RETURNS





Take your VITA/TCE training online at **www.irs.gov** (keyword: Link & Learn Taxes). Link to the Practice Lab to gain experience using tax software and take the certification test online, with immediate scoring and feedback.



How to Get Technical Updates?

Updates to the volunteer training materials will be contained in Publication 4491X, VITA/TCE Training Supplement. The most recent version can be downloaded at: https://www.irs.gov/pub/irs-pdf/p4491x.pdf.

Volunteer Standards of Conduct

VITA/TCE Programs

The mission of the VITA/TCE return preparation programs is to assist eligible taxpayers in satisfying their tax responsibilities by providing **free** tax return preparation. To establish the greatest degree of public trust, volunteers are required to maintain the highest standards of ethical conduct and provide quality service.

All VITA/TCE volunteers (whether paid or unpaid workers) must complete the *Volunteer Standards* of *Conduct (VSC)* certification and agree to adhere to the VSC by signing Form 13615, *Volunteer Standards of Conduct Agreement*, prior to working at a VITA/TCE site. In addition, return preparers, quality reviewers, and VITA/TCE tax law instructors must certify in tax law prior to signing this form. This form is not valid until the site coordinator, sponsoring partner, instructor, or IRS contact confirms the volunteer's identity and signs and dates the form.

As a volunteer in the VITA/TCE Programs, you must:

- 1. Follow the Quality Site Requirements (QSR).
- 2. Not accept payment, solicit donations, or accept refund payments for federal or state tax return preparation.
- 3. Not solicit business from taxpayers you assist or use the knowledge you gained (their information) about them for any direct or indirect personal benefit for you or any other specific individual.
- 4. Not knowingly prepare false returns.
- 5. Not engage in criminal, infamous, dishonest, notoriously disgraceful conduct, or any other conduct deemed to have a negative effect on the VITA/TCE Programs.
- 6. Treat all taxpayers in a professional, courteous, and respectful manner.

Failure to comply with these standards could result in, but is not limited to, the following:

- Your removal from all VITA/TCE Programs;
- Inclusion in the IRS Volunteer Registry to bar future VITA/TCE activity indefinitely;
- Deactivation of your sponsoring partner's site VITA/TCE EFIN (electronic filing ID number);
- Removal of all IRS products, supplies, loaned equipment, and taxpayer information from your site;
- Termination of your sponsoring organization's partnership with the IRS;
- Termination of grant funds from the IRS to your sponsoring partner; and
- Referral of your conduct for potential TIGTA and criminal investigations.

TaxSlayer® is a copyrighted software program owned by Rhodes Computer Services. All screen shots that appear throughout the official Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE) training materials are used with the permission of Rhodes Computer Services. The screen shots used in this publication—or any other screen shots from TaxSlayer or its affiliated programs—may not be extracted, copied, or distributed without written approval from the IRS SPEC Office of Products, Systems, & Analysis.

Confidentiality Statement:

All tax information you receive from taxpayers in your volunteer capacity is strictly confidential and should not, under any circumstances, be disclosed to unauthorized individuals.

Appendix: Affordable Care Act (ACA) Exercises



Instructions

The purpose of the following examples is to give volunteers an opportunity to practice completing forms and worksheets associated with the Affordable Care Act (ACA) tax provisions. Adequate information is provided to prepare simple tax returns with various health insurance coverage scenarios that you may encounter. Following each scenario are screen shots from the tax preparation software that will allow you to check your work. Note: This publication is posted before software and most tax forms are finalized. In some cases, tax year 2015 screen shots or tax forms are used, but contain 2016 amounts.

Reminders

- All taxpayer names, addresses and Social Security numbers provided in the scenarios are fictitious.
- When entering Social Security numbers (SSNs), replace the Xs as directed, or with any four digits of your choice.
- Use employer identification number (EIN) 622-00-XXXX for all W-2s.
- Complete tax return and intake sheet information is not provided. For the purposes of these exercises, you can ignore incomplete or missing information, or enter sample information of your choice.
- Use your city, state, and ZIP code when completing any forms, unless the notes state otherwise.
- For the purposes of the premium tax credit calculations on Form 8962, use "Other 48 states and DC" so your calculations will match the provided answers.
- For all scenarios, assume that the identity and Social Security cards were checked for all individuals on the intake sheet.

Example 1 – Taxpayer with Partial Year Minimum Essential Coverage (MEC) and Coverage Exemption

Interview Notes

- · Greg Clayton is single with no dependents. No one can claim him as a dependent.
- His SSN is 621-00-XXXX
- Greg left his old job on March 15. He was covered under his previous employer through the end of March. He began a new job on June 15th, and immediately became eligible for, and enrolled in, his employer sponsored health care coverage. Both employers withheld Greg's share of the insurance premium pretax from his paycheck each week.
- Greg was uninsured from April 1 through June 14 of the tax year.
- · Greg's first W-2 shows the following:
 - Box 1 = \$15,200
 - Box 2 = \$1,520
 - Box 12 = \$1,456 with code DD

- Greg's second W-2 shows:
 - Box 1 = \$22,800
 - Box 2 = \$2,280
 - Box 12 = \$2,184 with code DD

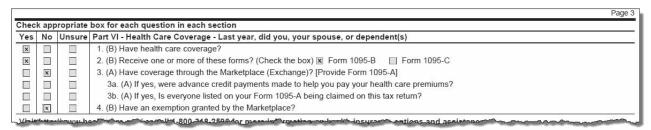
Directions

Review the interview notes, complete the volunteer sections of the intake sheet, and start a new return using Practice Lab or TaxSlayer software. Enter the SSN, filing status, personal information, and income. Then complete the following steps:

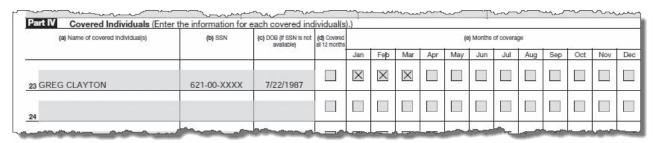
- 1. Select the Health Insurance section and answer all the questions pertaining to Greg.
- 2. Compare your result to the screen shots on the following pages

Form 13614-C (October 2015)	I	ntake	Department of the Tree		mal Revenue Service lity Review SI	neet	207	MB Number 1545-1964
You will need: Tax Information such as Social security cards or Picture ID (such as valid	ITIN letters for all pe	rsons o		• You	plete and accurate in	he information on your		
Part I - Your Personal Inform	ation							
Your first name GREG		M.I.	Last name CLAYTON			Telephone number YOUR PHONE #	Are you a U. ⊠ Yes	S. citizen?
2. Your spouse's first name		M.I.	Last name	7.60	-0	Telephone number	Is your spous ☐ Yes	se a U.S. citizen?
3. Mailing address 55 CONCORD COURT				Apt #	City YOUR CITY		State YS	ZIP code YOUR ZIP
4. Your Date of Birth 7/22/1987	5. Your job title SALES REP		6. Last y					☐ Yes ☒ No ☐ Yes ☒ No
7. Your spouse's Date of Birth	8. Your spouse's job	title			your spouse: rmanently disabled [☐ Yes ☐ No ☐ Yes ☐ No
10. Can anyone claim you or yo	our spouse on their tax	return?	Yes ⊠	No	☐ Unsure			
11. Have you or your spouse:	a. Been a	victim of	identity theft?	Yes	No b. Adopted Adopted Description No control No control	d a child? Yes	⊠ No	
Part II - Marital Status and	Household Inform	ation	812		7			
As of December 31 of 2015, were you:	Single (Thi	a. Did b. Was	you live with your sp	ouse dur	rships, civil unions, or or ing any part of the last nder the laws of the sta			w) No 🗆 Unsure

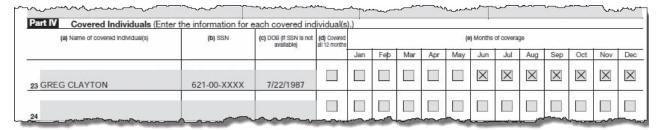
Greg's intake sheet, page 3:



Greg's Form 1095-B from Employer A:

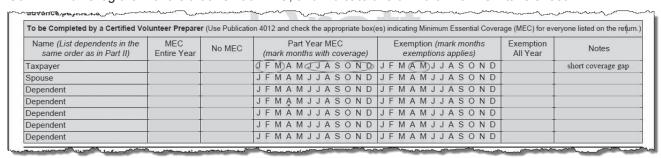


Greg's Form 1095-B from Employer B:



Results - Approaching the ACA

Confirm with Greg the months that he had MEC, and indicate this on Part VI of his intake sheet:



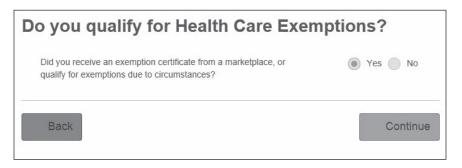
Results - TaxSlayer ACA Responses

Greg's completed TaxSlayer health insurance input screens are shown below.

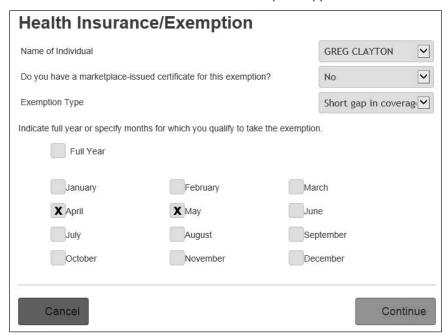
Enter the months that Greg had health insurance coverage. Remember that MEC coverage for one day during the month counts for the entire month. He has MEC for January through March and June through December.



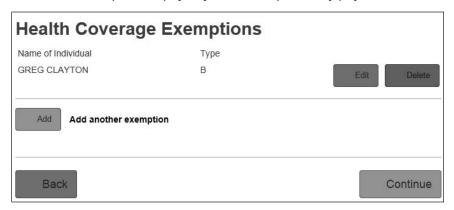
Greg qualifies for a short coverage gap exemption for April and May.



Check the box for each month that the exemption applies.



He will not be required to pay any shared responsibility payment.



Results - Form 1040, page 2

Greg's Form 1040, page 2 will not have the "Full-year coverage" box marked and will also not show an amount on the individual responsibility line.



Example 2 – Coverage Exemptions

Interview Notes

- · Jerome and Judy Baxter are married and file a joint return.
- · They have one child, Jana, who they claim as a dependent on their return.
- Jerome's Form W-2 shows the following:
 - Box 1 = \$26,000
 - Box 2 = \$2,000
- Jerome, Judy, and Jana do not have any other income.
- · Their Social Security numbers are:

Jerome: 623-00-XXXX

- Judy: 624-00-XXXX

Jana: 625-00-XXXX

- Jerome's small employer offered health insurance for the tax year, but Jerome and Judy thought the
 premium was too expensive. The insurance Jerome was offered met the ACA's definition of an affordable
 employer coverage offer.
- · Jerome and Judy were uninsured for all of 2016.
- They live in a state that did not expand Medicaid coverage to low-income adults.
- Jana was enrolled in Medicaid all year. All children in their state who are under the age of 18 are eligible for Medicaid with household income under 138% of FPL.

Directions

Review the interview notes, complete the volunteer sections of the intake sheet, and start a new return using Practice Lab or TaxSlayer software. Enter the SSNs, filing status, personal information, dependents, and income. Then complete the following steps:

- 1. Select the Health Insurance section and answer all the questions pertaining to Jerome and his family.
- 2. Compare your result to the screen shots on the following pages:

Form 13614-C (October 2015)		Int			of the Treas			Service view SI	neet				Number -1964	
You will need: Tax Information such as Social security cards or Picture ID (such as valie	ITIN letters f	or all pers	ons on yo			You a comp	re respondence	te pages 1- nsible for th accurate in estions, ple	ne information	ition on yo				
Part I - Your Personal Inform	nation													
Your first name JEROME		N		st name XTER	1					one numbe PHONE #	r Are yo ⊠ Ye	ou a U.S. ci s [tizen?] No	
Your spouse's first name JUDY		N		st name XTER)				Teleph	one numbe	r Is you ⊠ Ye	r spouse a s [U.S. citiz] No	en?
3. Mailing address 33 APACHE WAY						Apt#	City YOUR CI	TY			State YS	100	IP code	,
4. Your Date of Birth 07/09/1979	5. Your job ti SALES	tle		1.5%	Last year Totally ar			abled	Yes ⊠ I		ll-time stud gally blind		'es ⊠	
7. Your spouse's Date of Birth 12/01/1983	8. Your spou		е	1.33	Last year Totally ar				Yes 🔀		ll-time stud gally blind	2000 E	'es ⊠	
10. Can anyone claim you or y	our spouse on	their tax re	eturn?	☐ Yes	⊠ N	0 [Unsure	F		20 000	24 704 804	480-7 250-565	n ecos	agen.
11. Have you or your spouse:	4.700	Been a vic		tity the	ft? ☐ Y	es D	No No			b. Ad	opted a ch	ild? 🗆 🕆	'es ⊠	No
Part II - Marital Status and		100000000000000000000000000000000000000	12.72											
 As of December 31, 2015, w you: 		ngle arried	a. If	Yes, Di	d you get	married i	n 2015?	rtnerships, o				Yes ⊠ f	lo	law)
	☐ Dir	vorced			nal decree					_				
		gally Sepa			eparate m		ce agreen	nent						
				ear of s	pouse's de									
	☐ Wi	dowed	16	di oi o	poudo o u	aur								
List the names below of: everyone who lived with year.	ou last year (o	ther than y	our spouse		poddo 5 di	zaui		If add				ere 🗌 and		
everyone who lived with ye anyone you supported but	ou last year (o	ther than yeth you last	our spouse year	9)		2000			To be c	ompleted b	y a Certifi	ed Volunt	er Prepa	
everyone who lived with ye anyone you supported but Name (first, last) Do not enter your name or spouse's name below	ou last year (o did not live wi Date of Birth (mm/dd/yy)	ther than you last Relationship to you (for example: son, daughter, parent, none, etc)	Number of months lived in your home last year	US Citizen (yes/no,	Resident of US, Canada, or Mexico last year (yes/no)	Single or Married as of 12/31/1 (S/M)	5 last year (yes/no)	Totally and Permanently Disabled (yes/no)		Did this person provide more than 50% of his/ her own support?		Did the taxpayer(s) provide more	Did the taxpayer pay more half the or maintain home for person?	r(s) e than cost of ing a
everyone who lived with you anyone you supported but Name (first, last) Do not enter your	ou last year (o did not live wi	ther than yeth you last Relationship to you (for example: son, daughter, parent, none, etc) (c)	Number of months lived in your home last year	US Citizen	Resident of US, Canada, or Mexico last year	Single or Married as of 12/31/1	Student 5 last year	Totally and Permanently Disabled	To be co Is this person a qualifying child/relative of any other person?	Did this person provide more than 50% of his/ her own	Did this person have less than \$4,000 of income?	Did the taxpayer(s) provide more than 50% of support for this person?	Did the taxpayer pay more half the o maintain home for	r(s) e than cost of ing a

Page 3 of the intake sheet:

Chec	k app	oropriate	Page box for each question in each section
Yes	No	Unsure	Part VI - Health Care Coverage - Last year, did you, your spouse, or dependent(s)
X			(B) Have health care coverage?
	×		2. (B) Receive one or more of these forms? (Check the box) Form 1095-B Form 1095-C
	×		3. (A) Have coverage through the Marketplace (Exchange)? [Provide Form 1095-A]
			3a. (A) If Yes, Receive an advanced payment from the Marketplace to help pay your monthly health care payments?
			3b. (A) If yes, Is everyone listed on your Form 1095-A being claimed on this tax return?
	×		4. (B) Have an exemption granted by the Marketplace?

Results – Approaching the ACA

Complete the volunteer section of the Baxters' intake sheet, Part II:

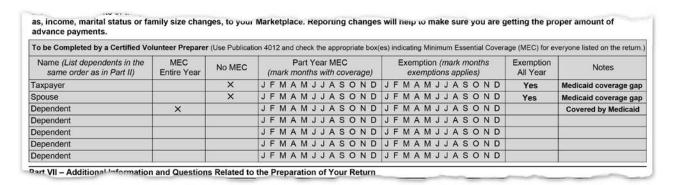
anyone you supported bu Name (first, last) Do not enter your name or spouse's name below	Date of Birth (mm/dd/yy)	Relationship to you (for example: son, daughter, parent,		US Citizen (yes/no)	Resident of US, Canada, or Mexico last year (yes/no)	Single or Married as of 12/31/15 (S/M)	Student	Disabled	Is this person a qualifying child/relative of any other person?	Did this person provide more than 50% of his/ her own	Did this person have less than \$4,000 of income? (yes/no)	Did the taxpayer(s) provide more than 50% of support for this person?	half the cost of maintaining a home for this
(a)	(b)	none, etc) (c)	(d)	(e)	(f)	(g)	(h)	(i)	(yes/no)	support? (yes/no)		(yes/no/N/A)	person? (yes/no)
JANA BAXTER	02/04/2015	DAUGHTE	₹ 12	YES	YES	S	NO	NO	NO	NO	YES	YES	YES
	Volunteer	s are train						old the high at wi.voltax		l standard	ls.		

Results - Exemption; Medicaid Coverage Gap

Consider the income-based exemptions Jerome and Judy may be eligible to claim. At \$26,000, their income is above the filing threshold, so they cannot claim the exemption on Line 7 of Form 8965.

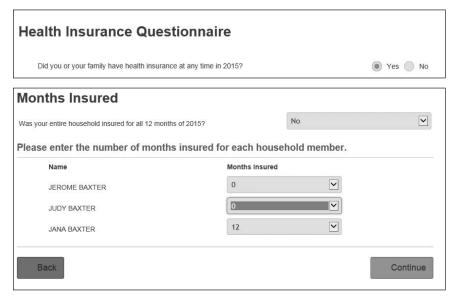
Because they live in a state that did not expand Medicaid coverage, the Code G exemption will apply if their income is less than 138% of the federal poverty line (FPL). Use the table In Publication 4012, ACA tab, to find the income amount for a family of three at 138% FPL (\$27,724). Jerome and Judy's income (\$26,000) is less than 138% FPL, so they are eligible to claim Code G. Eligibility for affordable employer-sponsored coverage or coverage in the marketplace does not disqualify them from this exemption.

Complete the volunteer section of the Baxter' intake sheet, Part VI:



Results - TaxSlayer ACA Responses

Indicate that Jana was covered by Medicaid for the entire year and Jerome and Judy did not have health insurance coverage for any month during the year:



Jerome had no health insurance coverage for any month:

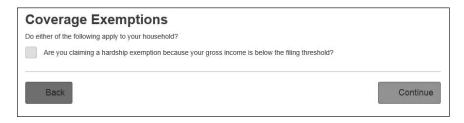


Enter the same information for Judy.

You have determined that Jerome and Judy qualify for a coverage exemption. Complete the remaining questions to claim the exemption for Jerome and Judy on the tax return.



Their income is above the filing threshold, so you will not select this box:



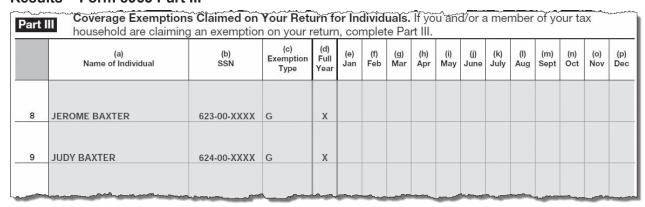
In the screen below, indicate that Jerome can claim a coverage exemption because his income is below 138% of FPL and he was a resident of a state that did not expand Medicaid.



Make the same entries for Judy.

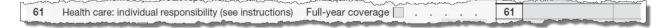


Results - Form 8965 Part III



Results - Form 1040 Page 2

On Form 1040, the "Full-year coverage" box is not checked:



In this case, each member of the tax household had either coverage or a coverage exemption for each month so there is no individual shared responsibility payment required.

Example 3 - Coverage Exemptions

Interview Notes

- · Susan and Lee Parks are married and file a joint return.
- · They have two children, Elisabeth and Emilee, whom they claim as dependents on their return.
- · Susan's Form W-2 shows the following:
 - Box 1 = \$30,000
 - Box 2 = \$2,000
- · Lee's Form W-2 shows the following:
 - Box 1 = \$27,000
 - Box 2 is \$2,700.
- · Neither Susan, Lee, nor their children have any other income.
- Their Social Security numbers are:
 - Lee: 613-00-XXXX
 - Susan: 614-00-XXXX
 - Elisabeth: 615-00-XXXX
 - Emilee: 616-00-XXXX
- Lee's employer did not offer health insurance coverage for the tax year.
- · Susan purchased self-only coverage under a plan offered by her employer.
- Susan had the option to purchase family coverage under an insurance plan offered by her employer
 which would have covered Susan, Lee, Elisabeth, and Emilee, at a cost of \$13,140. Susan and Lee
 could not afford this plan. Lee, Elisabeth and Emilee did not have health insurance coverage all year.
- The Parks don't qualify for any non-income-based coverage exemptions.

Directions

Review the interview notes, complete the volunteer sections of the intake sheet, and start a new return using Practice Lab or TaxSlayer software. Enter the SSN, filing status, dependents, personal information, and income. Then complete the following steps:

- 1. Determine if this couple is eligible for the affordability exemption. No other exemptions apply.
- 2. Select the Health Insurance section and answer all the questions pertaining to Susan, Lee, Elisabeth, and Emilee.
- 3. Compare your result to the screen shots on the following pages.

Form 13614-C (October 2015)		Int			of the Treas			Service view Sh	neet				lumber -1964
You will need: • Tax Information such as • Social security cards or • Picture ID (such as valid	ITIN letters	for all perso	ons on y			You a comp	are respo	te pages 1- nsible for th accurate inf estions, ple	e information.	tion on yo			
Part I - Your Personal Informa	ation		1.5								27.11		
Your first name LEE		N		st name	•					ne numbe PHONE #	r Are yo ⊠ Ye	ou a U.S. ci	iizen?] No
Your spouse's first name SUSAN		N		ist name	9				Telepho	one numbe	r Is you ⊠ Ye		U.S. citizen?] No
3. Mailing address 87 HASTINGS BLVD						Apt#	City YOUR CI	TY			State YS		IP code OUR ZIP
4. Your Date of Birth 06/01/1968	5. Your job CONSTRU		02		6. Last ye b. Totally		you: nanently o	disabled [Yes 🛛		time stude Legally blir		
	8. Your spo	use's job title	•				your spou] Yes ⊠		time stude Legally blir		_
10. Can anyone claim you or yo	our spouse o	on their tax re	eturn?	☐ Yes	N 🛛	lo [Unsure	The same of					
11. Have you or your spouse:		a. Been a vict		ntity the	ft? 🗆 Y	es D	₹ No	b. Adopted	a child?	☐ Yes	⋈ No	}	
Part II - Marital Status and	Househol	d Informati	ion					7					
1. As of December 31 of 2015, were you:		b Divorced C egally Separ	. Did you . Was you ate of fin	live with ur marria al decre	n your spo age recog e eparate m	use durir	ng any par der the lav	t of the last s	six months	of 2015?	⊠ Y	es 🗆 No	☐ Unsure
List the names below of: everyone who lived with you anyone you supported but of				r spouse	9)	10		If addi	Manager 1				ist on page 3
Name (first, last) Do not enter your name or spouse's name below	(mm/dd/yy)	Relationship to you (for example: son, daughter, parent, none, etc)	months lived in your home last year	Citizen (yes/no)	or Mexico last year (yes/no)		5 Student 5 last year (yes/no)	Permanently Disabled (yes/no)	ls this person a qualifying child/relative of any other person? (yes/no)	Did this person provide more than 50% of his/ her own support?	Did this person have less than \$4,000 of income? (yes/no)	Did the taxpayer(s) provide more	Did the taxpayer(s) pay more than half the cost of maintaining a home for this person?
(a) ELISABETH PARKS	(b)	(c) DAUGHTEI	(d)	(e) YES	YES	(g) S	(h) YES	(i) NO		(yes/no)			(yes/no)
ELISABE I II PARKS	03/02/2012	DAUGHTE	12	TES	TES	3	155	NO					
EMILEE PARKS	00/07/2007	DAUGHTE	12	YES	YES	S	YES	NO					

Page 3 of the Parks' intake sheet:

36 37	47		Page 3
Chec	k app	ropriate	box for each question in each section
Yes	No	Unsure	Part VI - Health Care Coverage - Last year, did you, your spouse, or dependent(s)
x			(B) Have health care coverage? Susan
×			2. (B) Receive one or more of these forms? (Check the box) ▼ Form 1095-B ▼ Form 1095-C
	x		3. (A) Have coverage through the Marketplace (Exchange)? [Provide Form 1095-A]
			3a. (A) If yes, were advance credit payments made to help you pay your health care premiums?
			3b. (A) If yes, Is everyone listed on your Form 1095-A being claimed on this tax return?
	x		4. (B) Have an exemption granted by the Marketplace?
~w/icit	http:	//www.b	althorac on health incorporation

Results - Exemptions; Insurance is Unaffordable

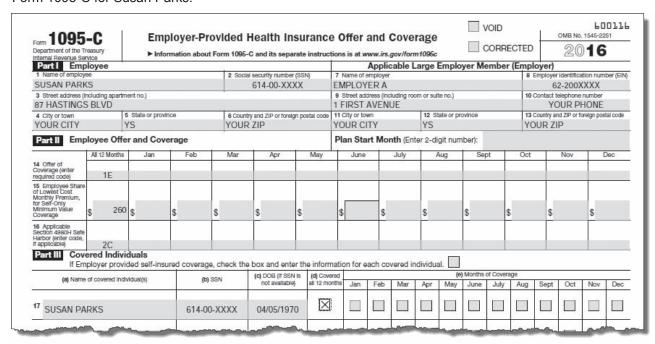
Complete the volunteer section on page 1 of the intake sheet:

Name (first, last) Do not enter your name or spouse's name below	Date of Birth (mm/dd/yy)	example: son,	Number of months lived in your home last year	US Citizen (yes/no)	Resident of US, Canada, or Mexico last year (yes/no)	Single or Married as of 12/31/15 (S/M)	Student last year	Totally and Permanently Disabled (yes/no)	Is this person a qualifying child/relative of any other person? (yes/no)	person provide more than 50% of his/	person have less than \$4,000 of income? (yes/no)	Did the taxpayer(s) provide more than 50% of support for this person? (yes/no/N/A)	Did the taxpayer(s) pay more that half the cost of maintaining a home for this person?
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	57000000000	(yes/no)		5,000,000,000	(yes/no)
ELISABETH PARKS	03/02/2012	DAUGHTER	12	YES	YES	S	YES	NO	NO	NO	YES	YES	YES
EMILEE PARKS	09/07/2007	DAUGHTER	12	YES	YES	S	YES	NO	NO	NO	YES	YES	YES
		ers are traine									s.		

Form 1095-B for Susan Parks:

(a) Name of covered individual(s)	(b) SSN	(c) DOG (1 SSN is not available)	(d) Cound of 12 months						Months	of coverse	90				
	Ġ.	100000	3	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
23 SUSAN PARKS	614-00-XXXX	04/05/1970	\boxtimes												

Form 1095-C for Susan Parks:



Susan had coverage all year so you do not need to determine if it was affordable. Next, determine if the coverage available to Lee, Elisabeth and Emilee is considered unaffordable.

The required contribution for Lee, Elisabeth, and Emilee is Susan's share of the cost for family coverage (\$13,140), which is more than 8.13% of their household income (\$57,000 x .0813 =\$4,634). As a result, Lee, Elisabeth, and Emilee are eligible for the exemption for unaffordable coverage for the tax year. Their Affordability Worksheet is completed below:

(A) Affordability Threshold

Enter 8.13% of your household income (see <u>Household Income</u>). For this purpose, increase household income by the amount of any premium that is paid through a salary reduction arrangement and excluded from gross income.

\$4634

(B) Required Contribution Amount

For each member of your tax household, enter in the columns provided the annual premium for the first option below that applies to that person. If the premium is the same for the whole year, enter the same value for each month. If the premiums covers only part of the year, use the Annualized Premium Worksheet to determine what the annualized premium would be for each month.

Options (use the first that applies to each member of your tax household, including you, for each month):

- 1. The lowest cost self-only policy offered to each member of your tax household by his or her employer.
- The lowest cost family policy* offered by your employer or your spouse's employer (if you are filing a joint return).
- The amount from the Marketplace Coverage Affordability Worksheet.

For each individual, coverage is unaffordable and the individual is exempt if (B), the Required Contribution Amount, is greater than (A), the Affordability Threshold.

Members of your tax household (enter one name per column):	Lee	Elisabeth	Emilee		
Premium for:	1. 1.				71
January	13,140	13,140	13,140		
February	13,140	13,140	13,140		
March	13,140	13,140	13,140		
April	13,140	13,140	13,140		
May	13,140	13,140	13,140		
June	13,140	13,140	13,140		
July	13,140	13,140	13,140		
August	13,140	13,140	13,140		
September	13,140	13,140	13,140		8
October	13,140	13,140	13,140		
November	13,140	13,140	13,140		
December	13,140	13,140	13,140		

^{*}The policy must cover everyone in your tax household:

After you determine that the taxpayers are eligible for a coverage exemption, complete the volunteer section of the Part VI on the intake sheet:

as, income, marital started or family size changes, to your Marketplace. Reporting changes will help to make sure you are getting the proper amount of advance payments.

Name (List dependents in the same order as in Part II)	MEC Entire Year	No MEC	Part Year MEC (mark months with coverage)	Exemption (mark months exemptions applies)	Exemption All Year	Notes
Taxpayer Lee		X	JFMAMJJASOND	J F M A M J J A S O N D	Yes	Coverage unaffordable
Spouse Susan	X		JFMAMJJASOND	J F M A M J J A S O N D		Employer coverage
Dependent Elisabeth		X	JFMAMJJASOND	J F M A M J J A S O N D	Yes	Coverage unaffordable
Dependent Emilee		X	JFMAMJJASOND	J F M A M J J A S O N D	Yes	Coverage unaffordable
Dependent			JFMAMJJASOND	J F M A M J J A S O N D		
Dependent			JFMAMJJASOND	J F M A M J J A S O N D		
Dependent			J F M A M J J A S O N D	J F M A M J J A S O N D		

Park/Ul—Additional Information and Questions Related to the Preparation of Your Returns

for whom a personal exemption deduction is claimed on your tax return,

who is not eligible for employer coverage, and

who does not qualify for another coverage exemption.

Results - TaxSlayer ACA Responses

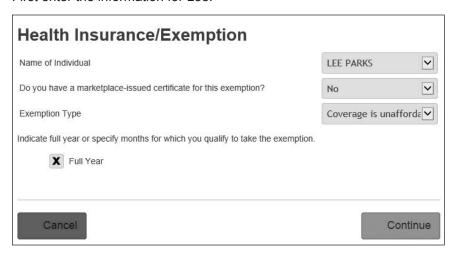
Answer the ACA questions for Susan and Lee as shown below. Because Susan had minimum essential coverage all year, indicate that she was insured for 12 months. Because Lee, Elisabeth and Emilee had no insurance all year, indicate zero months for each.



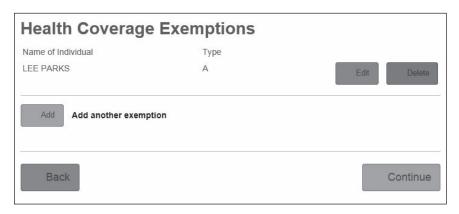
Complete this section to claim coverage exemptions for Lee, Elisabeth and Emilee on the tax return.



First enter the information for Lee:



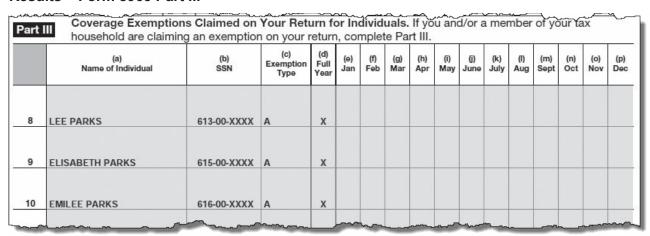
Then add additional exemptions for Elisabeth and Emilee:



Results - Health Coverage Exemptions



Results - Form 8965 Part III



Results - Form 1040 Page 2

On Form 1040, the "Full-year coverage" box is not checked:



In this case, each member of the tax household had either coverage or a coverage exemption for every month so there is no individual shared responsibility payment required.

Example 4 – Affordability Exemptions – Marketplace Coverage

Interview Notes

• Edward and Julia Fulton are married and file a joint return. Their SSNs are:

- Edward: 617-00-XXXX

Julia: 618-00-XXXX

- The Fultons have a dependent son, Sam. Sam worked part-time and earned enough that he was required to file a tax return this year. Sam's MAGI is \$6,900. Sam's SSN is 619-00-XXXX.
- Julia and Edward did not have minimum essential coverage for any month during the tax year. Edward
 and Julia mention that they looked into purchasing coverage through the Marketplace, but felt that the
 premiums were too expensive.
- · Sam was covered all year by a government-sponsored Children's Health Plan.
- Edward's Form W-2 shows:
 - Box 1 = \$16.280
 - Box 2 = \$1,628
- Julia's W-2 shows:
 - Box 1 = \$17,000
 - Box 2 = \$0
- Edward and Julia had no other income.

Directions

Explain that if their premium costs for Marketplace coverage is more than a certain percentage of their income, they would be eligible for an exemption from the SRP. Complete the worksheets in the Form 8965 Instructions to see if Edward and Julia qualify for the affordability exemption. Edward and Julia were not offered insurance coverage through their employers, so you'll need to complete two worksheets:

- 1. The Affordability Worksheet
- 2. The Marketplace Coverage Affordability Worksheet.

Form 13614-C (October 2015)		Int	take/			sury - Intern Quali		Service view S	heet				Number -1964
You will need: • Tax Information such as • Social security cards or • Picture ID (such as valid	ITIN letters I driver's lic	for all pers	ons on			You a comp	re respo	ete pages 1 nsible for t accurate in estions, ple	he information.	tion on yo			
Part I - Your Personal Inform	ation					î.i			-				
Your first name EDWARD			1	Last name	32					one numbe PHONE #	⊠ Ye] No
2. Your spouse's first name JULIA				Last name	е				Telepho	one numbe	⊠ Ye	s [U.S. citizen? No
3. Mailing address 456 STONEHILL RD							City YOUR C	ITV			State YS		IP code OUR ZIP
4. Your Date of Birth	5. Your job	title		-	6. Last v	ear, were		-		a. Full	time stude		res ⊠ No
06/01/1978	MANAGER					and pern		disabled [☐ Yes 🗵	No c. l	egally blir		
7. Your spouse's Date of Birth	8. Your spo	use's job titl	e		9. Last y	ear, was y	our spou	se:		a. Full	time stude	nt 🗆 Y	res ⊠ No
01/06/1979	CUSTOME	R SERVICE	REP		b. Totally	and pern	nanently o	disabled [☐ Yes 🗵	No c. l	egally blir	nd 🗆 Y	res ⊠ No
10. Can anyone claim you or y	our spouse o	on their tax r	eturn?	☐ Ye	s 🛛 l	No [Unsure						
11. Have you or your spouse:	8	a. Been a vic	ctim of id	lentity the	ft? 🗆 '	res 🗵	No	b. Adopted	d a child?	☐ Yes	⋈ No		
Part II – Marital Status and 1. As of December 31 of 2015.		Single (This i	07/70/00/00			ran passaya onon							
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Results – Affordability Worksheet

Complete the top of the Affordability Worksheet to determine the Affordability Threshold of the Household Income. Include the MAGI for a dependent, such as Sam, whose income exceeds the filing threshold.

The calculation is: $40,180 \times .0813$ (affordability threshold for 2016) = 3,267.

ffordability Worksheet	
se this worksheet to determine whether coverage for each individual in your tax household is uf your tax household isn't eligible for employer-sponsored coverage, use the Marketplace Coverage.	rage Affordability Worksheet to figur
he required contribution for that individual. An individual is exempt for any month in which (B) , the Affordability Threshold.	re rrequired Continuation, is more the
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Since Edward and Julia are not eligible for employer-sponsored coverage, they need to use the Marketplace Coverage Affordability Worksheet. Visit www.healthcare.gov to find the figures they will need to complete this worksheet:

- Remember to use their ages at the start of the tax year, since the first month they did not have coverage was January.
- Assume they live in zip code 31405 (Chatham County, GA) and do not use tobacco.
- Look up the lowest cost bronze plan for Edward, Julia and Sam. For this example, Sam is included in the
 calculation for the lowest cost bronze plan since he does not have an offer of employer coverage. Enter
 this amount on line 1 of the worksheet.
- Then look up the second lowest cost silver plan (SCLSP) for Edward and Julia. Do not include Sam in this quote because he has government-sponsored coverage. Enter this figure on line 10.

Marketplace Coverage Affordability Worksheet

Use this worksheet to figure an individual's required contribution for any month in which the individual is not eligible for employer-sponsored coverage. Complete a separate worksheet for each part of the year in which either the individual resided in different geographic rating areas served by the Marketplace or for which the number of people in your tax household who are neither exempt nor eligible for employer-sponsored coverage was different.

CH I	Do not complete this worksheet unless you were instructed to do so in the Affordability Worksheet.	
1.	Enter the monthly premium for the lowest cost bronze plan that covers everyone in your tax household for whom a personal exemption deduction is claimed, who is not eligible for employer coverage, and who does not qualify for another coverage exemption for the month. To find the lowest cost bronze plan go to the Marketplace for your area	\$492
2.	Enter your household income (see <u>Household income</u>)	\$40,180
3.	Enter the total of all nontaxable social security benefits received by you, your spouse, and each claimed dependent who must file a tax return*	
4.	Add lines 2 and 3	\$40,180
5.	Enter the federal poverty line for the number of individuals in your tax household less any dependents not claimed. See the instructions for Form 8962, line 4	\$20,090
i.	Divide line 4 by line 5. If the result (without rounding) is less than 1.0 or more than 4.0, skip lines 7 though 10 and enter -0-on line 11.	2.0
7.	Multiply line 6 by 100 and round to the nearest whole number. Enter the applicable figure for the result from the table in the instructions for Form 8962, line 7	0.0641
В.	Multiply line 4 by line 7	\$2,576
Э.	Divide line 8 by 12.0	\$215
10.	Enter the monthly premium for the second lowest cost silver plan premium that covers everyone in your tax household for whom a personal exemption deduction is claimed, who is not eligible for minimum essential coverage (other than coverage in the individual market), and who does not qualify for another coverage exemption for the month. To find the second lowest cost silver plan go the Marketplace for your area	\$450
11.	Subtract line 9 from line 10	\$235
12.	Subtract line 11 from line 1. If zero or less, enter -0 This is the individual's required contribution for the month	\$257
13.	Is the individual eligible for this coverage for every month of the year?	
	Yes. Multiply line 12 by 12.0. This is the annualized premium. Enter this amount in the space for every month on the Affordability Worksheet	\$3,084
	No. Use the Annualized Premium Worksheet to determine what the annualized premium would be for each month the individual was eligible for the coverage being tested. Enter the annualized premium in the space for the appropriate months on the Affordability Worksheet	72,30

Compare the annualized premium from line 13 of the Marketplace Coverage Affordability Worksheet to the Affordability Threshold. Because the annualized premium is lower than the 8.13% threshold, Edward and Julia can't claim the affordability exemption.

(B) Required Contribution Amount

For each member of your tax household, enter in the columns provided the annual premium for the first option below that applies to that person. If the premium is the same for the whole year, enter the same value for each month. If the premiums covers only part of the year, use the Annualized Premium Worksheet to determine what the annualized premium would be for each month.

Options (use the first that applies to each member of your tax household, including you, for each month):

- 1. The lowest cost self-only policy offered to each member of your tax household by his or her employer.
- 2. The lowest cost family policy" offered by your employer or your spouse's employer (if you are filing a joint return).
- 3. The amount from the Marketplace Coverage Affordability Worksheet.

For each individual, coverage is unaffordable and the individual is exempt if (B), the Required Contribution Amount, is greater than (A), the Affordability Threshold.

Members of your tax household (enter one name per column):	Edward	Julia		
Premium for:				 10
January	\$3,084	\$3,084		
February	\$3,084	\$3,084		
March	\$3,084	\$3,084		
April	\$3,084	\$3,084		_
May	\$3,084	\$3,084		
June	\$3,084	\$3,084		
July	\$3,084	\$3,084		
August	\$3,084	\$3,084		
September	\$3,084	\$3,084		
October	\$3,084	\$3,084		
November	\$3,084	\$3,084		
December	\$3,084	\$3,084		

^{*}The policy must cover everyone in your tax household:

Complete Part VI of their intake sheet, indicating that Edward and Julia are not eligible for a coverage exemption.

To be Completed by a Certified Vo	lunteer Preparer	' (Use Publicati	on 4012 and check the appropriate box(es) indicating Minimum Essential Covera	age (MEC) for ever	ryone listed on the ret
Name (List dependents in the same order as in Part II)	MEC Entire Year	No MEC	Part Year MEC (mark months with coverage)	Exemption (mark months exemptions applies)	Exemption All Year	Notes
Taxpayer Edward		X	J F M A M J J A S O N D	J F M A M J J A S O N D		No Exemption
Spouse Julia		X	JFMAMJJASOND	J F M A M J J A S O N D		No Exemption
Dependent Sam	X		JFMAMJJASOND	J F M A M J J A S O N D		Covered by CHP
Dependent			JFMAMJJASOND	J F M A M J J A S O N D		
Dependent			JFMAMJJASOND	J F M A M J J A S O N D		
Dependent			JFMAMJJASOND	J F M A M J J A S O N D		
Dependent			J F M A M J J A S O N D	J F M A M J J A S O N D		

Because Edward and Julia did not have MEC were not eligible for an exemption, they must make an individual shared responsibility payment (SRP). Complete their return in the next example.

for whom a personal exemption deduction is claimed on your tax return,

who is not eligible for employer coverage, and

^{*} who does not qualify for another coverage exemption.

Example 5 - Shared Responsibility Payment

For this scenario, use the same facts as Example 4.

Since Edward and Julia didn't have health insurance coverage for any month of the year and weren't eligible for an exemption, they must make a shared responsibility payment.

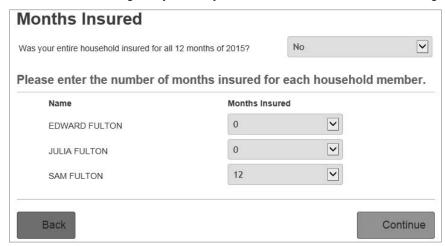
Directions

Review the interview notes, complete the volunteer sections of the intake sheet, and start a new return using Practice Lab or TaxSlayer software. Enter the SSN, filing status, dependents, personal information, and income. Then complete the following steps:

- 1. Complete the Health Insurance section of Edward and Julia's tax return.
- 2. Find the shared responsibility payment on the tax return and compare your results with the screen shots below.

Results - TaxSlayer ACA Responses

Edward and Julia's completed Health Insurance section is shown below. Neither spouse had minimum essential coverage for any month, so you will indicate zero months insured for both taxpayer and spouse. Sam had full coverage all year, so you will indicate 12 months of coverage for him.



Since you previously determined that Edward and Julia were not eligible for the affordability exemption or any other exemption, enter it here:



Because Sam's income exceeded the filing threshold, his MAGI is included in household income when calculating Edward and Julia's shared responsibility payment.

Enter the AGI for your dependents from Form 1040, line 38; Form 1040A, line 22; Form 1040EZ, line 4; and Form 1040NR, line 37	\$6900
Enter any tax-exempt interest for your dependents from Form 1040, line 8b; Form 1040A, line 8b; Form 1040EZ, the amount written to the left of the line 2 entry space; and Form 1040NR, line 9b	\$
Enter any amounts for your dependents from Form 2555, lines 45 and 50, and Form 2555-EZ, line 18	\$
Enter for each of your dependents the difference, if any, between Form 1040, lines 20a and 20b; and Form 1040A, lines 14a and 14b	s

Results - Form 1040 Page 2

The shared responsibility payment will carry over to Edward and Julia's Form 1040, page 2, shown below:

60a	Household e	mployment taxes	. Schedule l	H	323			0
b	First-time ho	mebuyer credit re	payment. Fo	orm 5405				0
61	Health care:	individual respon	sibility			Full-year co	verage:	1390
62	Taxes from		□ Fo	orm 8959	Form	8960 🗆		
		0	1101			70115		



Example 6 – Premium Tax Credit with Advance Credit Payments

Interview Notes

- Sheryl Graves has two children she claims as dependents, Trina and Travis, who live with her all year. She divorced in 2010. Sheryl pays all the costs of keeping up the home. Their SSNs are:
 - Sheryl: 605-00-XXXX
 - Trina: 606-00-XXXX
 - Travis: 607-00-XXXX
- Sheryl's mother, Monique Floyd, also lives with her. Sheryl provides over half of Monique's support and claims her as a dependent. Monique's SSN is 608-00-XXXX. Her only income for the tax year is \$4,500 received from Social Security and she was covered by Medicare all year.
- Sheryl's Form W-2 shows:
 - Box 1 = \$36,429
 - Box 2 = \$1,026
- Sheryl had no other income or deductions.
- Sheryl's employer does not offer health insurance coverage. She purchased minimum essential coverage for herself and her children through the Marketplace. They were covered for the entire year. Sheryl received the benefit of advance payments of the premium tax credit to help with the cost of her insurance premiums.

Review the interview notes, complete the volunteer sections of the intake sheet, and start a new return using Practice Lab or TaxSlayer software. Enter the SSN, filing status, personal information, dependents, and income. Then complete the following steps:

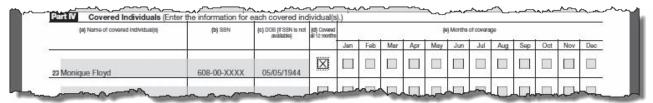
- 1. Select the Health Insurance section and answer all the questions pertaining to Sheryl and her family
- 2. Compare your result to the screen shots on the following pages

Form 13614-C (October 2015)		In			iew &			service view S	heet			OMB Number 1545-1964		
You will need: Tax Information such as Social security cards or Picture ID (such as valid	ITIN letters	for all pers	ons on y	our tax our spo	return. use.	• You	are respo	ete pages 1 nsible for t accurate in estions, pl	he informa formation.	tion on yo				
Part I – Your Personal Inform 1. Your first name SHERYL	ation			st name	э	17				one numbe	r Are yo	ou a U.S. cit	izen?	
Your spouse's first name	Your spouse's first name M.I.									r Is you	s your spouse a U.S. citizen?			
3. Mailing address 321 MARTIN ROAD						Apt #	City YOUR CI	ITY			State YS		IP code	
4. Your Date of Birth 06/17/1979	The state of the s				6. Last year, were you: b. Totally and permanently disabled ☐ Yes ☒ No c. Legally				time stude Legally blin	(f) 25 Th	es ⊠ No es ⊠ No			
7. Your spouse's Date of Birth 8. Your spouse's job title				9. Last year, was your spouse: b. Totally and permanently disabled Yes No c. Legally							es 🗆 No			
10. Can anyone claim you or yo	our spouse o	on their tax r	eturn?	☐ Yes	S 🛛 N	10	Unsure							
11. Have you or your spouse:	8	a. Been a vio	tim of ide	ntity the	ft? 🗆 Y	es D	₹ No	b. Adopted	d a child?	☐ Yes	⊠ No			
Part II - Marital Status and	Househol	d Informat	ion				7.7	7.						
As of December 31 of 2015, were you:	□ L		a. Did you b. Was yo Date of fin grated D	live with ur marri al decre ate of s	h your spo age recog ee 4/27/20 eparate m	ouse duri nized un 010	ng any par der the lav	rt of the last vs of the sta	six months	of 2015?	□ Y6	es 🗆 No	☐ Unsure	
 List the names below of: everyone who lived with you anyone you supported but 				r spouse	e)	10		If add	.00				st on page 3 er Preparer	
Name (first, last) Do not enter your	Date of Birth (mm/dd/yy)	Relationship to	Number of months lived in	Citizen (yes/no	Resident of US, Canada,	Single or Married a of 12/31/	s Student 5 last year	Totally and Permanently Disabled	is this person a qualifying	Did this person provide	Did this person have less	Did the taxpayer(s) provide more	Did the	
name or spouse's name below		example: son, daughter, parent, none, etc)	your home last year		or Mexico last year (yes/no)		(yes/no)	(yes/no)	child/relative of any other person? (yes/no)	50% of his/ her own support?	than \$4,000 of income? (yes/no)	than 50% of support for this person? (yes/no/N/A)	half the cost o maintaining a home for this person?	
(a)	(b)	daughter, parent, none, etc) (c)	your home last year (d)	(e)	last year (yes/no) (f)	(g)	(h)	(i)	of any other person?	50% of his/ her own	of income?	support for this person?	pay more than half the cost o maintaining a home for this	
(a) TRINA GRAVES	(b) 03/01/1999	daughter, parent, none, etc) (c) DAUGHTE	your home last year (d)	(e) YES	last year (yes/no) (f) YES	(g) S	(h) YES	(i) NO	of any other person?	50% of his/ her own support?	of income?	support for this person?	pay more than half the cost o maintaining a home for this person?	
(a)	(b)	daughter, parent, none, etc) (c) DAUGHTE SON	your home last year (d) R 12	(e)	last year (yes/no) (f) YES YES	(g)	(h)	(i)	of any other person?	50% of his/ her own support?	of income?	support for this person?	pay more than half the cost o maintaining a home for this person?	

Sheryl's intake sheet, page 3:

20			Page 3
Chec	k app	ropriate	box for each question in each section
Yes	No	Unsure	Part VI - Health Care Coverage - Last year, did you, your spouse, or dependent(s)
x			1. (B) Have health care coverage?
×			2. (B) Receive one or more of these forms? (Check the box) ▼ Form 1095-B ☐ Form 1095-C
×			3. (A) Have coverage through the Marketplace (Exchange)? [Provide Form 1095-A]
x			3a. (A) If yes, were advance credit payments made to help you pay your health care premiums?
×			3b. (A) If yes, Is everyone listed on your Form 1095-A being claimed on this tax return?
	x		4. (B) Have an exemption granted by the Marketplace?
			4. (B) Have an exemption granted by the Marketplace?

Monique Floyd's Form 1095-B:



Form 1095-A

33 Annual Totals

Health Insurance Marketplace Statement

VOID

OMB No. 1545-2232

Department of the Treasury Internal Revenue Service		ion about Form 1095-A and its separate instructions is at www.irs.gov/form1095a.								
Part I Recipient Inforr	nation					•				
Marketplace identifier XXXXX Recipient's name	2 Marke	etplace-assigned po		3 Policy issuer's na. XXXXXXXXXX 5 Recipient's SSN	x					
SHERYL GRAVES 7 Recipient's spouse's name	KA			605-00-X 8 Recipient's spous	XXX		05/17/1979 nt's spouse's date of birth			
10 Policy start date 01/01/2016		y termination date	321 MARTIN R	12 Street address (including apartment no.) 321 MARTIN ROAD 15 Country and ZIP or foreign postal code						
13 City or town YOUR CITY		or province STATE		YOUR ZIP	or foreign	postal code				
Part II Covered Individ	uals			-, —						
A. Covered individ	ual name	B. Covered indi	vidual SSN	C. Covered individual date of birth	D. Go	overage start date	E. Coverage termination date			
16 SHERYL GRAVES		605-00-)	xxxx	05/17/1979	0	1/01/2016	12/31/2016			
TRINA GRAVES		606-00-)	xxxx	03/01/1999	01/01/2016		12/31/2016			
TRAVIS GRAVES		607-00-)	кххх	XX 12/25/2000		1/01/2016	12/31/2016			
19										
20										
Part III Coverage Inform	nation									
Month	A. Monthly enro	llment premiums		nly second lowest cost stan (SLCSP) premium	silver		dvance payment of m tax credit			
21 January	6	\$587.00		\$77	74.00		\$492.0			
22 February		\$587.00		\$77	74.00		\$492.0			
23 March		\$587.00		\$77	74.00		\$492.00			
24 April		\$587.00		\$77	74.00	\$492.0				
25 May		\$587.00		\$77	74.00	\$492.0				
26 June		\$587.00	7	\$77	74.00		\$492.0			
27 July		\$587.00		\$77	74.00		\$492.00			
28 August		\$587.00		\$77	74.00		\$492.0			
29 September		\$587.00		\$77	74.00		\$492.0			
30 October		\$587.00		\$77	74.00		\$492.0			
31 November		\$587.00		\$77	74.00		\$492.00			
32 December		\$587.00	\$774.00				\$492.0			

\$7,044.00

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

\$9,288.00

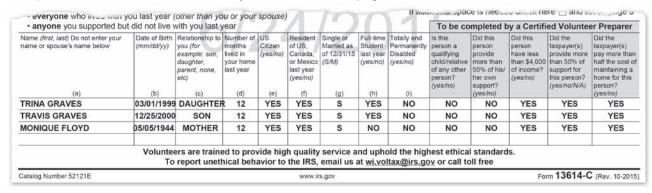
Cat. No. 60703Q

\$5,904.00

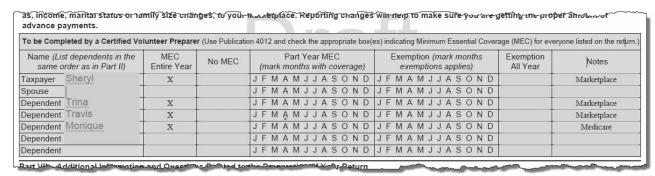
Form 1095-A (2016)

Results - Approaching the ACA

Complete the volunteer section of Sheryl's intake sheet on page 1:



Complete Part VI of Sheryl's intake sheet after confirming her insurance coverage:



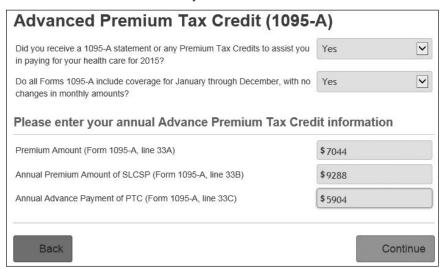
Sheryl's completed Health Insurance section is shown below. Because Sheryl, Trina, and Travis all had minimum essential coverage all year purchased through the Marketplace, select yes to the following question:



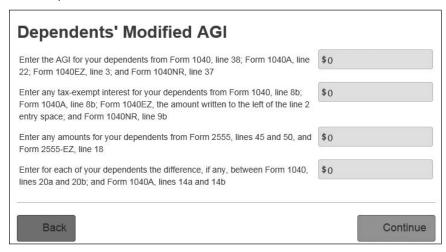
Because Sheryl, Trina, Travis all had minimum essential coverage all year purchased through the Marketplace and Monique was covered by Medicare all year, indicate the entire household was insured for all 12 months:



Enter the information from Sheryl's Form 1095-A:



You do not need to enter an amount for the dependents' modified AGI because none of Sheryl's dependents were required to file a return.



Sheryl is not eligible for any coverage exemptions:



Results - Form 1040, page 2

The software will check the "Full-year coverage" box to indicate that everyone listed on the ACA worksheet had insurance all year.



There is no amount on the individual responsibility line because all members of the tax household had full year coverage.

Results – Premium Tax Credit Form 8962

Form 8962 OMB No. 1545-0074 Premium Tax Credit (PTC) 6 ► Attach to Form 1040, 1040A, or 1040NR. Attachment Department of the Treasury ▶ Information about Form 8962 and its separate instructions is at www.irs.gov/form8962. Sequence No. 73 Internal Revenue Service Your social security number SHERYL GRAVES 605-00-XXXX You cannot claim the PTC if your filing status is married filing separately unless you are eligible for an exception (see instructions). If you qualify, check the box. Annual and Monthly Contribution Amount Tax family size. Enter the number of exemptions from Form 1040 or Form 1040A, line 6d, or Form 1040NR, line 7d Modified AGI. Enter your modified b Enter the total of your dependents' AGI (see instructions) modified AGI (see instructions) 2b Household income. Add the amounts on lines 2a and 2b 3 36429 Federal poverty line. Enter the federal poverty line amount from Table 1-1, 1-2, or 1-3 (see instructions). Check the appropriate box for the federal poverty table used. a 🗌 Alaska b 🗎 Hawaii c 🗎 Other 48 states and DC 24250 5 150 % Did you enter 401% on line 5? (See instructions if you entered less than 100%.) ✓ No. Continue to line 7. Yes. You are not eligible to receive PTC. If advance payment of the PTC was made, see the instructions for how to report your excess advance PTC repayment amount. Applicable Figure. Using your line 5 percentage, locate your "applicable figure" on the table in the instructions . . . 7 .0407 Annual contribution amount, Multiply b Monthly contribution amount. Divide line 8a by 8b line 3 by line 7 . . 8a 12. Round to whole dollar amount 124 Part II Premium Tax Credit Claim and Reconciliation of Advance Payment of Premium Tax Credit Are you allocating policy amounts with another taxpayer or do you want to use the alternative calculation for year of marriage (see instructions)? Yes. Skip to Part IV, Shared Policy Allocation, or Part V, Alternative Calculation for Year of Marriage. V. No. Continue to line 10. 10 See the instructions to determine if you can use line 11 or must complete lines 12 through 23. Yes. Continue to line 11. Compute your annual PTC. Then skip lines 12-23 √ No. Continue to lines 12-23. Compute and continue to line 24. your monthly PTC and continue to line 24. (b) Annual applicable (d) Annual maximum (a) Annual enrollment (c) Annual (e) Annual premium tax (f) Annual advance Annual SLCSP premium (Form(s) 1095-A, premium assistance premiums (Form(s) credit allowed contribution amount Calculation (subtract (c) from (b), if (s) 1095-A, line 33C) 1095-A, line 33A) (line 8a) (smaller of (a) or (d)) line 33B) zero or less, enter -0-) 11 Annual Totals 7044 7805 5904 1483 (c) Monthly (a) Monthly enrollment (b) Monthly applicable (d) Monthly maximum (f) Monthly advance contribution amount (e) Monthly premium tax Monthly premiums (Form(s) SLCSP premium (Form premium assistance avment of PTC (Form(s) (amount from line 8b) credit allowed Calculation 1095-A, lines 21-32, (s) 1095-A, lines 21-32, (subtract (c) from (b), if 1095-A, lines 21-32, (smaller of (a) or (d)) or alternative marriage column B) column C) 21 October 22 November 23 December 24 Total premium tax credit. Enter the amount from line 11(e) or add lines 12(e) through 23(e) and enter the total here 24 7044 25 Advance payment of PTC. Enter the amount from line 11(f) or add lines 12(f) through 23(f) and enter the total here 25 5904 Net premium tax credit. If line 24 is greater than line 25, subtract line 25 from line 24. Enter the difference here and on Form 1040, line 69; Form 1040A, line 45; or Form 1040NR, line 65. If you elected the alternative calculation for marriage, enter zero. If line 24 equals line 25, enter zero. Stop here. If line 25 is greater than line 24, leave this line blank and continue to line 27 26 1140 Part III Repayment of Excess Advance Payment of the Premium Tax Credit Excess advance payment of PTC. If line 25 is greater than line 24, sy 27 TIP Penavment limitation (see instructions) 28 Column C of the 1095-A is entered in Column F of Form 8962.

Results - Form 1040, page 2

0.1	Additional office and office Confedence Confe	
68	American opportunity credit. Form 8863	0
69	Net premium tax credit. Form 8962	1140
70	Amount paid with request for extension of time to file	0
	- · · · · · · · · · · · · · · · · · · ·	

Example 7 – Premium Tax Credit with Advance Payments for Part-Year Coverage

Interview Notes

 Charles and Shay Baldwin are married with two dependent children, Nathaniel and Karly, who live with them all year. Their SSNs are:

- Charles: 609-00-XXXX

- Shay: 610-00-XXXX

- Nathaniel: 611-00-XXXX

- Karly: 612-00-XXXX

- Charles' Form W-2 shows:
 - Box 1 = \$33,500
 - Box 2 = \$1,820
- Shay's W-2 shows:
 - Box 1 = \$17,750
 - Box 2 = \$1,153
- Charles' and Shay's employers do not offer health insurance coverage. In early March, Charles enrolled
 in a plan through the Marketplace that covered him, Shay, and both children with an effective date of
 April 1. He selected the second lowest cost silver plan. They received the benefit of advance payments
 of the premium tax credit for their coverage. During the year, Charles received an unexpected raise in
 pay. They did not notify the Marketplace. The family has no other income or deductions.
- They received a marketplace exemption for January, February, and March.
 - Charles' ECN is A23BC5
 - Shay's ECN is A34BC6
 - Nathaniel's ECN is A45BC7
 - Karly's ECN is A56BC8

Directions

Review the interview notes, complete the volunteer sections of the intake sheet, and start a new return using Practice Lab or TaxSlayer software. Enter the SSNs, filing status, personal information, dependents, and income. Then complete the following steps:

- 1. Select the Health Insurance section and answer all the questions pertaining to Charles, Shay, and their family.
- 2. Compare your result to the screen shots on the following pages

Form 13614-C (October 2015)													
You will need: • Tax Information such as • Social security cards or • Picture ID (such as valid	ITIN letters	for all perse	ons on ye	our tax r	eturn. ise.	You a comp	re respondence res	ete pages 1- nsible for the accurate in estions, ple	ne informa formation.	tion on yo			
Part I - Your Personal Inform	ation	5501	1,00			Tr.					25.11		
Your first name CHARLES	N		st name ALDWIN						one numbe PHONE #	r Are yo ⊠ Ye	re you a U.S. citizen? Yes		
Your spouse's first name SHAY	N							r Is you ⊠ Ye	s your spouse a U.S. citizen? Yes No				
3. Mailing address 775 BANKS ST							City YOUR CI	TY			State YS		IP code OUR ZIP
4. Your Date of Birth 12/03/1981						ear, were and pern	you: nanently o	disabled [Yes 🛛		time stude Legally blir		res ⊠ No res ⊠ No
7. Your spouse's Date of Birth 06/10/1985	8. Your spo CASHIER	ouse's job title	Э				our spous] Yes ⊠		time stude Legally blir		_
10. Can anyone claim you or you	our spouse o	on their tax re	eturn?	☐ Yes	× N	10 [Unsure						
11. Have you or your spouse:		a. Been a vict	tim of ider	ntity theft	t? 🗆 Y	'es 🗵	No.	b. Adopted	a child?	☐ Yes	No		
Part II - Marital Status and	Househol	d Informati	ion	200.0						-			
 As of December 31 of 2015, were you: 			. Did you	live with	your spo	use durin	g any par	t of the last	six months	of 2015?	⊠ Ye	es 🗆 No	
					-	nized und	ler the lav	vs of the sta	te(s) you a	re filing in?	⊠ Ye	es 🗌 No	☐ Unsure
		-	ate of fin		20 10	Martin .							
		egally Separ			A CONTRACTOR OF THE PARTY OF TH	aintenand	ce agreen	nent					
	_ \ \	Vidowed Y	ear of sp	ouse's a	eath		_						
List the names below of:everyone who lived with yo	u last vear	other than v	nu or vou	r snouse	1.4	10	0	If add	itional space	ce is neede	d check he	ere 🗌 and	ist on page 3
anyone you supported but				орошос,		/" .			To be co	mpleted b	y a Certifi	ed Volunte	er Preparer
Name (first, last) Do not enter your name or spouse's name below		Relationship to you (for example: son, daughter, parent, none, etc)		Citizen (yes/no)	Resident of US, Canada, or Mexico last year (yes/no)	Single or Married as of 12/31/1: (S/M)	Student	Totally and Permanently Disabled (yes/no)	Is this person a qualifying child/relative of any other person?	Did this person provide more than 50% of his/ her own	Did this person have less than \$4,000 of income? (yes/no)	Did the taxpayer(s) provide more than 50% of support for this person?	Did the taxpayer(s) pay more than half the cost of maintaining a home for this
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(yes/no)	support? (yes/no)		(yes/no/N/A)	person? (yes/no)
MATHAMIEL DAL DIAMM	04/04/2004		12	YES	YES	S	YES	NO					
NATHANIEL BALDWIN	04/04/2004	0014				-	1.20	140					

Page 3 of the intake sheet:

necl	(app	oropriate	box for each question in each section	
es	No	Unsure	Part VI - Health Care Coverage - Last year, did you, your spouse, or dependent(s)	
x			1. (B) Have health care coverage?	
	×		2. (B) Receive one or more of these forms? (Check the box) Form 1095-B Form 1095-C	
×			3. (A) Have coverage through the Marketplace (Exchange)? [Provide Form 1095-A]	
K			3a. (A) If yes, were advance credit payments made to help you pay your health care premiums?	
¢			3b. (A) If yes, Is everyone listed on your Form 1095-A being claimed on this tax return?	
x			4. (B) Have an exemption granted by the Marketplace?	

Form 1095-A

Health Insurance Marketplace Statement

٦	VOID
	VOID

15 Country and ZIP or foreign postal code

YOUR ZIP

OMB No. 1545-2232

2016

Department of the Treasury Internal Revenue Service

13 City or town

YOUR CITY

► Information about Form 1095-A and its separate instructions is at www.irs.gov/form1095a.

14 State or province

YOUR STATE

CORRECTED

1 Marketplace identifier	2 Marketplace-assigned policy number	3 Policy issuer's name	
4 Recipient's name CHARLES BALDWIN	$3\Delta EI$	5 Recipient's SSN 609-00-XXXX	6 Recipient's date of birth 12/03/1981
7 Recipient's spouse's name SHAY BALDWIN		8 Recipient's spouse's SSN 610-00-XXXX	9 Recipient's spouse's date of birth 06/10/1985
10 Policy start date 04/01/2016	11 Policy termination date 12/31/2016	12 Street address (including aparts 775 BANKS ST	ment no.)

Part II Covered Individuals

A. Covered individual name	B. Covered individual SSN	C. Covered individual date of birth	D. Coverage start date	E. Coverage termination date
16 CHARLES BALDWIN	609-00-XXXX	12/03/1981	04/01/2016	12/31/2016
17 SHAY BALDWIN	610-00-XXXX	06/10/1985	04/01/2016	12/31/2016
18 NATHANIEL BALDWIN	611-00-XXXX	04/04/2004	04/01/2016	12/31/2016
19 KARLY BALDWIN	612-00-XXXX	04/29/2006	04/01/2016	12/31/2016
20				

Part III Coverage Information

Month A. Monthly enrollment pr		B. Monthly second lowest cost silver plan (SLCSP) premium	C. Monthly advance payment of premium tax credit	
21 January				
22 February				
23 March				
24 April	\$789.00	\$789.00	\$607.00	
25 May	\$789.00	\$789.00	\$607.00	
26 June	\$789.00	\$789.00	\$607.00	
27 July	\$789.00	\$789.00	\$607.00	
28 August	\$789.00	\$789.00	\$607.00	
29 September	\$789.00	\$789.00	\$607.00	
30 October	\$789.00	\$789.00	\$607.00	
31 November	\$789.00	\$789.00	\$607.00	
32 December	\$789.00	\$789.00	\$607.00	
33 Annual Totals	\$7,101.00	\$7,101.00	\$5,463.00	

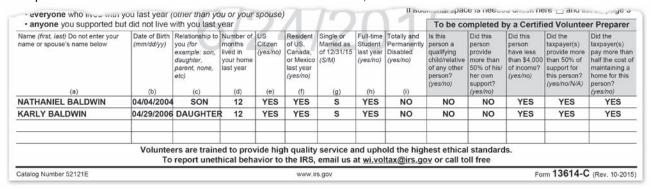
For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 60703Q

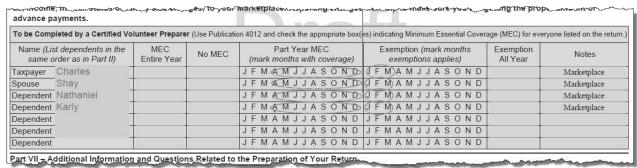
Form 1095-A (2016)

Results - Approaching the ACA

Complete the volunteer section of the Baldwins' intake sheet, Part II:

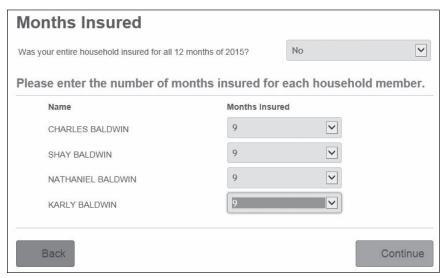


Complete the volunteer section of the Baldwins' intake sheet, Part VI:



Charles and Shay's completed Health Insurance section is shown below. Indicate that Charles, Shay, Nathaniel and Karly all had minimum essential coverage purchased through the Marketplace from April through December:

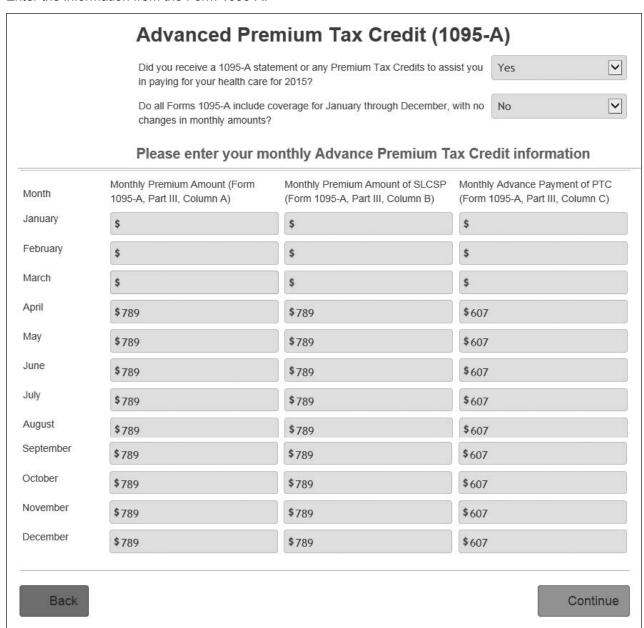




Indicate the months Charles had health insurance coverage. Do the same for Shay, Nathaniel, and Karly.



Enter the information from the Form 1095-A:



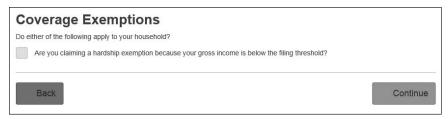


The dependents did not have any income or filing requirement.

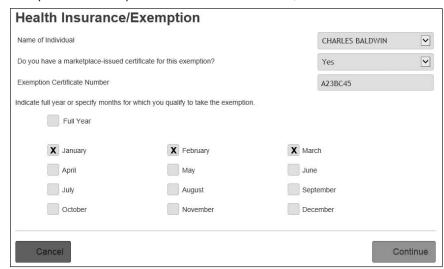
Each family member received an exemption from the Marketplace for the months when they did not have health coverage:



Their exemptions are not income-based, so you will not check this box:



Complete the exemption information for Charles, then add the information for Shay and both children:







Results - Exemptions, Form 8965

Each member of the family received a coverage exemption from the Marketplace for the months of January, February, and March. See Part I of the Baldwin's completed Form 8965:

Penetreet of the Treasure		► Attach to For	overage Exemptions 1040, Form 1040A, or Form 1040EZ. its separate instructions is at www.irs.gov/form8965.		OMB No. 1545-0074 2016 Attachment Sequence No. 75
1900	shown on return ARLES BAI	DWIN		Your social security n 609-0	umber 0-1632
	our return. Marketp		nted coverage exemption or you a ptions for Individuals. If you and etplace, complete Part I.	17.1	55% 85%
		(a) Name of Individual	(b) SSN	Exemption C	(c) ertificate Number
1	CHARLES	S BALDWIN	609-00-1632	A23BC45	
2	SHAY BA	ALDWIN	610-00-1632	A34BC56	
3	NATHANI	EL BALDWIN	611-00-1632	A45BC67	
4	KARLY E	BALDWIN	612-00-1632	A56BC78	

Results – Premium Tax Credit, Form 8962

See Parts 1, 2, and 3 of Charles and Shay's completed Form 8962 below. Part 3 of Form 8962 reconciles advance payments of the premium tax credit.

In this case, Charles failed to report an increase in pay to the Marketplace. This resulted in an excess advance premium tax credit repayment. This excess will decrease their refund or increase their balance due. Charles should have reported his change in income to the Marketplace so they could have adjusted his advance credit payments for the remainder of the coverage year.

Form **8962**

Premium Tax Credit (PTC)

► Attach to Form 1040, 1040A, or 1040NR.

OMB No. 1545-0074

2016
Attachment
Sequence No. 73

Your social security number

Department of the Treasury Internal Revenue Service Name shown on your return

► Information about Form 8962 and its separate instructions is at www.irs.gov/form8962.

CHARLES BALDWIN 609-00-XXXX You cannot claim the PTC if your filing status is married filing separately unless you qualify for an exception (see instructions). If you qualify, check the box. **Annual and Monthly Contribution Amount** Tax family size. Enter the number of exemptions from Form 1040 or Form 1040A, line 6d, or Form 1040NR, line 7d 4 b Enter the total of your dependents' Modified AGI. Enter your modified AGI (see instructions) 2a 51,250 modified AGI (see instructions) 2b Household income. Add the amounts on lines 2a and 2b 3 51,250 Federal poverty line. Enter the federal poverty line amount from Table 1-1, 1-2, or 1-3 (see instructions). Check the appropriate box for the federal poverty table used. a Alaska b Hawaii c X Other 48 states and DC 24,250 4 5 Household income as a percentage of federal poverty line (see instructions) 211 % Did you enter 401% on line 5? (See instructions if you entered less than 100%.) No. Continue to line 7. Yes. You are not eligible to take the PTC. If advance payment of the PTC was made, see the instructions for how to report your excess advance PTC repayment amount. Applicable Figure. Using your line 5 percentage, locate your "applicable figure" on the table in the instructions 7 0.0680 Annual contribution amount, Multiply line 3 by b Monthly contribution amount. Divide line 8a 3,485 by 12. Round to nearest whole dollar amount line 7. Round to nearest whole dollar amount 8a 8b 290 Premium Tax Credit Claim and Reconciliation of Advance Payment of Premium Tax Credit Are you allocating policy amounts with another taxpayer or do you want to use the alternative calculation for year of marriage (see instructions)? Yes. Skip to Part IV, Allocation of Policy Amounts, or Part V, Alternative Calculation for Year of Marriage. X No. Continue to line 10. See the instructions to determine if you can use line 11 or must complete lines 12 through 23. Yes. Continue to line 11. Compute your annual PTC. Then skip lines 12-23 X No. Continue to lines 12-23. Compute and continue to line 24. your monthly PTC and continue to line 24. (d) Annual maximum (b) Annual applicable (a) Annual enrollment (c) Annual (f) Annual advance Annual SLCSP premium (Form(s) 1095-A, premium assistance premiums (Form(s) contribution amount credit allowed ayment of PTC (Form (s) 1095-A, line 33C) Calculation (subtract (c) from (b), if 1095-A. line 33A) (line 8a) (smaller of (a) or (d)) line 33B) zero or less, enter -0-) 11 Annual Totals (c) Monthly (a) Monthly enrollment (b) Monthly applicable (d) Monthly maximum (f) Monthly advance contribution amount (e) Monthly premium tax Monthly premiums (Form(s) SLCSP premium (Form ayment of PTC (Form(s (amount from line 8b credit allowed Calculation 1095-A, lines 21-32, (s) 1095-A, lines 21-32. (subtract (c) from (b), if 1095-A, lines 21-32, (smaller of (a) or (d)) or alternative marriage column A) column B) zero or less, enter -0-) column C) monthly calculation) 12 January 13 February 14 March 789 789 290 499 499 607 15 April 789 607 16 May 789 290 499 499 17 789 789 290 499 499 607 June 607 789 789 290 499 499 18 July 789 789 290 499 499 607 19 August 20 September 789 789 290 499 499 607 21 October 789 789 290 499 499 607 789 789 290 499 499 607 22 November 789 789 290 499 499 607 23 December 4,491 24 Total premium tax credit. Enter the amount from line 11(e) or add lines 12(e) through 23(e) and enter the total here 24 25 Advance payment of PTC. Enter the amount from line 11(f) or add lines 12(f) through 23(f) and enter the total here 25 5,463 Net premium tax credit. If line 24 is greater than line 25, subtract line 25 from line 24. Enter the difference here and on Form 1040, line 69; Form 1040A, line 45; or Form 1040NR, line 65. If line 24 equals line 25, enter zero. Stop here. If line 25 is greater than line 24, leave this line blank and continue to line 27 . 26 Part III Repayment of Excess Advance Payment of the Premium Tax Credit 972 Excess advance payment of PTC. If line 25 is greater than line 24, subtract line 24 from line 25. Enter the difference here 27 1,500 28 28 Excess advance premium tax credit repayment. Enter the smaller of line 27 or line 28 here and on Form 1040, line 972 29 46; Form 1040A, line 29; or Form 1040NR, line 44 For Paperwork Reduction Act Notice, see your tax return instructions. Form 8962 (2016) Cat. No. 377847

Results - Form 1040, page 2

45	Alternative minimum tax. Attach Form 6251	0
46	Excess advance premium tax credit repayment. Form 8962	

The "Full-year coverage" box is not checked.

3.000			
61	Health care: individual responsibility	Full-year coverage:	0

Link & Learn Taxes

Link & Learn Taxes is web-based training designed specifically for VITA/TCE volunteers. Each volunteer's ability to prepare complete and accurate returns is vital to the credibility and integrity of the program. Link & Learn Taxes, as part of the complete volunteer training kit, provides the path to achieving this high level of quality service.

Link & Learn Taxes and the printed technical training kit, Publication 4480, work together to help volunteers learn and practice.

Link & Learn Taxes for 2016 includes:

- Access to all VITA/TCE courses
- Easy identification of the VITA/TCE courses with the course icons
 - As you progress through a lesson, the content for Basic, Advanced, Military, or International will display, depending on the level of certification you selected
- PowerPoint presentations that can be customized to fit your classroom needs
- VITA/TCE Central to provide centralized access for training materials and reference links
- The Practice Lab
 - Gives volunteers practice with an early version of the IRS-provided tax preparation software
 - Lets volunteers complete workbook problems from Publication 4491W
 - Lets volunteers prepare test scenario returns for the test/retest



Go to www.irs.gov, type "Link & Learn" in the Keyword field and click Search. You'll find a detailed overview and links to the courses.

FSA (Facilitated Self Assistance) empowers taxpayers to prepare their own return with the assistance of a certified volunteer. Taxpayers complete their own return using interview-based software supplied by leaders in the tax preparation industry. Volunteers assist taxpayers with tax law and software questions.

Virtual VITA allows partners to initiate the intake process for taxpayers in one location, while utilizing a certified volunteer to prepare the return in an entirely different location. By incorporating this flexibility, partners can provide taxpayers with more convenient locations to file their taxes.

For more information contact your SPEC Relationship Manager to see if you should start a FSA or Virtual VITA site in your community.





Your online resource for volunteer and taxpayer assistance

Partner and Volunteer Resource Center

https://www.irs.gov/Individuals/Partner-and-Volunteer-Resource-Center

- What's Hot!
- Site Coordinator's Corner

Quality and Tax Alerts for IRS Volunteer Programs

https://www.irs.gov/Individuals/Quality-and-Tax--Alerts-for-IRS-Volunteer-Programs

Volunteer Tax Alerts

Volunteer Training Resources

https://www.irs.gov/Individuals/Volunteer-Training-Resources

Outreach Corner

https://www.irs.gov/Individuals/Outreach-Corner

Tax Trails for Answers to Common Tax Questions

https://www.irs.gov/Individuals/Tax-Trails---Main-Menu

Online Services and Tax Information for Individuals

https://www.irs.gov/Individuals

File Your Return

• Direct Deposit your refund

Make a Payment

- Direct Pay
- Other ways you can pay (Electronic funds withdrawal, debit and credit card, and IRS2Go)
- myRA

Manage Your Tax Info

- Withholding Calculator
- Answers about the Health Care Law
- Protect your identity

After You File

- Where's My Refund?
- Get Transcript

eBooks

Want to view our training products on your mobile or tablet devices? Click here to access our eBooks: https://www.irs.gov/Individuals/Site-Coordinator-Corner.

Mobile App

Another device to use for additional information is IRS2Go. Click here to download IRS2Go mobile app: https://www.irs.gov/uac/irs2goapp.

and much more!

Your direct link to tax information 24/7:

www.irs.gov