Refresher: Affordability Exemption (Code A)

The cost of which plan?

If eligible for employer-sponsored insurance:

- As an employee: the lowest-cost self-only plan costs more than 8.13% of household income (Code A)
- As a member of the employee’s family: the lowest-cost family plan costs more than 8.13% of household income (Code A)

If not eligible for an offer of employer-sponsored insurance:

- Lowest cost bronze plan (after PTCs) for all non-exempt members of the taxpayer’s family costs more than 8.13% of household income (Code A)

How do I find the cost of employer-sponsored coverage? Usually the employee’s HR Dept. Sometimes Form 1095-C, Line 15.

Compared to 8.13% of household income

Household Income + Adjusted Gross Income (AGI) + Tax-Exempt Interest + Excluded Foreign Income + Dependent Income + Any pre-tax deduction for ESI premiums
Don’t Start Here on Exemptions!

Do you qualify for Health Care Exemptions?

To determine if you can claim the "Coverage is Unaffordable" exemption, you must enter the following premium values from your Form 8965 Worksheet. Use the link below to determine the premium amounts. If you already know this return would not qualify to claim the "Coverage is Unaffordable" exemption, please select continue below to continue through the Health Insurance menu.

Monthly Premium for the Lowest Cost Bronze Plan Premium (worksheet line 1)

Monthly Premium for the Second Lowest Cost Silver Plan Premium (worksheet line 10)

Click here to obtain the LCBP and SLCSP premium amounts to enter above. Click here to determine if you can claim a health coverage exemption.

- Consider other exemptions first
- Don’t skip employer-offer affordability
- You’ll still need to calculate exemption eligibility
Marketplace Coverage Affordability Worksheet

Use this worksheet to figure an individual’s required contribution for any month in which the individual isn’t 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 minimum essential coverage (other than coverage in the individual market) was different.

### Do not complete this worksheet unless you were instructed to do so in the Affordability Worksheet.

<table>
<thead>
<tr>
<th>Step</th>
<th>Formula/Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>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 isn’t eligible for employer coverage, and who doesn’t qualify for another coverage exemption for the month. To find the lowest cost bronze plan, go to <a href="http://www.HealthCare.gov/tax-tool">www.HealthCare.gov/tax-tool</a> or the Marketplace for your area. If you are married and file a separate return, enter the monthly premium here and on line 12. Don’t complete lines 2 through 11</td>
</tr>
<tr>
<td>2.</td>
<td>Enter your household income (see Household income)</td>
</tr>
<tr>
<td>3.</td>
<td>Enter the total of all nontaxable social security benefits received by you, your spouse, and each claimed dependent who must file a tax return*</td>
</tr>
<tr>
<td>4.</td>
<td>Add lines 2 and 3</td>
</tr>
<tr>
<td>5.</td>
<td>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</td>
</tr>
<tr>
<td>6.</td>
<td>Divide line 4 by line 5. If the result (without rounding) is less than 1.0 or more than 4.0, skip lines 7 through 10 and enter -0- on line 11</td>
</tr>
<tr>
<td>7.</td>
<td>Multiply line 6 by 100 and round down to the nearest whole number. Enter the applicable figure for the result from the table in the instructions for Form 8962, line 7</td>
</tr>
<tr>
<td>8.</td>
<td>Multiply line 4 by line 7</td>
</tr>
<tr>
<td>9.</td>
<td>Divide line 8 by 12.0</td>
</tr>
<tr>
<td>10.</td>
<td>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 isn’t eligible for minimum essential coverage (other than coverage in the individual market), and who doesn’t qualify for another coverage exemption for the month. To find the second lowest cost silver plan, go to <a href="http://www.HealthCare.gov/tax-tool">www.HealthCare.gov/tax-tool</a> or the Marketplace for your area</td>
</tr>
<tr>
<td>11.</td>
<td>Subtract line 9 from line 10. If zero or less, enter -0-</td>
</tr>
<tr>
<td>12.</td>
<td>Subtract line 11 from line 1. If zero or less, enter -0-. This is the individual’s required contribution for the month</td>
</tr>
<tr>
<td>13.</td>
<td>Is the individual eligible for this coverage for every month of the year?</td>
</tr>
<tr>
<td></td>
<td>□ Yes. Multiply line 12 by 12.0. This is the annualized required contribution. Enter this amount in the space for every month on the Affordability Worksheet</td>
</tr>
<tr>
<td></td>
<td>☒ No. Multiply line 12 by 12.0. This is the annualized required contribution. Enter this amount in the space on the Affordability Worksheet for each month the individual was eligible for the coverage being tested</td>
</tr>
</tbody>
</table>
Mkt Aff Wkt Doesn’t Resolve Who Qualifies for Exemption

This is the annualized subsidized Marketplace premium.

Compared to 8.13% of household income (Affordability Threshold)

\[
\text{Household Income} \times 0.0813 = \text{Affordability Threshold}
\]

\[
$19,516 \times 0.0813 = $1,587
\]

If the annualized subsidized Marketplace premium is greater than 8.13% of income, it’s unaffordable and Code A applies.

The annualized subsidized marketplace premium of $336 is less than the affordability threshold of $1,587. Code A does not apply.
The Tax Preparer Still Needs to Understand the Wkt

**LCBP (Line 1)**

Include:

- Everyone claimed on the tax return, *and*
- Who is not eligible for employer-sponsored coverage, *and*
- Who is not eligible for another exemption.

**Note:** This means that you will include household members that have Medicaid or Medicare coverage!

**SLCSP (Line 10)**

Include:

- Everyone claimed on the tax return, *and*
- Who is not eligible for any other MEC (other than individual market), *and*
- Who is not eligible for another exemption.

---

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 isn't eligible for employer coverage, and who doesn't qualify for another coverage exemption for the month. To find the lowest cost bronze plan, go to [www.HealthCare.gov/tax-tool](http://www.HealthCare.gov/tax-tool) or the Marketplace for your area. If you are married and file a separate return, enter the monthly premium here and on line 12. Don't complete lines 2 through 11.

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 isn't eligible for minimum essential coverage (other than coverage in the individual market), and who doesn't qualify for another coverage exemption for the month. To find the second lowest cost silver plan, go to [www.HealthCare.gov/tax-tool](http://www.HealthCare.gov/tax-tool) or the Marketplace for your area.
If Exemption Applies, the Tax Preparer Still Enters It

Health Insurance/Exemption

Name of Individual *

Do you have a marketplace-issued certificate for this exemption or going to apply for an exemption from the marketplace? *

☐ Yes
☐ No

Exemption Type *

Indicate full year or partial year:

☐ Full Year
☐ January
☐ February
☐ March
☐ April
☐ May
☐ June
☐ July
☐ August
☐ September
☐ October
☐ November
☐ December

--- Please Select ---
Coverage is unaffordable
Short gap in coverage
Citizens living abroad and certain noncitizens
Member of health care sharing ministry
Member of Federally-recognized Indian tribe
Incarceration
Aggregate self-only coverage considered unaffordable
Resident of a state that did not expand Medicaid
Member of tax household born, adopted, or died to the exemption type list for non marketplace-issued
Eligible for health coverage tax credit
## ACA Exemptions Related to Income

*All FPL levels are for the lower 48 states, not Alaska or Hawaii*

### Filing Status

<table>
<thead>
<tr>
<th>Filing Status</th>
<th>Is the taxpayer or spouse age 65 or older?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total # of People in the Tax Household</td>
<td></td>
</tr>
</tbody>
</table>

### AGI

- **F1040 Line 37**
- **Tax-exempt interest F1040 Line 8b**
- **Social Security Income F1040 Line 20a**
- **Taxable Social Security F1040 line 20b**
- **Foreign Income F2555 Line 45 & 50**

### Pre-tax deduction for employer-sponsored coverage

<table>
<thead>
<tr>
<th></th>
<th>On the tax return:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Subtotal

|                       | 0                  |
|                       | 0                  |

| Household Income (for Line 7 or Code A) | 0 |

---

ACA: Everything You Need to Know
New Tool

Test for Exemption for Income Below Filing Threshold (F8965, Line 7)
*Note: Also calculated in TaxSlayer. This tool does not consider gross income below filing threshold.

<table>
<thead>
<tr>
<th>Subtotal</th>
<th>13300</th>
<th>0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Household Income (for Line 7 or Code A)</td>
<td>13300</td>
<td></td>
</tr>
</tbody>
</table>

Taxpayer's filing threshold is... 13350

Is income below the filing threshold? YES the household is exempt

Test for Code G Exemption (Medicaid Coverage Gap)

Only use this exemption if, in 2016, the uninsured person lived in: Alabama, Florida, Georgia, Idaho, Kansas, Louisiana, Maine, Mississippi, Missouri, Nebraska, North Carolina, Oklahoma, South Carolina, South Dakota, Tennessee, Texas, Utah, Virginia, Wisconsin, or Wyoming

Did an uninsured person live in a state that did not expand Medicaid?

Household income = 13300

Less than 138% FPL? Yes, enter Code G.
New Tool

Test for Code A Exemption (Affordability)

8.13% of income = 1081

(1) Does the taxpayer (or spouse) have an offer of self-only coverage from his or her own employer? If yes, determine the offer’s affordability and STOP.

<table>
<thead>
<tr>
<th></th>
<th>TP</th>
<th>SP</th>
<th>TP Annual Cost</th>
<th>SP Annual Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-only premium (per month)</td>
<td>150</td>
<td></td>
<td>1800</td>
<td>0</td>
</tr>
</tbody>
</table>

TP’s cost of self-only coverage is unaffordable. Code A applies to TP.

Note: If TP & SP (1) each had affordable employer offers and (2) had no affordable family offer and (3) the combined cost of the self-only offers is greater than 8.13% of income, claim Code G exemption for the entire year.

(2) Does anyone have an offer of family coverage from an employer? If yes, determine the offer’s affordability and STOP.

<table>
<thead>
<tr>
<th></th>
<th>TP’s Employer</th>
<th>SP’s Employer</th>
<th>TP Annual Cost</th>
<th>SP Annual Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family premium (per month)</td>
<td>350</td>
<td></td>
<td>4200</td>
<td>0</td>
</tr>
</tbody>
</table>

The TP's family coverage offer is unaffordable. Code A applies to everyone eligible for that coverage.
(3) If there is no employer offer, is the cost of marketplace coverage affordable?

1. Monthly lowest cost bronze plan (LCBP) 198
2. Household income 13300
3. Nontaxable Social Security 0
4. Add lines 2 + 3: 13300
5. Federal Poverty Line for family size 15930
6. Divide line 4 by line 5: 83
7. Find applicable figure 0.0203
8. Multiply line 4 by line 7: 270.0
9. Divide line 8 by 12: 22.5
10. Monthly second lowest cost silver plan (SLCSP)
11. Subtract line 9 from line 10: 0.0
12. Subtract line 11 from line 1: 198

Annual cost of marketplace coverage: 2376

Marketplace coverage is unaffordable. Code A applies.

Who is included in Line 1? Look up the LCBP for each person in the household who is: (1) not offered employer coverage, and (2) not eligible for another exemption. Include people who are eligible for or enrolled in Medicare, Medicaid, CHIP and the marketplace. **Where do I look this up? See tab "Where Do I Find LCBP & SLCSP"**

Who is included in Line 10? Look up the SLCSP for each person in the household who is: (1) not eligible for any coverage (except marketplace) and (2) not eligible for another exemption. Ex: Single person eligible for Medicaid but not enrolled. Enter the LCBP in Line 1, enter zero on Line 10. **How do I know if someone may have been Medicaid-eligible? See tab "Medicaid & CHIP Eligibility"**
Scenario 1: Employer Offer

Income: **$19,000**
Months uninsured: **12**
Employer offer: **Yes, $150/mo**

### ACA Exemptions Related to Income

*All FPL levels are for the lower 48 states, not Alaska or Hawaii*

#### Filing Status

- **Filing Status**: Single
- **Total # of People in the Tax Household**: 1

Is the taxpayer or spouse age 65 or older? **No**

<table>
<thead>
<tr>
<th>AGI</th>
<th>On the tax return</th>
<th>Dependent income (only if filing requirement)</th>
</tr>
</thead>
<tbody>
<tr>
<td>F1040 Line 37</td>
<td>19000</td>
<td></td>
</tr>
<tr>
<td>Tax-exempt interest</td>
<td></td>
<td></td>
</tr>
<tr>
<td>F1040 Line 8b</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social Security Income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>F1040 Line 20a</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxable Social Security</td>
<td></td>
<td></td>
</tr>
<tr>
<td>F1040 Line 20b</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign Income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>F2555 Line 45 &amp; 50</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>19000</strong></td>
<td><strong>0</strong></td>
</tr>
</tbody>
</table>

Household Income (for Line 7 or Code A) **19000**

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**ACA: Everything You Need to Know**
Example: Max (Single, No Dependents)

Scenario 1: Employer Offer

Income: $19,000
Months uninsured: 12
Employer offer: Yes, $150/mo

Test for Exemption for Income Below Filing Threshold (F8965, Line 7)
*Note: Also calculated in TaxSlayer. This tool does not consider gross income below filing threshold.

Test for Code G Exemption (Medicaid Coverage Gap)

Did an uninsured person live in a state that did not expand Medicaid?
Household income = 19000
Less than 138% FPL? No, Code G does not apply.

Test for Code A Exemption (Affordability)

8.13% of income = 1545

(1) Does the taxpayer (or spouse) have an offer of self-only coverage from his or her own employer?
If yes, determine the offer’s affordability and STOP.

<table>
<thead>
<tr>
<th>TP</th>
<th>SP</th>
<th>TP Annual Cost</th>
<th>SP Annual Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>150</td>
<td></td>
<td>1800</td>
<td>0</td>
</tr>
</tbody>
</table>

TP’s cost of self-only coverage is unaffordable. Code A applies to TP.
Example: Max (Single, No Dependents)

Scenario 1: Employer Offer

Income: $19,000
Months uninsured: 12
Employer offer: Yes, $150/mo

Health Insurance/Exemption

Name of Individual *

Do you have a marketplace-issued certificate for this exemption or going to apply for an exemption from the marketplace? *

- Yes
- No

Exemption Type: — Please Select —

Coverage is unaffordable
Short gap in coverage
Citizens living abroad and certain noncitizens
Member of health care sharing ministry
Member of Federally-recognized Indian tribe
Incarceration
Aggregate self-only coverage considered unaffordable
Resident of a state that did not expand Medicaid
Member of tax household born, adopted, or died to the exemption type list for non marketplace-issued
Eligible for health coverage tax credit

ACA: Everything You Need to Know
Example: Max (Single, No Dependents)

Scenario 2: No Employer Offer

Income: $19,000
Months uninsured: 12
Employer offer: No
Age: 32 years old
Lives in: Cleveland, OH 44111

Health coverage tax tool
Get information to help file your income taxes

Figure out your premium tax credit
This tool will provide accurate information about your "second lowest cost Silver plan" (SLCSP). You'll use it to fill out IRS Form 8962, Premium Tax Credit, and figure out your premium tax credit.

Claim an "affordability" exemption
If you didn't have health coverage because you couldn't afford it, you may not have to pay a penalty. This tool will provide information you need, including the price of the lowest cost Bronze plan, to claim an affordability exemption from the penalty. You'll use it to fill out IRS Form 8965, Health Coverage Exemptions.

GET STARTED

ACA: Everything You Need to Know
Healthcare.gov/tax-tool
Example: Max (Single, No Dependents)

Scenario 2: No Employer Offer

Income: $19,000
Months uninsured: 12
Employer offer: No
Age: 32 years old
Lives in: Cleveland, OH 44111

Step 1 of 2: Family member 1

Select the months that this family member:

- Was eligible for employer coverage OR
- Had another coverage exemption

<table>
<thead>
<tr>
<th>January</th>
<th>February</th>
<th>March</th>
<th>April</th>
<th>May</th>
<th>June</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>July</td>
<td>August</td>
<td>September</td>
<td>October</td>
<td>November</td>
<td>December</td>
</tr>
</tbody>
</table>

CONTINUE  BACK
Scenario 2: No Employer Offer

Income: $19,000
Months uninsured: 12
Employer offer: No
Age: 32 years old
Lives in: Cleveland, OH 44111

Step 2 of 2: Family member 1

Select the months in 2016 that this family member was eligible for coverage outside the Marketplace, like Medicare, Medicaid, CHIP, or an employer plan.

Any months for which you indicated that this family member was eligible for employer coverage or qualified for another exemption are disabled. This family member is either not eligible for or does not need an affordability exemption for these months.

- January
- February
- March
- April
- May
- June
- July
- August
- September
- October
- November
- December

CONTINUE
**Example: Max (Single, No Dependents)**

**Scenario 2: No Employer Offer**

Income: **$19,000**
Months uninsured: **12**
Employer offer: **No**
Age: **32 years old**
Lives in: **Cleveland, OH 44111**

<table>
<thead>
<tr>
<th>Month</th>
<th>Monthly Lowest cost Bronze plan premium</th>
<th>Monthly Second lowest cost Silver plan premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>$185.50</td>
<td>$208.90</td>
</tr>
<tr>
<td>February</td>
<td>$185.50</td>
<td>$208.90</td>
</tr>
<tr>
<td>March</td>
<td>$185.50</td>
<td>$208.90</td>
</tr>
</tbody>
</table>
Example: Max (Single, No Dependents)

Scenario 2: No Employer Offer

Income: $19,000  
Months uninsured: 12  
Employer offer: No  
Age: 32 years old  
Lives in: Cleveland, OH 44111

Does Max qualify for the affordability exemption?

Enter these figures in the Marketplace Affordability Worksheet in TaxSlayer then:

- Open up the completed return to view the result of the worksheet and compare to 8.13% of income, OR
- Use a tool to calculate the result

Then, if eligible, enter the exemption in TaxSlayer.
Scenario 2: No Employer Offer

Income: $19,000
Months uninsured: 12
Employer offer: No
Age: 32 years old
Lives in: Cleveland, OH 44111

(3) If there is no employer offer, is the cost of marketplace coverage unaffordable?

<table>
<thead>
<tr>
<th>Step</th>
<th>Calculation</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Monthly lowest cost bronze plan (LCBP)</td>
<td>185.5</td>
</tr>
<tr>
<td>2.</td>
<td>Household income</td>
<td>19000</td>
</tr>
<tr>
<td>3.</td>
<td>Nontaxable Social Security</td>
<td>0</td>
</tr>
<tr>
<td>4.</td>
<td>Add lines 2 + 3:</td>
<td>19000</td>
</tr>
<tr>
<td>5.</td>
<td>Federal Poverty Line for family size</td>
<td>11770</td>
</tr>
<tr>
<td>6.</td>
<td>Divide line 4 by line 5: (<em>Converted to FPL%</em>)</td>
<td>161</td>
</tr>
<tr>
<td>7.</td>
<td>Find applicable figure</td>
<td>0.0458</td>
</tr>
<tr>
<td>8.</td>
<td>Multiply line 4 by line 7:</td>
<td>870.2</td>
</tr>
<tr>
<td>9.</td>
<td>Divide line 8 by 12:</td>
<td>72.5</td>
</tr>
<tr>
<td>10.</td>
<td>Monthly second lowest cost silver plan (SLCSP)</td>
<td>208.9</td>
</tr>
<tr>
<td>11.</td>
<td>Subtract line 9 from line 10:</td>
<td>136.4</td>
</tr>
<tr>
<td>12.</td>
<td>Subtract line 11 from line 1:</td>
<td>49</td>
</tr>
<tr>
<td>Annual cost of marketplace coverage:</td>
<td>569</td>
<td></td>
</tr>
</tbody>
</table>

Marketplace coverage is affordable. Code A does NOT apply.
Scenario 3: Eligible for Medicaid but Not Enrolled

Income: $11,000
Months uninsured: 12
Employer offer: No
Age: 32 years old
Lives in: Cleveland, OH 44111
Example: Max (Single, No Dependents)

**Scenario 3: Eligible for Medicaid but Not Enrolled**

- **Income:** $11,000
- **Months uninsured:** 12
- **Employer offer:** No
- **Age:** 32 years old
- **Lives in:** Cleveland, OH 44111

**Step 2 of 2: Family member 1**

Select the months in 2016 that this family member was eligible for coverage outside the Marketplace, like Medicare, Medicaid, CHIP, or an employer plan.

Any months for which you indicated that this family member was eligible for employer coverage or qualified for another exemption are disabled. This family member is either not eligible for or does not need an affordability exemption for these months.

- ✅ January
- ✅ February
- ✅ March
- ✅ April
- ✅ May
- ✅ June
- ✅ July
- ✅ August
- ✅ September
- ✅ October
- ✅ November
- ✅ December

CONTINUE
Scenario 3: Eligible for Medicaid but Not Enrolled

Income: $11,000
Months uninsured: 12
Employer offer: No
Age: 32 years old
Lives in: Cleveland, OH 44111

<table>
<thead>
<tr>
<th></th>
<th>Monthly Lowest cost Bronze plan premium</th>
<th>Monthly Second lowest cost Silver plan premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>$185.50</td>
<td>$0.00</td>
</tr>
<tr>
<td>February</td>
<td>$185.50</td>
<td>$0.00</td>
</tr>
<tr>
<td>March</td>
<td>$185.50</td>
<td>$0.00</td>
</tr>
</tbody>
</table>
Example: Max (Single, No Dependents)

Scenario 3: Eligible for Medicaid but Not Enrolled

- Income: $11,000
- Months uninsured: 12
- Employer offer: No
- Age: 32 years old
- Lives in: Cleveland, OH 44111

Do you qualify for Health Care Exemptions?

To determine if you can claim the "Coverage is Unaffordable" exemption, you must enter the following premium values from your Form 8965 Worksheet. Use the link below to determine the premium amounts. If you already know this return would not qualify to claim the "Coverage is Unaffordable" exemption, please select continue below to continue through the Health Insurance menu.

- Monthly Premium for the Lowest Cost Bronze Plan Premium (worksheet line 1) $185.50
- Monthly Premium for the Second Lowest Cost Silver Plan Premium (worksheet line 10) $0

Click here to obtain the LCBP and SLCSP premium amounts to enter above.
Click here to determine if you can claim a health coverage exemption.
Scenario 3: Eligible for Medicaid but Not Enrolled

Income: **$11,000**
Months uninsured: **12**
Employer offer: **No**
Age: **32 years old**
Lives in: **Cleveland, OH 44111**
Scenario 3: Eligible for Medicaid but Not Enrolled

Income: $11,000
Months uninsured: 12
Employer offer: No
Age: 32 years old
Lives in: Cleveland, OH 44111

Health Care Exemption Certificates

⚠️ You do not qualify to claim the coverage exemption for household or gross income below the filing threshold, but if you received exemption certificates or can claim another coverage exemption, answer Yes below and then continue.

Did you receive an exemption certificate from a marketplace or qualify to claim a coverage exemption on your return? *

- Yes
- No

Click here to determine if you can claim a health coverage exemption.
Example: Max (Single, No Dependents)

Scenario 3: Eligible for Medicaid but Not Enrolled

Income: $11,000
Months uninsured: 12
Employer offer: No
Age: 32 years old
Lives in: Cleveland, OH 44111
Example 2: Multi-generational Family

Sarah, Michaela, and Edith

Income: $25,000 (Sarah’s income. Edith has social security but no tax filing requirement. She qualifies as Sarah’s tax dependent.)

Months uninsured: 12 (Sarah) 0 (Michaela and Edith)

Employer offer: No

Age: 32 years old

Lives in: Cleveland, OH

Sarah doesn’t have income below the filing threshold or live in a non-expansion state. She considers the Marketplace affordability exemption.

**Line 1:** Include everyone except people with an employer offer or another exemption.

Sarah, Michaela, Edith

**Line 10:** Include everyone except people with an offer of MEC or another exemption.

Michaela – Medicaid
Edith – Medicare
Sarah – ???
Example 2: Multi-generational Family

Sarah, Michaela, and Edith

Income: $25,000 (Sarah’s income. Edith has social security but no tax filing requirement. She qualifies as Sarah’s tax dependent.)
Months uninsured: 12 (Sarah) 0 (Michaela and Edith)
Employer offer: No
Age: 32 years old
Lives in: Cleveland, OH

Do the math to figure out if Sarah’s income is below 138% FPL for her family size (i.e., within Medicaid eligibility for an adult in a state that expanded Medicaid), or use a tool to do the math for you.

<table>
<thead>
<tr>
<th>Step</th>
<th>Calculation</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Monthly lowest cost bronze plan (LCBP)</td>
<td>185.5</td>
</tr>
<tr>
<td>2.</td>
<td>Household income</td>
<td>25000</td>
</tr>
<tr>
<td>3.</td>
<td>Nontaxable Social Security</td>
<td>0</td>
</tr>
<tr>
<td>4.</td>
<td>Add lines 2 + 3:</td>
<td>25000</td>
</tr>
<tr>
<td>5.</td>
<td>Federal Poverty Line for family size</td>
<td>20090</td>
</tr>
<tr>
<td>6.</td>
<td>Divide line 4 by line 5: (“Converted to FPL%”)</td>
<td>124</td>
</tr>
<tr>
<td>7.</td>
<td>Find applicable figure</td>
<td>0.0203</td>
</tr>
<tr>
<td>8.</td>
<td>Multiply line 4 by line 7:</td>
<td>507.5</td>
</tr>
<tr>
<td>9.</td>
<td>Divide line 8 by 12:</td>
<td>42.3</td>
</tr>
<tr>
<td>10.</td>
<td>Monthly second lowest cost silver plan (SLCSP)</td>
<td>116</td>
</tr>
<tr>
<td>11.</td>
<td>Subtract line 9 from line 10:</td>
<td>0.0</td>
</tr>
<tr>
<td>12.</td>
<td>Subtract line 11 from line 1:</td>
<td>186</td>
</tr>
<tr>
<td>Annual cost of marketplace coverage:</td>
<td>2226</td>
<td></td>
</tr>
</tbody>
</table>

Marketplace coverage is unaffordable. Code A applies.
Tara Straw
tstraw@cbpp.org

For more information and resources, please visit:
www.healthreformbeyondthebasics.org

This is a project of the Center on Budget and Policy Priorities, www.cbpp.org