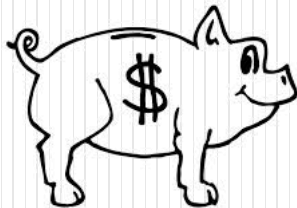
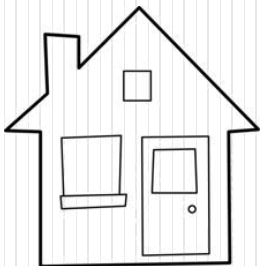


Introduction to the Affordable Care Act *for Volunteer Tax Preparers*



The VITA Mission

Volunteer Income Tax Assistance (VITA) and other free tax assistance programs play an important role in helping low- and moderate-income families plan their financial futures.



GOALS



- ✦ KEEP THE MONEY YOU EARN
- ✦ IMPROVE FINANCIAL STABILITY
- ✦ SET & ACHIEVE FINANCIAL GOALS
- ✦ MANAGE & REDUCE DEBT
- ✦ BUILD ASSETS FOR THE FUTURE

Insurance Protects Wealth & Health

Medical bills are the leading cause of bankruptcy.



Because of high medical bills...

35m

Contacted by
collections
agency

17m

Receive a
lower credit
rating

15m

Use entire
savings

10m

Unable to pay
for basic
necessities

47m

Uninsured in
2012

Compared to people with private insurance,
uninsured people are...

4x

More likely to
postpone
care

6x

More likely to
go without
needed care

What is the Affordable Care Act (ACA)?

UNIVERSALITY

- ✧ Requirement to purchase insurance
- ✧ Tax penalties for failure to have coverage

ACA

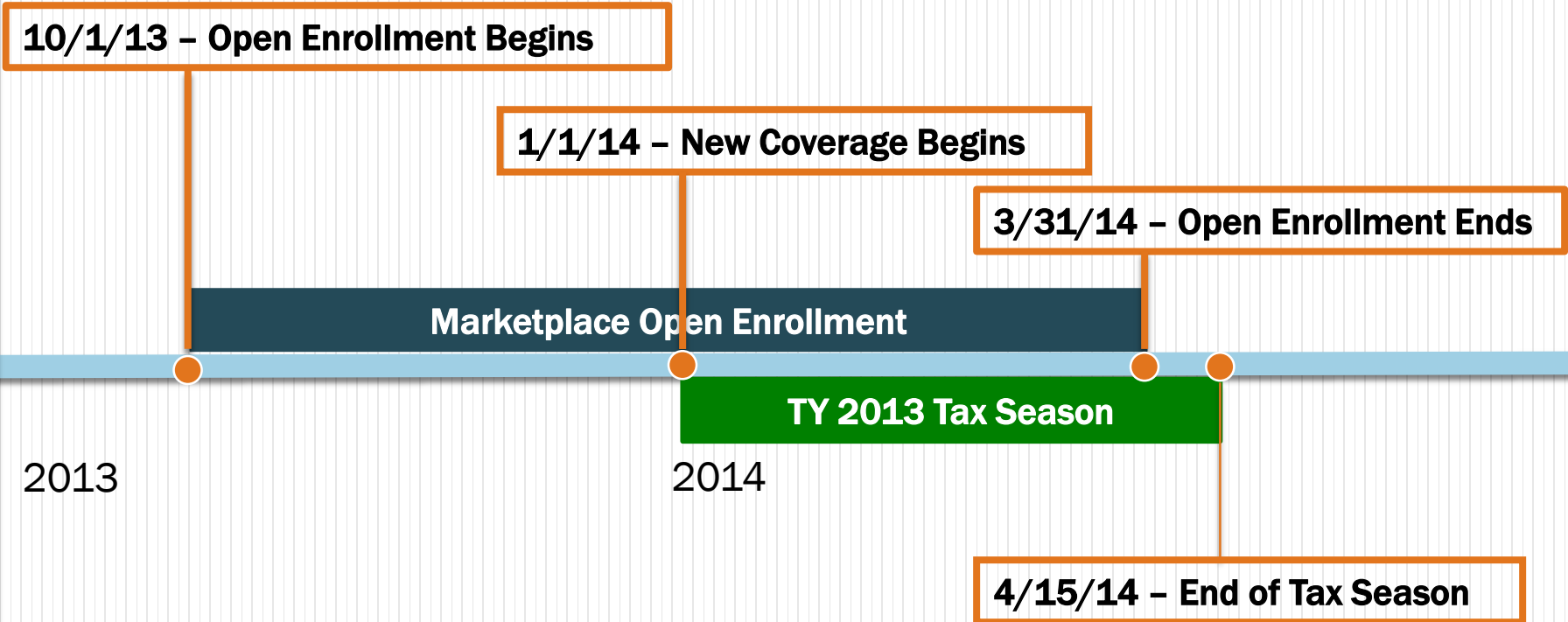
AVAILABILITY

- ✧ No denials due to pre-existing conditions
- ✧ No premium hikes for people who are sick
- ✧ New Marketplace for purchase

AFFORDABILITY

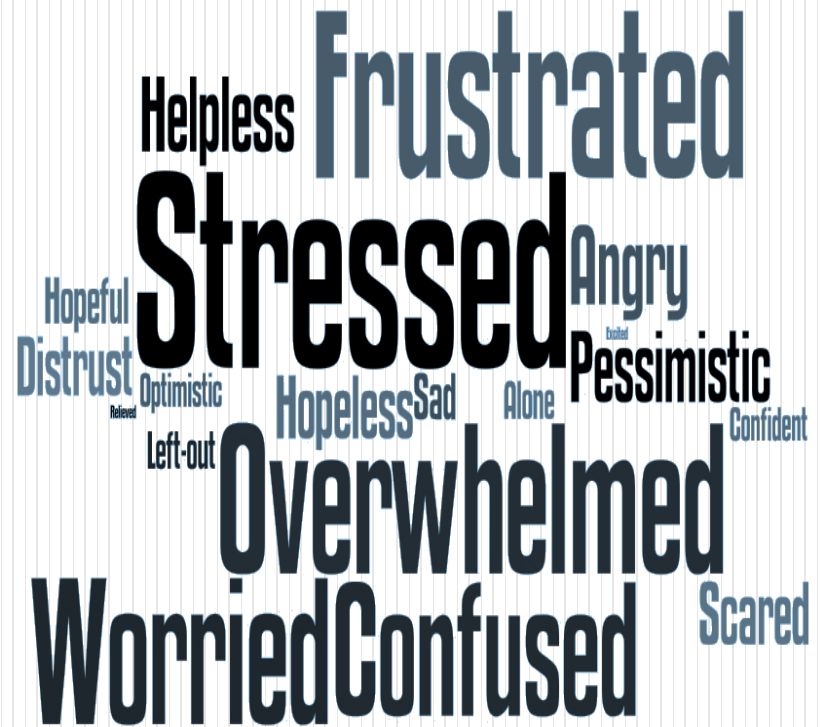
- ✧ Medicaid coverage for additional populations
- ✧ Tax credits for the purchase of insurance
- ✧ Help with out-of-pocket costs

Timeline for 2014 Enrollment



Most VITA Clients are Eligible for Help

- ✧ The majority of uninsured people who visit VITA sites **will be eligible** for either Medicaid or premium tax credits.
- ✧ But there is **limited knowledge** about new options and negative feelings about enrollment.
- ✧ Early problems with enrollment mean that more people will be **enrolling January-March.**



What Do VITA Clients Need to Know?

1

On the **2013** tax return, there are no new requirements related to health insurance, but changes are coming in 2014.

2

Starting **January 1, 2014**, there are new opportunities to get affordable health coverage:

- ✧ **Medicaid coverage** is available to more people (*if your state expanded coverage)
- ✧ **Tax credits** can help pay premiums for plans in the Marketplace if you're not eligible for Medicaid or coverage at work.

3

- ✧ In 2014, there is a **new requirement** to have health insurance coverage.
- ✧ If you don't have coverage, you may **pay a penalty** unless you qualify for an **exemption** from the penalty.

Medicaid Expansion

In States that Expand Medicaid:

- ✧ Medicaid will cover:
 - ✧ Single adults with ~\$15,000 income
 - ✧ A family of 4 with ~\$31,000 income
- ✧ If income is higher, the person may be eligible for premium tax credits

In States that Do Not Expand Medicaid:

- ✧ Many low-income adults will have a *coverage gap*: income that is *too high* for Medicaid but *too low* for premium tax credits
- ✧ People in the coverage gap may be eligible for an exemption from the penalty.

Premium Tax Credits

New **tax credits** help pay the cost of premiums for private insurance that is purchased in the “Marketplace” — a new place to shop for coverage

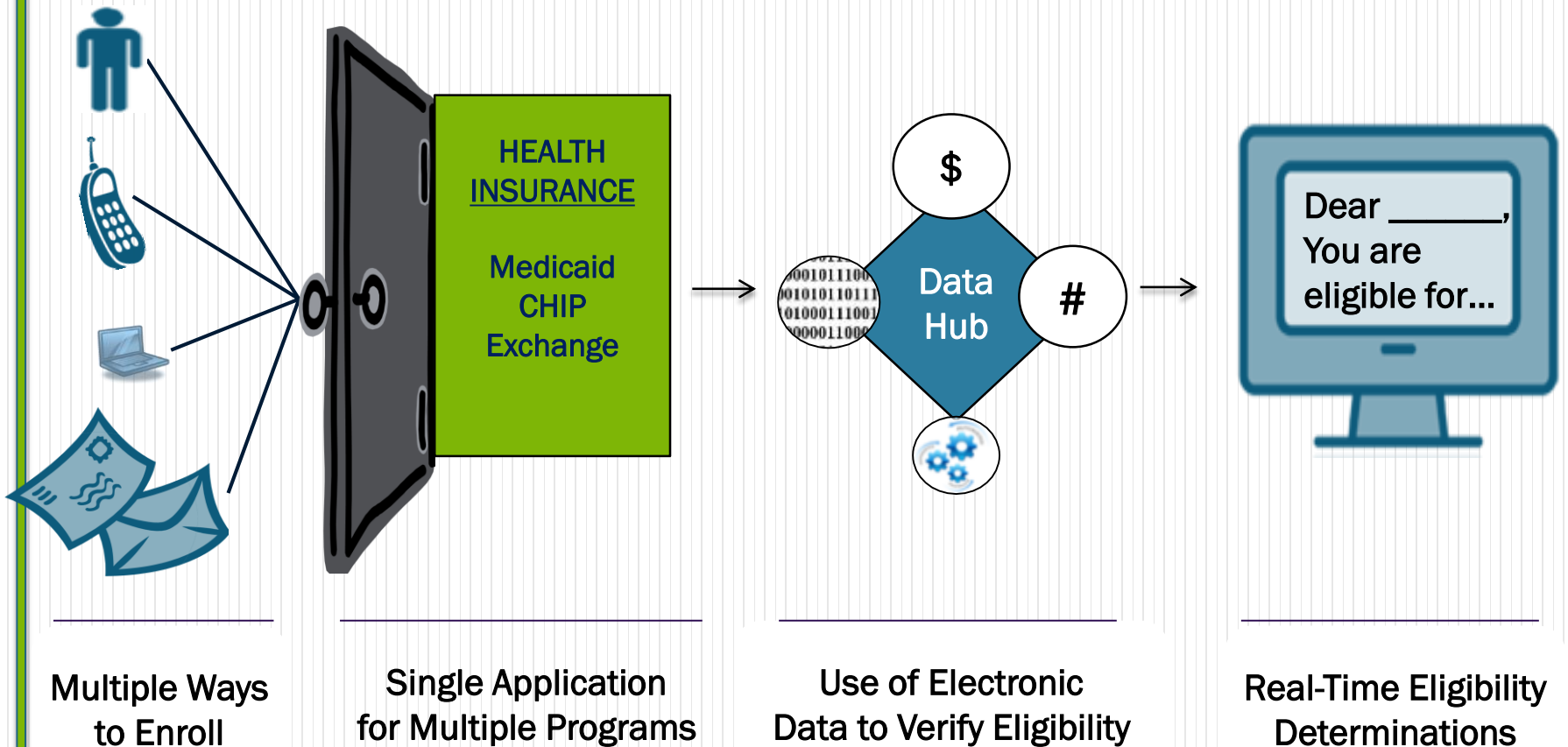
Help is available to a taxpayer who:

- ✧ Is a US citizen or legal immigrant
- ✧ Has income between 100 and 400% of the federal poverty level (FPL) (or below 100% FPL for lawfully present immigrants not eligible for Medicaid)

Family Size	100% FPL	400% FPL
1	\$11,490	\$45,960
4	\$23,550	\$94,200

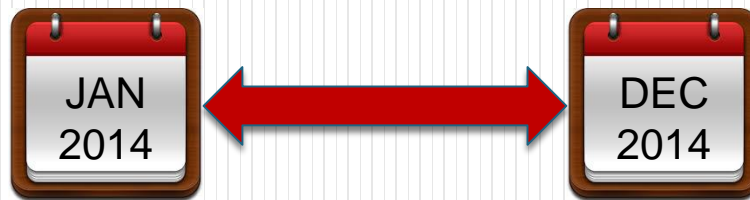
- ✧ Is not eligible for:
 - Medicare, Medicaid, or most other public coverage
 - Employer coverage that meets certain requirements

How Do People Apply for Coverage?



Health Insurance is Required

- ✧ On next year's tax return, taxpayers will report whether or not they had insurance in each month in 2014.



- ✧ Taxpayers without insurance for a month will pay a penalty for themselves and any dependents who are uninsured.

Tax penalties will start small but grow over the next 3 years.

- ✧ *Some people will be exempt* from the penalties based on their income, the cost of insurance, or other factors.



Exemptions from the Penalty

EXEMPTIONS GRANTED BY THE MARKETPLACE

- ✧ Religious conscience
- ✧ Hardship, such as:
 - ✧ Difficulty paying bills
 - ✧ State failure to expand Medicaid
 - ✧ Unaffordability of insurance

EXEMPTIONS GRANTED AT TAX FILING

- ✧ Income below filing threshold
- ✧ Insurance is unaffordable
- ✧ Undocumented resident
- ✧ Short coverage gap (<3 months)

EXEMPTIONS GRANTED BY EITHER

- ✧ Indian tribe membership
- ✧ Incarceration
- ✧ Health care sharing ministry

Help Taxpayers Take the Next Step

If a taxpayer is uninsured, help him take the next step toward coverage.

☑ **Visit healthcare.gov**

- Taxpayers can apply on their own or with help

☑ **Contact an assistor**

- Local Navigators or Certified Application Counselors are listed on healthcare.gov [Click “Find local help” and enter your zip code]

To complete the health care application, the client will need:

- ✓ Social Security cards or other work permission
- ✓ Most current pay stubs from all jobs
- ✓ Most recent W-2 forms
- ✓ If self-employed or paid in cash, a record of income & business expenses
- ✓ Most recent tax return filed
- ✓ Information about health insurance offered through work, even if you don't purchase it – Who is offered coverage? How much does it cost?