

Don't have health insurance?

You may NOT have to pay the penalty at tax time



The new health care law says you had to buy health insurance in 2014. What if you didn't buy health insurance? Then you may have to pay a penalty fee at tax time. **BUT** if you meet certain rules, you **don't** have to pay the penalty fee. The rules are called **exemptions**.

How much is the penalty fee?

For the 2014 tax year the penalty fee starts at \$95 for a single adult. Then every member of the household under age 18 must pay \$47.50 each. The most any household will pay is \$285. If your income is high, you may have to pay 1% of your household income. The penalty fee will go up every year.

Is your income \$10,150 or less a year for a single person? Or is it \$20,300 or less for a couple? Then you **don't** have to file a tax return. **AND** you **don't** have to pay the penalty fee. Are you filing a tax return anyway so you can get a refund? Then send in **Form 8965, Health Coverage Exemptions** with your 2014 income tax return.

Who can get out of paying the penalty fee? What do they need to do?

1. IF:

- You had no health insurance for 3 months or less **OR**
- The lowest price health insurance cost more than 8% of your income **OR**
- You are in jail **OR**
- You are a member of a health care sharing ministry **OR**
- You are in the U.S. without proper papers (or undocumented)

Then you **don't** have to pay a penalty fee. But you must send in **Form 8965, Health Coverage Exemptions** with your 2014 income tax return.



2. IF:

- Your religion is against health insurance **OR**

- You applied for insurance. You were told you couldn't get it because of Tennessee's Medicaid rules. **OR**
- You are a Native American Indian **OR**
- You meet any of these rules for **hardship**:
 - o You are homeless **OR**
 - o You got a shut-off notice from the light, water or gas company **OR**
 - o You filed for bankruptcy in the last 6 months **OR**
 - o You lost your home to foreclosure **OR**
 - o You have unpaid medical bills **OR**
 - o Your home was in a flood or fire in the last 6 months **OR**
 - o You are the victim of domestic violence **OR**
 - o You spent money taking care of an older, ill or disabled family member **OR**
 - o A close family member has died **OR**
 - o You had other problems trying to get health insurance

Then you **don't** have to pay a penalty fee. **BUT** you **must** get an exemption number **BEFORE** you file your taxes.

If you need to apply for an exemption number

You will need to fill out an application paper. There are several different applications. Call **1-800-318-2596** and ask for an application. They can also tell you if you will have to send proof with the application.

OR you can get the exemption paper application at **www.Healthcare.gov** on the internet.

If you need a hardship application, ask for "Application for Exemption from the Shared Responsibility Payment for Individuals who Experience Hardships."

Apply right away as it can take several weeks to get your exemption number. You **can't** file your return without an exemption number.

Fill out the application paper and mail it to:



Health Insurance Marketplace – Exemption
Processing
465 Industrial Blvd.
London, KY 40741

When your application is OK'd, you will get an
Exemption Certificate. It has a special **Exemption
Certificate Number**.

You MUST put this number on tax Form 8965.
Then send it in with your tax return. You can
get Form 8965 at www.irs.gov on the internet.



NOTE: This information cannot take the place of advice
from a lawyer. Each case is different and needs individual
legal advice. You should contact a lawyer if you need
representation on a tax matter or if you have questions. 1/15

Tennessee Taxpayer Project

A Low Income Taxpayer Clinic
Legal Aid Society

1-866-481-3669

It's a free call.

Although this Low Income Taxpayer Clinic program gets funding from
the IRS, it is not part of the IRS or Tennessee Department of Revenue. A
taxpayer's decision to use services from this Low Income Taxpayer Clinic
will not change the taxpayer's rights before the IRS. Most of the time, Low
Income Taxpayer Clinics do not prepare federal income tax returns.



Legal Aid Society
of Middle Tennessee & the Cumberland

Working Together. Doing Justice. Restoring Hope.

1-800-238-1443

It's a free call.

On the internet at: www.las.org