**2016 ACA Requirement to Have Health Insurance**

In March, 2010 President Obama signed the Affordable Care Act. One provision of the

Act required that in 2016 all Americans must have qualified health insurance or face a

“Shared Responsibility Payment” more commonly known as the Health Care Penalty.

In order to remind you of the rules and to protect us both from future IRS liability in the

event of an audit, we require all individual taxpayers for 2016 to positively affirm the

following items related to Health Care. Please initial each item and sign the

bottom of the affirmation.

\_\_\_ 1. We have provided you with all copies of Forms 1095-A, 1095-B, and 1095-C

we received.

\_\_\_ 2. We did not receive all Forms 1095-A because we have alternate government

provided qualified health care insurance from Medicare, Medicaid, or Tri-Care

that covers all members of our household. **Enter N/A if not applicable**.

\_\_\_ 3. We have qualified employer-provided health insurance for the entire year for

our entire household. **Enter N/A if not applicable.**

\_\_\_ 4. We have qualified other health insurance we purchased directly from an agent

or insurance company for the entire year which covers our entre household.

**Enter N/A if not applicable**.

In the event you do not have qualified health insurance for the entire year for

your entire household, please provide us with the following information regarding

insurance coverage for all members of your household. In the absence of the

completion of items 1-4 above or item 5 blow, and the absence of your providing

us with information regarding an exemption from the requirement to provide

health insurance we will calculate the penalty and include it with your return.

Name of Fam. Members/ Number of months Name of Insurance

Dependants covered Covered in 2016

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Signature 1 Signature 2

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BY: (Print Names)

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Date Date

Dear Client,

In 2010 when Congress passed the Affordable Care Act (commonly called Obamacare) the

effects seemed far away to many of us. Now that 2016 is here there will be several direct effects

upon every American, with the requirement that all Americans of all ages obtain qualified health

insurance for the entire year. The requirement to obtain health insurance applies to you

individually as well as to anyone you claim as a dependent on your return.

Several new forms will be issued to taxpayers this year, primarily Forms 1095-A, B and C. ***In***

***order to complete your 2016 return we must have all copies of Form 1095.*** These forms

provide us with the necessary information to report your health insurance coverage, calculate any

credit and calculate any penalty that may apply.

We need to obtain from you the following information in order to complete your return:

1. Health insurer(s) for the year;

2. Number of months of coverage;

3. Members of your family covered by the above health insurance throughout the year;

4. Your county of residence all year;

5. Signed health insurance information form for our records.

Of equal importance for 2016 are the multiple possibilities of tax mistakes made primarily by your

dependent children who may work in 2016. The simplest guidance we can provide you to avoid

this mistake is: ***Do not allow any dependent children to file their own return, particularly***

***college students, and do not file them yourself.*** Although this guidance appears self-serving

for us, let us assure you this guidance is meant to protect you from your children inadvertently

costing you literally thousands of dollars in potential health care tax credits. The IRS recently

released new Form 8962 to calculate the credit, and in our continuing education classes we have

learned how difficult it is to calculate the credit and how easy it is to make a mistake and lose the

credit.

For those of you who have received an advance payment of the Health Care credit by purchasing

insurance through the Exchange we also need to warn you in advance that if you received a

greater credit than allowed you will be forced to repay the excess with this year’s return.

We also encourage you to visit www.Healthcare.gov when you have a chance just to see what is

available to you in the form of insurance, and what premiums will really cost for your family so

that you have a clear idea of the facts without a political or media based bias.

The other aspects of the Affordable Care Act that no one is talking about are the two new

surtaxes. Many people incorrectly believe that only high income Americans pay these surtaxes,

but because the tax is not adjusted for inflation, within a few years all Americans will pay the

additional surtaxes. You need to take steps now to plan for this event and our advice is to utilize

every fringe benefit your employer offers, maximize 401-k deferrals and call us if you are

expecting a big bonus, stock or asset sale or other major income change so that we can work

with you to minimize the effects of these new taxes.

**Please see Reverse and make sure to it fill out and return**

**with this years Tax Return Info**