

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 entire 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 below, 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/ Dependants covered	Number of months Covered in 2016	Name of Insurance
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Signature 1

Signature 2

BY: (Print Names)

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**