

Life is Not for Sissies!

Tax Time - Having Health Insurance is Mandatory

The following article explains what to think about at Tax Time:

Getting Ready for Tax Season

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By Kevin Counihan, CEO HealthCare.gov

As we settle in to the New Year, many Americans are already keeping an eye on their mailbox for tax forms. January means tax season is just around the corner. As you begin to make a plan for gathering the information you need to file your taxes, it's important to remember that, just like last year, information about your health coverage is now a part of the tax filing process.

Having health insurance when you can afford it is the law. If you had coverage in 2015 - either through the Health Insurance Marketplace or another source like your employer, Medicare or Medicaid - you'll need to indicate that when you file your tax return. If you could have afforded health insurance, but you chose not to enroll in coverage for 2015, you may be required to pay a fee when you file your federal income tax return.

To help you get a head start on planning for tax season, here's what people with different health coverage situations need to know:

- What you should know if you have Marketplace coverage.

If you enrolled in a health plan through HealthCare.gov or your state's Health Insurance Marketplace in 2015, you'll soon receive an important tax document in the mail, called a Form 1095-A. Your 1095-A includes important information you need in order to complete your 2015 Federal income tax return. You should wait to file your income tax return until you receive this document in the mail. It should arrive by early February. When it arrives, keep it with your other tax records, like the W-2 you get from your employer.

If you are one of the millions of Americans who benefited from financial help to lower the cost of your monthly health insurance premiums, you are required to file a tax return and report the amount of financial assistance you received. Now that you know your final income for the year, you need to reconcile the difference between the amount of financial assistance you received during the year to help lower the cost of your premiums with the actual amount you should have received based on your 2015 earnings. Information included on your Form 1095-A will help you do this. *If you do not file a tax return and reconcile your*

financial help, you will not be eligible to receive financial help in the future.

- **What you should know if you have health insurance through your employer, Medicare or Medicaid.**

If you and everyone in your household had coverage for the entire year through your employer, Medicare, Medicaid or other qualifying coverage from another source, you'll simply need to check a box on your federal income tax return to indicate that you had coverage for all of 2015. You might receive a tax document called a Form 1095-B or a Form 1095-C in the mail from your employer, your insurance company, or the government program that provides your coverage, like Medicare or Medicaid. You don't need to attach this information to your tax return or wait to receive the form before filling your tax return out, but if you receive one this year you should keep it in a safe place with your other tax records.

- **What you should know if you didn't have health coverage in 2015.**

If you didn't have health coverage for all or part of 2015, you either will have to pay a fee with your federal income tax return or will need to qualify for a health coverage exemption.

- **Pay the fee:** If affordable health insurance options were available, but you chose to not enroll in coverage for 2015 and you do not qualify for an exemption, you may be required to pay a fee when you file your 2015 federal income taxes. *The fee for not having health coverage in 2015 is generally \$325 per person or 2 percent of your annual household income - whichever is higher.*
- **Qualify for an exemption:** While those who can afford health coverage but chose not to enroll may have to pay a fee, people who couldn't afford coverage or met other conditions can receive an exemption from the requirement to purchase health insurance for 2015. A tool is available on HealthCare.gov to help you determine if you might qualify for an exemption.



Tax Penalties

	2014	2015	2016	
Taxable Income	1%	2%	2.5%	Annual Cost-of-Living Increases
	OR	OR	OR	
Penalty Per Adult & Child	Adult = \$95.00 Child = \$47.50	Adult = \$325.00 Child = \$162.50	Adult = \$695.00 Child = \$347.50	
Maximum Per Family	\$285	\$975	\$2,085	

It's important that everyone knows the fee for not having coverage is increasing this year. If people go without coverage in 2016, the fee you'll have to pay next year will increase to \$695 or 2.5 percent of your income whichever is higher.

The good news is Open Enrollment for 2016 coverage through HealthCare.gov is happening now and runs through January 31. If you need coverage and want to avoid paying a fee next year, you must sign up for coverage before the January 31 deadline. If you do not purchase coverage for the remainder of 2016, you'll risk having to pay the fee next year for the entire year when you file your 2016 income taxes.

Help is available. If you have questions about Marketplace tax forms, qualifying for exemptions, the fee, or signing up for coverage through HealthCare.gov you should contact the Marketplace Call Center. The call center is open all day, every day at 1-800-318-2596. Additional resources and information is also available at www.healthcare.gov/taxes or www.IRS.gov/aca

You can also contact First Benefits Group, Inc. for assistance in enrolling in a health plan on or off the Marketplace 941-361-3057 or info@firstbenefits.net.

About First Benefits Group, Inc.

We are financial and insurance educators.



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There is more to be gained by avoiding losses than picking apparent winners.

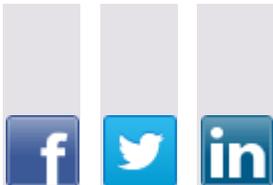
We are experts at identifying and providing solutions to any threats to current and future lifestyles.

To schedule a complimentary, no obligation appointment to discuss your personal circumstances, please call our office at 941.361.3057.

Terrance J. O'Brien, Frances Lane, Gary Hickerson, BJ Mangrum

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First Benefits Group, Inc.
306 N. Rhodes Avenue #111
Sarasota, Florida 34237
941-361-3057
www.firstbenefits.net