

Taxpayer Information

Mike's 2017 filing status is Single

Born February 2, 1972 and 2017 W-2 income of \$35,000

Did not have coverage for the entire year

Did not have access to employer-based coverage

Lived in zip code 60601 (Cook County, Illinois) for all of 2017

<div style="border: 1px solid black; padding: 5px;"> <p>ACA Exemptions Related to Income Tool (2017)</p> <p style="text-align: center;">Start Over</p> <hr/> <p>Household</p> <p>State: <input type="text" value="Illinois"/></p> <p>Filing status: <input type="text" value="Single"/></p> <p>Is the taxpayer or spouse age 65 or older?: <input type="text" value="No"/></p> <p>Total number of people in the tax household: <input type="text" value="1"/></p> <hr/> <p>Income</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: center;">On the tax return:</th> <th style="width: 20%; text-align: center;">Dependent income <small>(only if filing requirement)</small></th> </tr> </thead> <tbody> <tr> <td>Adjusted gross income <small>(Form 1040 line 37)</small></td> <td style="text-align: right;">\$ <input type="text" value="35,000"/></td> <td style="text-align: right;">\$ <input type="text"/></td> </tr> <tr> <td>Tax-exempt interest <small>(Form 1040 line 8b)</small></td> <td style="text-align: right;">\$ <input type="text"/></td> <td style="text-align: right;">\$ <input type="text"/></td> </tr> <tr> <td>Social Security income <small>(Form 1040 line 20a)</small></td> <td style="text-align: right;">\$ <input type="text"/></td> <td style="text-align: right;">\$ <input type="text"/></td> </tr> <tr> <td>Taxable Social Security <small>(Form 1040 line 20b)</small></td> <td style="text-align: right;">\$ <input type="text"/></td> <td style="text-align: right;">\$ <input type="text"/></td> </tr> <tr> <td>Foreign income <small>(Form 2555 line 45 and 50)</small></td> <td style="text-align: right;">\$ <input type="text"/></td> <td style="text-align: right;">\$ <input type="text"/></td> </tr> <tr> <td>Pre-tax deduction for employer-sponsored coverage</td> <td style="text-align: right;">\$ <input type="text"/></td> <td style="text-align: right;">\$ <input type="text"/></td> </tr> <tr> <td>Subtotal</td> <td style="text-align: right;">\$35,000</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td>Household income</td> <td></td> <td style="text-align: right;">\$35,000</td> </tr> </tbody> </table> </div>		On the tax return:	Dependent income <small>(only if filing requirement)</small>	Adjusted gross income <small>(Form 1040 line 37)</small>	\$ <input type="text" value="35,000"/>	\$ <input type="text"/>	Tax-exempt interest <small>(Form 1040 line 8b)</small>	\$ <input type="text"/>	\$ <input type="text"/>	Social Security income <small>(Form 1040 line 20a)</small>	\$ <input type="text"/>	\$ <input type="text"/>	Taxable Social Security <small>(Form 1040 line 20b)</small>	\$ <input type="text"/>	\$ <input type="text"/>	Foreign income <small>(Form 2555 line 45 and 50)</small>	\$ <input type="text"/>	\$ <input type="text"/>	Pre-tax deduction for employer-sponsored coverage	\$ <input type="text"/>	\$ <input type="text"/>	Subtotal	\$35,000	\$0	Household income		\$35,000	<p>The ACA Exemptions Related to Income Tool can be accessed here (right-mouse click to select option to open in new tab)</p> <p>Select the tool for tax year 2017</p>
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<div style="border: 1px solid black; padding: 5px;"> <p>Test for Exemption for Income Below Filing Threshold (Form 8965, Line 7)</p> <p><small>*Note: Also calculated in TaxSlayer. This tool does not consider gross income below filing threshold.</small></p> <p>Taxpayer's filing threshold is... \$10,400</p> <p>Is income below the filing threshold? No, exemption does not apply. Continue</p> </div>	<p>The taxpayer's household income exceeds the filing threshold. We next need to check if there's any employer offer of insurance</p>																											

Test for Code A Exemption (Affordability)

8.16% of income \$2,856

Note: If offers of coverage, family composition or location of family members changed during the year, you may need to run this section more than once for selected months. For example, if the taxpayer had no coverage offer at the start of the year, then in June gets a new job with an offer of coverage, determine affordability separately for Jan-May and June-Dec. In all cases, continue to use the annualized income above.

1. Does the taxpayer (or spouse) have an offer of self-only coverage from his or her own employer? If yes, determine the offer's affordability and STOP for this individual.

No

2. Does anyone have an offer of family coverage from an employer? If yes, determine the offer's affordability and STOP for this individual.

No

3. If there is no employer offer, is the cost of marketplace coverage unaffordable?

1) Monthly lowest cost bronze plan (LCBP) \$ 294.13

For Illinois, look up the LCBP at www.healthcare.gov/tax-tool.

Who is included in Line 1? Look up and add together the LCBP for each person in the household who is: (1) claimed on the tax return, (2) not offered employer coverage, and (3) not eligible for another exemption. Include people who are eligible for or enrolled in Medicare, Medicaid, CHIP and the marketplace.

2) Household income	\$35,000
3) Nontaxable Social Security	\$0
4) Add lines 2 + 3	\$35,000
5) Federal poverty line for family size	\$11,880
6) Divide line 4 by line 5	294%

If line 6 is under 139% or 401% and over, or your filing status is Married Filing Separately, skip lines 7 through 10 and enter zero on Line 11.

7) Find applicable figure	0.0951
8) Multiply line 4 by line 7	\$3,329
9) Divide line 8 by 12	\$277.42

10) Monthly second lowest cost silver plan (SLCSP) \$ 308.11

For Illinois, look up the SLCSP at www.healthcare.gov/tax-tool.

Who is included in Line 10? Look up and add together the SLCSP for each person in the household who is: (1) claimed on the tax return (2) not eligible for other MEC (other than individual market coverage, including marketplace coverage) (3) not eligible for another exemption.

Only include an uninsured child in Line 10 if household FPL% on Line 5 is **above** this amount:

- Child (ages 0-1): 318% **X**
- Child (ages 1-5): 318% **X**
- Child (ages 6-18): 318% **X**

Only include an uninsured adult in Line 10 if household FPL% on Line 5 is **above** this amount:

- Adults (without a dependent child): 138% **✓**
- Parents with a dependent child: 138% **✓**

For example, for a single person eligible for Medicaid but not enrolled, enter the LCBP in Line 1, and enter 0 on Line 10.

In Illinois, infants born to non-Medicaid covered mothers are covered up to 147% FPL in Medicaid and up to 318% FPL under CHIP.

11) Subtract line 9 from line 10	\$30.69
12) Subtract line 11 from line 1	\$263.44

Annual cost of marketplace coverage \$3,161.24

Marketplace coverage is unaffordable. Code A applies.

Mike's employer did not offer him insurance, so we'll move on to check the affordability of marketplace coverage.

[Click here to see how the LCBP and SLCSP premium amounts are calculated on Healthcare.Gov](#)

Based on Mike's household income relative to the Federal Poverty Line, he would be expected to contribute \$277.42 per month towards marketplace coverage (line 9).

Since the monthly cost of the second lowest cost silver plan (SLCSP) is \$308.11 (line 10), he could expect to receive a monthly credit of \$30.69 (line 11) to make this coverage affordable (\$308.11 plan cost - his expected contribution of \$277.42). Mike can then take this credit and purchase the lowest cost bronze plan at \$294.13 per month (line 1), for a net monthly cost of \$263.44 (\$294.13 plan cost - \$30.69 credit) (line 12), or \$3,161.24 annually.

Since his net annual cost of marketplace coverage, \$3,161.24, exceeds 8.16% of his income, \$2,856 (shown above), marketplace coverage is considered unaffordable.

Complete Form 8965, Health Coverage Exemptions. Enter Mike's name and SSN, code A, and check the box for full year.

What tax year do you need information for?

- 2018
- 2017
- 2016

What state did your household live in during 2017?

Illinois

Add another state

Continue

[Click here to access the Healthcare.Gov Affordability Exemption website to determine the monthly premiums for the LCBP and SLCSP \(right-mouse click to select option to open in new tab\)](#)

Select the appropriate tax year 2017

Tell us about Mike

Date of birth

Example: 4 5 1970

Month Day Year

02 / 02 / 1972

Mike uses tobacco

Tell us where Mike lived during all of 2017

In what ZIP code did Mike live in 2017?

60601, Cook County, IL

[Clear search](#)

Mike lived in another country or passed away.

What months did Mike live in Cook County, IL?

[Select all](#) [Clear all](#)

Jan Feb Mar Apr
 May Jun Jul Aug
 Sep Oct Nov Dec

[Add another location](#)

[Continue](#)

Mike: Health coverage eligibility & exemption status

Select the months Mike was eligible for employer coverage OR another coverage exemption in 2017

Jan Feb Mar Apr
 May Jun Jul Aug
 Sep Oct Nov Dec

Select the months Mike was eligible for coverage outside the Marketplace like Medicare, Medicaid, or the Children's Health Insurance Program (CHIP) in 2017, except for individual market coverage.

Any months for which you indicated that Mike was eligible for employer coverage or qualified for another exemption are disabled. Mike is either not eligible for or does not need a Marketplace coverage affordability exemption for these months.

Jan Feb Mar Apr
 May Jun Jul Aug
 Sep Oct Nov Dec

Mike did not receive an offer of employer coverage and had no other coverage exemptions

Claim an affordability exemption

Use the monthly premiums below to complete the Marketplace Coverage Affordability Worksheet (IRS Form 8965 Instructions, page 11). When you complete the worksheet, you'll find out if you qualify for the affordability exemption. The instructions explain how to claim the exemption if you do.

Wrong form? [Figure out your premium tax credit](#)

Your results

	Monthly SLCSP premiums	Monthly LCBP premium
Jan	\$308.11	\$294.13
Feb	\$308.11	\$294.13
Mar	\$308.11	\$294.13
Apr	\$308.11	\$294.13

Note the monthly LCBP and SLCSP premiums - the LCBP premium is listed in the second column here but will be entered first into the tool.

[Click here to return to the tool documentation.](#)

May	\$308.11	\$294.13
Jun	\$308.11	\$294.13
Jul	\$308.11	\$294.13
Aug	\$308.11	\$294.13
Sep	\$308.11	\$294.13
Oct	\$308.11	\$294.13
Nov	\$308.11	\$294.13
Dec	\$308.11	\$294.13
We recommend you save this information. It won't be saved when you close the browser.		