



## Affordable Care Act Topics

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## Individual Shared Responsibility Provision – Exemptions: Claiming or Reporting

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### [CHART: Exemptions and Who Grants Them](#)

The [individual shared responsibility provision](#) of the Affordable Care Act requires you and each member of your family to have qualifying health coverage (also known as [minimum essential coverage](#)), qualify for a coverage exemption, or make an individual shared responsibility payment when you file your federal income tax return.

If you or anyone in your family claims an exemption from the requirement to have minimum essential coverage, you're not required to make a shared responsibility payment for any month that you qualify for the exemption.

If you are not otherwise required to file a tax return, you do not need to file a return solely to report your coverage or to claim an exemption from the coverage requirement.

To find out if you qualify for an exemption use our interactive tool, [Am I Eligible for a Coverage Exemption or Required to Make an Individual Shared Responsibility Payment?](#)

### **Most Exemptions are claimed when you file your return**

You can claim most exemptions using Form 8965, *Health Coverage Exemptions*, when you file your tax return.

If you or anyone in your family qualifies for a coverage exemption on your tax return, you must file Form 8965, *Health Coverage Exemptions*, with your tax return. You do not need to call the IRS to get this coverage exemption in advance.

If you are not required to file a federal income tax return for a year because your gross income is below your return filing threshold, you are automatically exempt from the shared responsibility provision for that year and do not need to take any further action to secure an exemption. Therefore, you do not need to file a return solely to report your coverage or to claim a coverage exemption. If your income is below the filing threshold for your filing status and you choose to file a tax return, use Part II of Form 8965, Coverage Exemptions for Your Household Claimed on Your Return, to claim a coverage exemption. You should not make a shared responsibility payment if you are exempt from the coverage requirement because you have income below the filing threshold.

Claim other coverage exemptions on your tax return using Part III of Form 8965, Coverage Exemptions for Individuals Claimed on Your Return. You'll submit one Form 8965 with your return and use separate lines for each individual and exemption type claimed on the return. Form 8965 can be filed electronically with your tax return.

### **Marketplace Exemptions must be granted in advance and reported when you file your return**

While you can claim most exemptions from coverage when you file your tax return, certain exemptions must be granted by the Health Insurance Marketplace in advance. This includes coverage exemptions for certain hardship situations and for members of certain religious sects.

If you can claim the coverage exemption on your tax return, you do not need to apply for a Marketplace-granted exemption.

If the Marketplace grants your coverage [exemption](#), they will send you a notice with your unique Exemption Certificate Number or ECN. Keep this notice with other important tax information.

When you file your tax return, enter your ECN on Form 8965 in column C of Part I, Marketplace-Granted Coverage Exemptions for Individuals.

If the Marketplace hasn't processed your exemption application before you file your tax return, complete Part I of Form 8965 and enter "pending" in Column C for each person listed.

You'll submit one Form 8965 with your return and use separate lines for each individual and exemption type claimed on the return. Form 8965 can be filed electronically with your tax return.

### [Exemptions and who grants them](#)

This chart shows the types of exemptions available. It also indicates whether the exemption must be (a) granted by the Marketplace, (b) claimed on an income tax return, or (c) either granted by the Marketplace or claimed on a tax return. For additional information about how to get exemptions that the Marketplace may grant, visit [HealthCare.gov/exemptions](#).



**HealthCare.gov**

Get more information about the Affordable Care Act from the Department of Health & Human Services.

[Go to HealthCare.gov](#)



Exemptions	May only be granted by Marketplace	May be granted by Marketplace or claimed on tax return	May only be claimed on tax return
<p><b>Coverage is considered unaffordable</b> - The minimum amount you would have paid for employer-sponsored coverage or a bronze level health plan (depending on your circumstances) is more than a certain percentage (8.05 percent for 2015) of your actual household income for the year as computed on your tax return. Also see <b>coverage considered unaffordable based on projected income</b> listed below, which provides a prospective exemption granted by the Marketplace if the minimum amount you would have paid for coverage is more than a certain percentage of your projected household income for the year.</p>			✓
<p><b>Short coverage gap</b> - You went without coverage for less than three consecutive months during the year. For more information, see question 22 of our <a href="#">questions and answers</a>.</p>			✓
<p><b>Income below the return filing threshold</b> - Your gross income or your household income is less than your applicable minimum threshold for filing a tax return. <a href="#">Learn more about household income</a>.</p>			✓
<p><b>Citizens living abroad and certain noncitizens</b> - You are:</p> <ul style="list-style-type: none"> <li>• A U.S. citizen or a resident alien who was physically present in a foreign country or countries for at least 330 full days during any period of 12-consecutive months;</li> <li>• A U.S. citizen who was a bona fide resident of a foreign country countries for an uninterrupted period which includes an entire tax year;</li> <li>• A bona fide resident of a U.S. territory;</li> <li>• A resident alien who was a citizen or national of a foreign country with which the U.S. has an income tax treaty with a nondiscrimination clause, and you were a bona fide resident of a foreign country for an uninterrupted period that includes an entire tax year;</li> <li>• Not lawfully present in the U.S. and not a U.S. citizen, or U.S. national (for this purpose, an immigrant with Deferred Action for Childhood Arrivals (DACA) status is not considered lawfully present and therefore is eligible for this exemption.);</li> <li>• A nonresident alien, including (1) a dual-status alien in the first year of U.S. residency and (2) a nonresident alien or dual-status alien who elects to file a joint return with a U.S. spouse; or</li> <li>• An individual who files Form 1040-NR, <i>U.S. Nonresident Alien Income Tax Return</i>, or Form 1040-NR-EZ, <i>U.S. Income Tax Return for Certain Nonresident Aliens with No Dependents</i>, (including a dual-status tax return for your last year of U.S. residency) or you are claimed as a personal exemption on one of those forms.</li> </ul> <p>If you meet one of these conditions, you qualify for this exemption even if you have a social security number (SSN).</p>			✓
<p><b>Members of a health care sharing ministry</b> - You are a member of a health care sharing ministry, which is an organization described in section 501(c)(3) whose members share a common set of ethical or religious beliefs and have shared medical expenses in accordance with those beliefs continuously since at least December 31, 1999.</p>		✓	

**Members of Indian Tribes** - You are a member of a [Federally-recognized Indian tribe](#), including an Alaska Native Claims Settlement Act (ANCSA) Corporation Shareholder (regional or village), or you were otherwise eligible for services through an Indian health care provider or the Indian Health Service.



**Incarceration** - You are in a jail, prison, or similar penal institution or correctional facility after the disposition of charges.



**Members of certain religious sects** - You are a member of a religious sect in existence since December 31, 1950, that is recognized by the Social Security Administration (SSA) as conscientiously opposed to accepting any insurance benefits, including Medicare and Social Security.



**Aggregate self-only coverage considered unaffordable** - Two or more family members' aggregate cost of self-only employer-sponsored coverage is more than a certain percentage (8.05 percent for 2015) of your actual household income, as does the cost of any available employer-sponsored coverage for the entire family.



**General hardship** - You experienced circumstances that prevented you from obtaining coverage under a qualified health plan, including, but not limited to, homelessness, eviction, foreclosure, domestic violence, death of a close family member, and unpaid medical bills. Learn more about the [criteria for this exemption](#).



**Coverage considered unaffordable based on projected income** - You do not have access to coverage that is considered affordable based on your projected household income.



**Determined ineligible for Medicaid in a state that did not expand Medicaid coverage** - You are determined ineligible for Medicaid solely because the State in which you live does not participate in Medicaid expansion under the Affordable Care Act.



**Resident of a state that did not expand Medicaid** - Your household income is below 138 percent of the federal poverty line for your family size and at any time during the year you reside in a state that does not participate in Medicaid expansion under the Affordable Care Act. \*



**Unable to renew existing coverage** - You were notified that your health insurance policy was not renewable and you consider the other plans available unaffordable. See [HHS guidance](#) and [HHS Question and Answer](#) for more information.



**AmeriCorps coverage** - You are engaged in service in the AmeriCorps State and National, VISTA, or NCCC programs and are covered by short-term duration coverage or self-funded coverage provided by these programs.



\* **States that did not expand Medicaid for all of 2015:** Alabama, Alaska, Florida, Georgia, Idaho, Indiana, Kansas, Louisiana, Maine, Mississippi, Missouri, Montana, Nebraska, North Carolina, Oklahoma, South Carolina, South Dakota, Tennessee, Texas, Utah, Virginia, Wisconsin, and Wyoming.

### Additional Information

You will claim or report coverage exemptions on [Form 8965](#), *Health Coverage Exemptions*, and attach it to Form 1040, Form 1040A, or Form 1040EZ. You can file any of these forms electronically. For more information on Form 8965, see the [instructions](#). For any month that you or your dependents do not have coverage or qualify for an exemption, you will have to make a shared responsibility payment. See our Individual Shared Responsibility Provision – [Reporting and Calculating the Payment](#) page for more information about the payment. If you need information about coverage exemptions that were available for 2014, see the instructions for the [2014 version of Form 8965](#).

Learn more about exemptions in this [chart](#) and in questions 21-24 of our [Questions and Answers](#). For more information on hardship exemptions, you can also visit [Healthcare.gov](#) and access [HHS guidance](#) and [Questions and Answers](#).

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