



Individual Shared Responsibility Provision

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- [Individuals and Families](#)
- [Employers](#)
- [Information Returns \(AIR\)](#)
- [ALE Info Center](#)
- [Tax Professionals](#)
- [What's Trending](#)
- [Health Care Tax Tips](#)
- [Questions and Answers](#)
- [List of Tax Provisions](#)
- [Legal Guidance and Other Resources](#)
- [Affordable Care Act Tax Provisions Home](#)

The IRS is currently reviewing the Jan. 20, 2017, executive order to determine the implications. Taxpayers should continue to file their tax returns as they normally would.

The individual shared responsibility provision requires you and each member of your family to do at least one of the following:

- Have qualifying health coverage called minimum essential coverage
- Qualify for a health coverage exemption
- Make a shared responsibility payment with your federal income tax return for the months that you did not have coverage or an exemption.

Most taxpayers have qualifying health care coverage for all 12 months in the year, and will check the "Full-year coverage" box on their return.

This year, the IRS put in place system changes that would reject tax returns during processing in instances where the taxpayer didn't provide information related to health coverage.

However, the Jan. 20, 2017, executive order directed federal agencies to exercise authority and discretion available to them to reduce potential burden. Consistent with that, the IRS has decided to make changes that would continue to allow electronic and paper returns to be accepted for processing in instances where a taxpayer doesn't indicate their coverage status.

However, legislative provisions of the ACA law are still in force until changed by the Congress, and taxpayers remain required to follow the law and pay what they may owe.

Processing silent returns means that taxpayer returns are not systemically rejected by the IRS at the time of filing, allowing the returns to be processed and minimizing burden on taxpayers, including those expecting a refund. When the IRS has questions about a tax return, taxpayers may receive follow-up questions and correspondence at a future date, after the filing process is completed. This is similar to how we handled this in previous years, and this reflects the normal IRS post-filing compliance procedures that we follow.

Find out if you're eligible for a coverage exemption or must make a payment by using our interactive tool, [Am I eligible for a coverage exemption or required to make an Individual Shared Responsibility Payment?](#)

Everyone in your family must:



Report Minimum Essential Coverage

Many people already have minimum essential coverage. If this applies to you, you'll simply report your coverage when you file your tax return every year. If you and your family members all had minimum essential coverage for each month of the tax year, you will indicate this on your tax return by checking a box on Form 1040, 1040A or 1040EZ. No further action is required.

Minimum essential coverage includes:

- Most health coverage provided by your employer
- Health insurance purchased through a [Health Insurance Marketplace](#) in the area where you live, where you may qualify for financial assistance
- Coverage provided under a government-sponsored program for which you are eligible - including Medicare, most Medicaid, and health care programs for veterans
- Health insurance purchased directly from an insurance company
- Other health coverage that is recognized by the Department of Health & Human Services as minimum essential coverage.

Health coverage providers, the Marketplace, and some employers will issue Form 1095 information documents early in the tax filing season. If you receive these information forms you should keep them with your tax documents. The forms should not be filed with your tax return.

For any month that you or anyone in your family does not have [minimum essential coverage](#).



Individual Shared Responsibility

The Commissioner shares important information about the Affordable Care Act

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HealthCare.gov

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

[Go to HealthCare.gov](#)

you will need to claim or report a coverage [exemption](#) or make a [shared responsibility payment](#) when you file your tax return.

OR



Claim or Report a Coverage Exemption

If you meet certain criteria for the tax year, you may be [exempt](#) from the requirement to have minimum essential coverage. You will not have to make a shared responsibility payment for any month that you are exempt. Instead, you'll file [Form 8965](#), *Health Coverage Exemptions*, with your federal income tax return. For any month that you do not qualify for a coverage exemption, you will need to have minimum essential coverage or make a shared responsibility payment.

How you get an exemption depends upon the type of coverage exemption for which you are eligible. You can claim most exemptions when you file your tax return. However, you must get certain exemptions from your Marketplace in advance. You'll report a marketplace-granted exemption when you file your tax return.

You may be exempt if you meet one of the following:

- The lowest-cost coverage available to you is considered unaffordable
- You have a gap in coverage that is less than 3 consecutive months
- You [qualify for an exemption](#) for one of several other reasons, including having a hardship that prevents you from obtaining coverage, or belonging to a group specifically exempt from the coverage requirement

OR



Calculate and Make a Shared Responsibility Payment

For any month during the year that you or any of your family members don't have minimum essential coverage and don't qualify for a coverage exemption, you are required to make an individual shared responsibility payment when you file your tax return. The payment is reported on Form 1040 in the Other Taxes section and on the corresponding sections on Form 1040A and 1040EZ.

In general, the annual payment amount is the greater of a percentage of your household income or a flat dollar amount, but is capped at the national average premium for a bronze level health plan available through the Marketplace.

If you must make a payment, you can use the worksheets located in the instructions to Form 8965, *Health Coverage Exemptions*, to figure the shared responsibility payment amount due. For more information about determining the amount and reporting your payment on your tax return, see our [Reporting and Calculating the Payment page](#).

To estimate the amount of individual shared responsibility payment you may owe - see this shared responsibility payment [estimator](#).

More detailed information about the individual shared responsibility provision is available on our [questions and answers](#), our [resources](#) pages and on the [Tax Topic 561 - Individual Shared Responsibility Provision](#) page.

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- › [About Us](#)
- › [Work at IRS](#)
- › [Help & Resources](#)
- › [Contact Your Local Office](#)
- ›

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- › [Taxpayer Bill of Rights](#)
- › [Taxpayer Advocate](#)
- › [Accessibility](#)
- › [Civil Rights](#)
- › [Freedom of Information Act](#)
- ›

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- › [Respond to a Notice](#)
- › [Office of Appeals](#)
- › [Identity Theft](#)
- › [Report Phishing](#)
- › [Tax Fraud & Abuse](#)

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