

Exemptions Available on Tax Return ¹ (in order of ease of use)

Description	Code	Notes	Duration ²
Household income below filing threshold	–	After input of MAGI for claimed dependents that have a filing requirement (do not include MAGI of a dependent that is not claimed) Exemption applies to all members in the tax family ³	Full year
Gross income below filing threshold	–	Include gross income of taxpayer ⁴ only (do not include income of dependents) Exemption applies to all members in the tax family ³	Full year
Short coverage gap (<3 months)	B	One such gap only per individual; to count months, look back to 2017 but not forward to 2019 (applies to the first gap if there are two short gaps) Another exemption may apply to months before or after a short gap	Months of short gap
State did not expand Medicaid	G	Household income (increased by untaxed social security) is less than 138% of FPL in states not expanding Medicaid: AL, FL, GA, ID, KS, ME, MO, MS, NC, NE, OK, SC, SD, TN, TX, UT, VA, WI, or WY	Full year for persons who lived in such state
General hardship	G	Claim for the month before, the months of, and the month after the hardship – see list next page	
Certain citizens living abroad Certain noncitizens	C	A U.S. citizen or resident who spent at least 330 full days outside of the U.S. during a 12-month period A U.S. citizen who is a bona fide resident of a foreign country A bona fide resident of a U.S. territory 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 who was a bona fide resident of a foreign country for the tax year Not a U.S. citizen, not a U.S. national, and not lawfully present in the U.S. (includes a DACA-status immigrant) A nonresident alien, including (1) a dual-status alien in the first year of residency and (2) a nonresident alien or dual-status nonresident alien who elects to file a joint return with a spouse (does not apply if meet certain presence requirements and elect to be treated as resident – Pub 519)	Months of such status
Incarceration ^{5,6}	F	Includes being in a jail, prison, or similar penal institution or correctional facility after the disposition of charges Does not include: time in jail pending disposition of charges (being held but not convicted of a crime), nor time in probation, parole, or home confinement	Months of incarceration
Indian tribe ^{5,6}	E	Either a member of a Federally-recognized Indian tribe, including an Alaska Native Claims Settlement Act (ANCSA) Corporation Shareholder (regional or village), or otherwise eligible for services through an Indian health care provider or the Indian Health Service	Months of tribe membership
Health care sharing ministry (HCSM) ^{5,6}	D	A HCSM is a tax-exempt organization acting as clearinghouse for those who have medical expenses and those who desire to share those medical expenses	Months of ministry membership
Born, adopted or died during the year	H	Claim on 8965 only if need to file 8965. Use Code H for the months: of and before the birth or adoption; of and after death	Specified months

¹ Exemption may also be claimed on an amended return (F1040-X) and using F8965

² One day of MEC in a month satisfies the MEC requirement for the whole month; one day of exemption in a month covers the whole month; may need to test on a month-by-month basis, annualized if needed

³ Tax family includes the taxpayer, spouse (if filing MFJ), and dependents claimed on the taxpayer’s return

⁴ Taxpayer income includes spouse’s income if filing MFJ

⁵ Exemption is no longer issued by the Marketplace; can continue to use prior exemptions for 2017

⁶ Exemption can be retroactively granted by the Marketplace up to three years back

Affordability Exemptions Available on Tax Return ¹ (in order of priority)			
Description	Code	Notes	Duration ²
Coverage is unaffordable because its cost is more than 8.05% of household MAGI and:		Household MAGI = AGI + exempt interest income + excluded foreign income + pre-tax medical (salary reduction plan) Include each tax family ³ member’s MAGI with a filing requirement Do not include the MAGI of a dependent who is not claimed on the return MUST compare against correct plan cost:	
1. Eligible for employer offer of self-only coverage	A	Lowest cost employer coverage available for employee-only coverage Must know cost of coverage offered by employer (Form 1095-C, if available) Exemption applies to individual offered coverage only	Applicable months
2. Employer offers family coverage to taxpayer or spouse	A	Lowest cost family coverage for eligible tax family ³ members who do not qualify for another exemption (offer includes the employee) Must know cost of family coverage offered by employer Exemption ⁷ applies to tax family ³ members, other than the employee, who are eligible for the coverage and do not qualify for another exemption	Applicable months
3. More than one tax family ³ member is offered employer coverage	G	Two or more family members offered employer coverage: (1) Individual coverage offers are affordable but (2) their combined cost is greater than 8.16% of income and (3) no family coverage is offered for less than 8.05% of income Must know cost of coverages offered by employers Exemption ⁷ applies to all members in the tax family ³	The whole year, if criteria met for at least one month
4. Employer does NOT offer coverage	A	The lowest-cost bronze Marketplace plan for all individuals shown on the return who do not have an employer offer and do not qualify for another exemption: 1) find the lowest cost bronze plan at the Marketplace ⁸ , then 2) account for any PTCs the person would have been eligible to receive ⁹ (need SLCSP cost for the tax family ³ members eligible for PTC, i.e. not eligible for government coverage) Exemption applies to members in the tax family ³ included in the bronze plan quote	Applicable months

Marketplace-ONLY Exemptions (ECN issued by Marketplace)⁶⁻¹⁰

Members of certain religious sects
Determined ineligible for Medicaid in a state that did not expand Medicaid coverage
No access to affordable coverage based on projected household income
Enrolled in Medicaid programs that are not MEC (pregnancy-only or spend-down coverage)

General hardships that can be claimed on the return (Code G)

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| 1. Homelessness | 11. You were without coverage while awaiting an appeals decision from the Marketplace |
| 2. Evicted in the last 6 months or facing eviction or foreclosure | 12. Determined ineligible for Medicaid because the state did not expand |
| 3. Utility shut-off notice | 13. You lived in a country where there is no qualified health plan offered, there is only one issuer offering coverage, or all affordable plans provide abortion coverage contrary to your beliefs; |
| 4. Domestic violence | 14. You experienced personal circumstances that create a hardship, such as when no affordable plans provide access to needed specialty care; |
| 5. Death of a close family member | 15. Other hardship in obtaining coverage (including for people in AmeriCorps, VISTA and NCCC who are enrolled limited duration or self-funded coverage) |
| 6. Disaster that resulted in substantial property damage | |
| 7. Filed for bankruptcy | |
| 8. Medical expenses that taxpayer could not pay | |
| 9. High expenses caring for ill, disabled or aging family member | |
| 10. Failure of another party to comply with a medical support order for a dependent child who is determined ineligible for Medicaid or CHIP | |

⁷ Exemption can be claimed even if one or more offers are accepted

⁸ Include individuals even if they have, or could have had, government coverage (Medicare, Medicaid, CHIP, etc.)

⁹ Do not factor in a PTC if no PTC would have been allowable, e.g. eligible for Medicaid or Medicare, or >400% of FPL

¹⁰ Use “PENDING” as the ECN on F8965 if the ECN has not yet been received