

## **The Affordable Care Act: What You Need to Know in 2015**

What's new with health care reform? A lot of discussion has arisen about the Affordable Care Act since it was passed, but now that the key provisions of the mandatory health coverage portion of the law are coming into effect, what does it mean to you? The North Carolina of CPAs offers an update and points out some do's and don'ts to remember in 2015.

### **Do Avoid the Penalty**

Beginning in 2014, most Americans were required to have minimum essential healthcare coverage. As a result, this year you must report your coverage status for each month of the year on your tax return. Those with qualifying coverage will simply check a box on page two of the Form 1040, but there are new tax forms this year for those seeking an exemption from the coverage requirements or claiming the premium tax credit. If you don't have coverage and don't qualify for an exemption, you may face a penalty for the 2014 tax year of \$95 per person (and \$47.50 for children under 18) or 1% of your household income over the filing threshold, whichever is higher, up to a maximum of \$285. Be aware those penalty amounts will rise in future years.

### **Don't Miss the Premium Credit**

Depending on your income level and other factors, you may be eligible for a premium tax credit that will help you pay for insurance that you buy through a state or federal Health Insurance Marketplace. You can use the credit to pay your insurance premium when you enroll for coverage or wait and claim it on your tax return.

### **Do Consider Shopping Around**

The Health Insurance Marketplace, a central feature of the law, provides coverage choices for those who don't have insurance and those who have it but are interested in exploring other, potentially lower-cost options. Consumers in every state can set up an account, file an [application](#) and learn if they're eligible for lower-cost premiums. The plans are offered by private insurers, and they cover a set of essential health benefits defined by the law. If you have a pre-existing condition, the Marketplace plans must accept you and cover your condition. They are also prohibited from charging different prices based on gender.

The open enrollment period for the coming year ends on February 15, 2015. (You might also qualify for the special enrollment period that lasts up to 60 days after life events such as marriage or the birth of a child or loss of other health coverage.) You are allowed to change

plans by the enrollment deadline, so you may want to consider new options that may be cheaper or better suit your needs. And this year, a total of 25% more issuers will be offering plans through the Marketplace than in 2014, increasing the variety of options available, according to the U.S. Department of Health and Human Services.

### **Don't Neglect Changes for Business**

As of Jan. 1, 2015, companies with 100 or more full-time employees were required to provide minimum, affordable healthcare coverage to most of their workers or face a penalty. Those with more than 50 workers but fewer than 100 may qualify for relief from this requirement for 2015. At the other end of the spectrum, employers with 25 or fewer employees that offer healthcare coverage may be eligible for a small business health insurance credit. Many small businesses can look for insurance through the Small Business Health Options Program ([SHOP](#)), a separate marketplace for companies with 50 or fewer full-time employees. Note: If you're self-employed without any employees, then you would use the individual Health Insurance Marketplace to buy insurance, not SHOP.

### **Do Consult Your Local CPA**

Health care and the cost of health insurance coverage are critical issues for consumers and businesses. For understandable answers and advice, be sure to turn to your local CPA. He or she has the expertise to answer all your most pressing financial questions.