

# AARP HEALTH LAW ANSWERS

*HealthLawAnswers.org*



## *Health Insurance and Taxes: Filing Your 2017 Return*

Most taxpayers will have to check just one box on their 2017 federal income tax returns to show they had health insurance coverage throughout the year. Others may need to take a few more steps.

### **Had Health Insurance (other than marketplace insurance)**

Most people who had job-based coverage, Medicare or Medicaid, or who purchased insurance on their own in 2017 will check the box on IRS Form 1040. You can check to make sure your [coverage meets the requirements](#) to have health insurance.

You will receive an information form that can help you complete your tax return, such as Form 1095-B or 1095-C. You do not need to include these with your tax return.

### **Had Health Insurance Through the Marketplace**

Tip → You'll need IRS Form 1095-A, and IRS Form 8962 if you received a premium tax credit

The Health Insurance Marketplace should have sent you Form

1095-A by mid-February. If you don't have it or the information on the form is incorrect, contact your state marketplace. Form 1095-A will tell you the months when you had marketplace coverage and whether you received a premium tax credit.

If you received a premium tax credit, you'll also need to fill out IRS Form 8962 and file a 2017 federal income tax return even if you don't usually file. If you don't, you will not be eligible for premium tax credits in the future.

- If your income was higher in 2017 than you originally estimated—then you may have to pay some or all of the tax credit back to the IRS.
- If your income was lower in 2017 than you originally estimated—then you may get a tax refund.

Find the closest [AARP Tax Aide site](#) for free help preparing your 2017 taxes. Learn more about your [health coverage and federal taxes](#).

## **Had No Health Insurance for Some or All of 2017**

Tip → You'll need IRS Form 8965.

You may have to pay a penalty (a fee) if you didn't have health insurance for some or all of 2017. The penalty this year is \$695 or 2.5 percent of your income above \$10,350 (\$20,700 for couples filing jointly)—whichever is higher—but in no case will you pay more than what it would cost to buy a bronze plan in the Health Insurance Marketplace. Complete IRS Form 8965 to find out:

- Whether you need to pay the penalty
- How much the penalty will be if you need to pay it

## W-2 Reporting

You may notice on your W-2 form that your employer has reported the cost of your group health insurance benefits. This reporting will not affect the taxes you pay. The value of any health insurance benefits reported on your W-2 should not be included in your income when you file your taxes.

## Prepare for 2018 Now

It is important to know that the requirement to have health coverage still applies in 2018. However, in 2019 that requirement will no longer apply. Prepare for 2018:

- If you have coverage through the Health Insurance Marketplace, report life changes—such as getting a raise, moving or a death in the family—when they happen to reduce the chance you'll have to pay back money at tax time.
- Depending on circumstances, some people will not have to pay a penalty for not having health coverage —this is called an exemption. You don't have to wait until tax time to see if you qualify. See the [full list of exemptions](#).