

Louisiana *Healthy Self Campaign* Newsletter

Created Specifically for Louisiana Consumers by Louisiana Navigators
February 2018

The Tax Penalty

In December, Congress passed a tax bill that removed penalty for people who do not maintain qualified health coverage as required by the Affordable Care Act. **However, this change will not go into effect until 2019.** So if you did not have health insurance for 2017 and aren't able to get it for 2018, you'll have to pay a penalty (unless you qualify for an exemption).

Does this affect me?

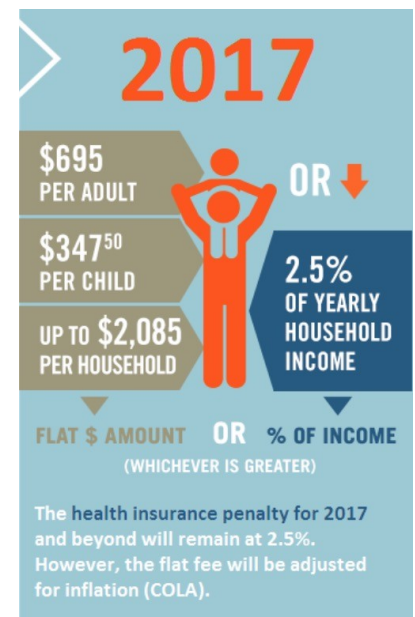
You may believe that the mandate has already been repealed and may not have signed up for health insurance during open enrollment. However, unless you qualify for an exemption, LACHIP, or already have health insurance, you may be subject to the penalty.

The IRS announced that it will **not** accept 2017 tax returns that do not report full-year health coverage, claim an exemption, or include a penalty payment. For the 2017 tax year, the payment amount will be:

- 2.5% percent of the household income (with a cap of around \$3,264 for an individual) or
- \$695 per adult and \$347.50 per child, up to a maximum of \$2,085 per household.

Please note: The penalty is calculated using either the percentage of household income or the fixed penalty amount, whichever is higher. Most households will pay the percentage. Percentage-based penalty payments are capped at the average yearly premium cost for a bronze level Marketplace plan (around \$3264 for a single individual for 2017). Also keep in mind that if you only had partial coverage for the entire year, you will only pay a portion of the overall penalty.

If you have experienced some form of personal or financial hardship, please contact your local Marketplace Navigator to see if you may be exempt from the penalty.





Tax Season Spotlight

- 1. Check the Preparer's Qualifications.** Use the IRS Directory of Federal Tax Return Preparers with Credentials and Select Qualifications. It includes the name, city, state and zip code of Attorneys, Certified Public Accountants, Enrolled Agents, Enrolled Retirement Plan Agents, Enrolled Actuaries, Annual Filing Season Program participants.
- 2. Check the Preparer's History.** For CPAs, check with the State Board of Accountancy. For attorneys, check with the State Bar Association. For Enrolled Agents, go to IRS.gov and search for "verify enrolled agent status" or check the Directory.
- 3. Ask about Service Fees.** Avoid preparers who base fees on a percentage of the refund or who boast bigger refunds than their competition. When inquiring about a preparer's services and fees, don't give them tax documents, Social Security numbers and other information .
- 4. Ask to E-file.** Taxpayers should make sure their preparer offers IRS e-file. Paid preparers who do taxes for more than 10 clients generally must file electronically.
- 5. Make Sure the Preparer is Available.** Taxpayers may want to contact their preparer after this year's April 17 due date. Avoid fly-by-night preparers.
- 6. Provide Records and Receipts.** Good preparers will ask to see a taxpayer's records and receipts. Taxpayers should not use a preparer who will e-file their return using their last pay stub instead of a Form W-2.
- 7. Never Sign a Blank Return.** Don't use a tax preparer who asks a taxpayer to sign a blank tax form.
- 8. Review Before Signing.** Before signing a tax return, review it. Taxpayers should feel comfortable with the accuracy of their return before they sign it.
- 9. Ensure the Preparer Signs and Includes Their PTIN.** By law, paid preparers must sign returns and include their PTIN.
- 10. Report Abusive Tax Preparers to the IRS.** Use Form 14157, Complaint: Tax Return Preparer. If a taxpayer suspects a tax preparer filed or changed their return without the taxpayer's consent, they should file Form 14157-A. Taxpayers can get these forms on IRS.gov any time.

Dose of Health Literacy

The beginning of each year is a great time to schedule your yearly wellness visit. A yearly wellness visit is NOT a physical. It is a conversation between you and your doctor to talk about your health history and any concerns you may have regarding your health. It's also a good time to review any medications you are taking and to review existing health issues.

The goal of a yearly wellness visit is to create a "health history" for your health. Your doctor will use this "health history" to track changes in your health and to prevent future health problems.

Most wellness visits are free, so contact your insurance provider for more information.

Louisiana Medicaid, The Marketplace, and Your Household Size

It is very important that you report any changes to your household size to the Health Insurance Marketplace (if you used the Marketplace to sign up for either Medicaid or Private Health Insurance). By household size, they mean the persons listed on your federal income tax return. In most cases, if you cannot claim a person on your taxes or have them included as your spouse (and you file jointly), you should NOT include them on your Marketplace application. Additionally, any person claimed as a dependent on your taxes or a spouse that you file taxes jointly with SHOULD be included on your Marketplace application.

If the household size listed on your Marketplace application does not match your tax filing household when you go to file your federal income tax return, it can cause you a major headache depending on your situation.

For example:

- You may have to repay some of your Marketplace Tax Credit (if you were enrolled in a Marketplace plan and receiving a tax credit)
- Your Medicaid coverage could be canceled if you are no longer eligible (if you are currently enrolled in Medicaid)
- Your Marketplace plan may be canceled if you are no longer eligible for a tax credit (if you currently enrolled in a Marketplace plan and receiving a tax credit)

Your eligibility for either Medicaid or assistance to pay for private insurance through the Marketplace is based on your household size and income. Even if your income stays the same, a change in household size can disrupt either Medicaid or Marketplace coverage (depending on which you have). Contact your local Louisiana Navigator if you have any questions or need FREE in-person assistance adjusting your household size.

**Have questions or need FREE assistance?
We are here to help...**

Parish Served	Phone Number
Winn, Grant, Rapides	318-443-2855
Beauregard, Allen, Calcasieu, Jefferson Davis, Cameron	337-478-4822
St Landry, Acadia, Lafayette, Iberia	337-989-0001
East Baton Rouge, Livingston, Ascension	225-757-9845
Orleans, Jefferson	504-919-3018 Bi-Lingual Spanish Navigator

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