

Health Care: **Making Shared Responsibility Payments**



Affordable Care Act
Individuals and Families

... what you need to know.

The [individual shared responsibility provision](#) of the health care law requires you, your spouse if you file a joint return, and your dependents to have qualifying health care coverage also known as [minimum essential coverage](#), qualify for a health coverage [exemption](#), or make a shared responsibility payment when filing your federal income tax return.

Most people have minimum essential coverage for the entire year and will simply need to check a box on their tax return. Others may qualify for an exemption for months they do not have coverage. If your income is below the filing requirement threshold for your filing status, you are exempt for the entire year and should not make a payment. You do not need to file a return solely to claim this exemption. You will only have to make a payment for the months you, your spouse if you file a joint return, or any of your dependents do not have coverage or an exemption.

Amount of the payment

The annual payment amount is either a percentage of your household income in excess of the return filing threshold or a flat dollar amount, whichever is greater. The payment amount is capped at the national average premium for the bronze-level coverage under a qualified health plan, which is announced each year by the IRS. The annual cap in 2015, for example, is \$2,484 per individual. You will owe the full annual payment if you do not have coverage or an exemption during every month of the year. If you only have coverage or an exemption for part of the year, you will prorate your payment for an amount less than the annual payment. The amount you will have to pay may be limited depending on your circumstances.

2015 and 2016 Annual Payment Amounts

	Year 2015	Year 2016
Percentage amount	2% of income above filing threshold*	2.5% of income above filing threshold**
Flat dollar amount**	\$325 per adult \$162.50 per child Family maximum: \$975	\$695 per adult \$347.50 per child Family maximum: \$2,085

Your payment amount is capped at the cost of the national average premium for a bronze level health plan available through the Marketplace. For 2015, the annual national average premium for a bronze level health plan available through the Marketplace is \$2,484 per year (\$207 per month) for an individual and \$12,240 per year (\$1,020 per month) for a family with five or more members.

*Filing threshold: The minimum amount of gross income an individual of your age and with your filing status (e.g., single, married filing jointly, head of household) must make to be required to file a tax return.

**After 2016, the flat dollar amounts are based on the 2016 amounts plus an inflation adjustment.

Making a payment

If required, make the shared responsibility payment when you file your federal income tax return. You can figure your shared responsibility payment using the worksheet included in the [instructions](#) for IRS [Form 8965](#), Health Coverage Exemptions. The amount is then entered on the designated line on Form 1040, 1040A or 1040EZ. Tax preparation software can help you calculate your payment when filing your return electronically.

Your payment amount can reduce the amount of your refund or increase the amount you owe. If you cannot afford to make your payment at the time you file your tax return, the IRS offers you payment options including [IRS Direct Pay](#) and [online payment agreements](#).

Visit IRS.gov/aca for more information about the shared responsibility payment. Also available on IRS.gov is the [Interactive Tax Assistance tool](#) that can help you determine whether you're eligible for a coverage exemption or required to make a payment.