

Child Support Health Care Connections

Number 5



What is the individual shared responsibility provision in the Affordable Care Act?

Under the Affordable Care Act, the federal government, state governments, insurers, employers, and individuals are given shared responsibility to reform and improve the availability, quality, and affordability of health insurance coverage in the United States.

Starting in 2014, the individual shared responsibility provision calls for each individual to have minimum essential health coverage (known as minimum essential coverage) for each month, qualify for an exemption, or make a payment when filing his or her federal income tax return.

The provision applies to individuals of all ages, including children. Each child must have minimum essential coverage or qualify for an exemption for each month in the calendar year. Otherwise, the adult or married couple who can claim the child as a dependent for federal income tax purposes is responsible for making the payment.

Minimum essential coverage includes at a minimum all of the following:

- Employer-sponsored coverage (including COBRA coverage and retiree coverage)
- Coverage purchased in the individual market
- Medicare coverage
- Medicaid coverage
- Children's Health Insurance Program (CHIP) coverage
- Certain types of Veterans health coverage
- TRICARE

Most individuals in the United States have health coverage today that will count as minimum essential coverage and will not need to do anything more than continue the coverage that they have. For those who do not, Health Insurance Marketplaces will open for every state in October of 2013. These Health Insurance Marketplaces will help consumers find minimum essential coverage that fits their budget and potentially financial assistance to help with the costs of coverage beginning in 2014. See Healthcare.gov.

There are statutory exemptions from the requirement to obtain minimum essential coverage. You are exempt if you can't afford coverage because the minimum amount you must pay for the premiums is more than eight percent of your household income. You are also exempt if a Health Insurance Marketplace has certified that you have suffered a hardship that makes you unable to obtain coverage or if you went without coverage for less than three consecutive months during the year. Members of federally recognized Indian tribes are exempt. For other exemptions and more information, please see "Questions and Answers on the Individual Shared Responsibility Provision" at www.irs.gov/uac/Questions-and-Answers-on-the-Individual-Shared-Responsibility-Provision.

Continued ▶

Child Support Health Care Connections

The individual shared responsibility provision goes into effect in 2014. You will not have to account for coverage or exemptions or to make any payments until you file your 2014 federal income tax return in 2015. Information will be available later about how the income tax return will take account of coverage and exemptions. Insurers will be required to provide everyone that they cover each year with information that will help them demonstrate they had coverage.

The Office of Child Support Enforcement is working with its federal partners to help align medical child support obligations with the individual shared responsibility provision.