



MDC

The Complicated Marriage of Taxes and Health Insurance

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Connecting Vulnerable Populations to Available Resources

Vulnerable Populations



Eligible, uninsured



Veterans and military families

MDC's technology and community-based investments

Coalition leadership and web strategies

NC Get Covered



Tax-credit calculator



Scheduler



Location finder



Events calendar

Online expert service for tax-filing and education benefits



Community capacity-building



Partnerships



Training



Expertise

Connections to available resources



Subsidized health insurance

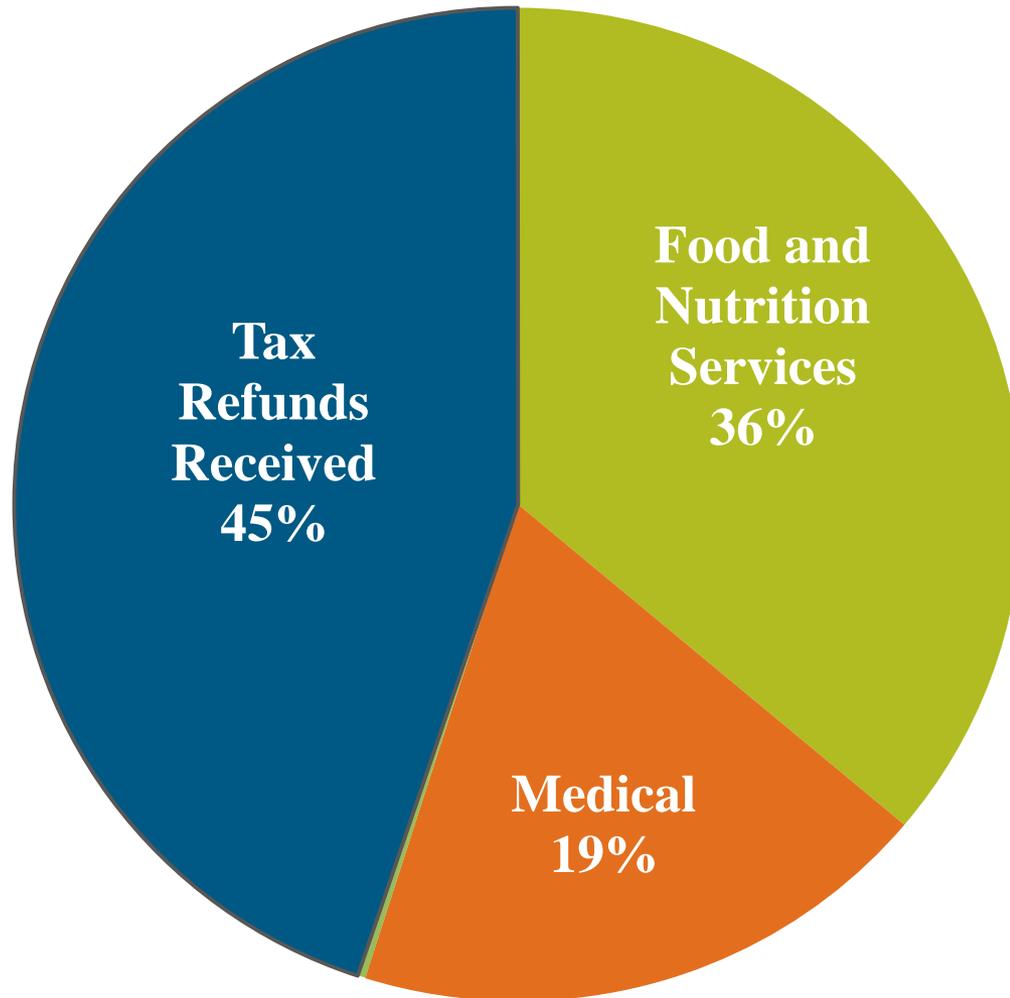


Tax credits and refunds

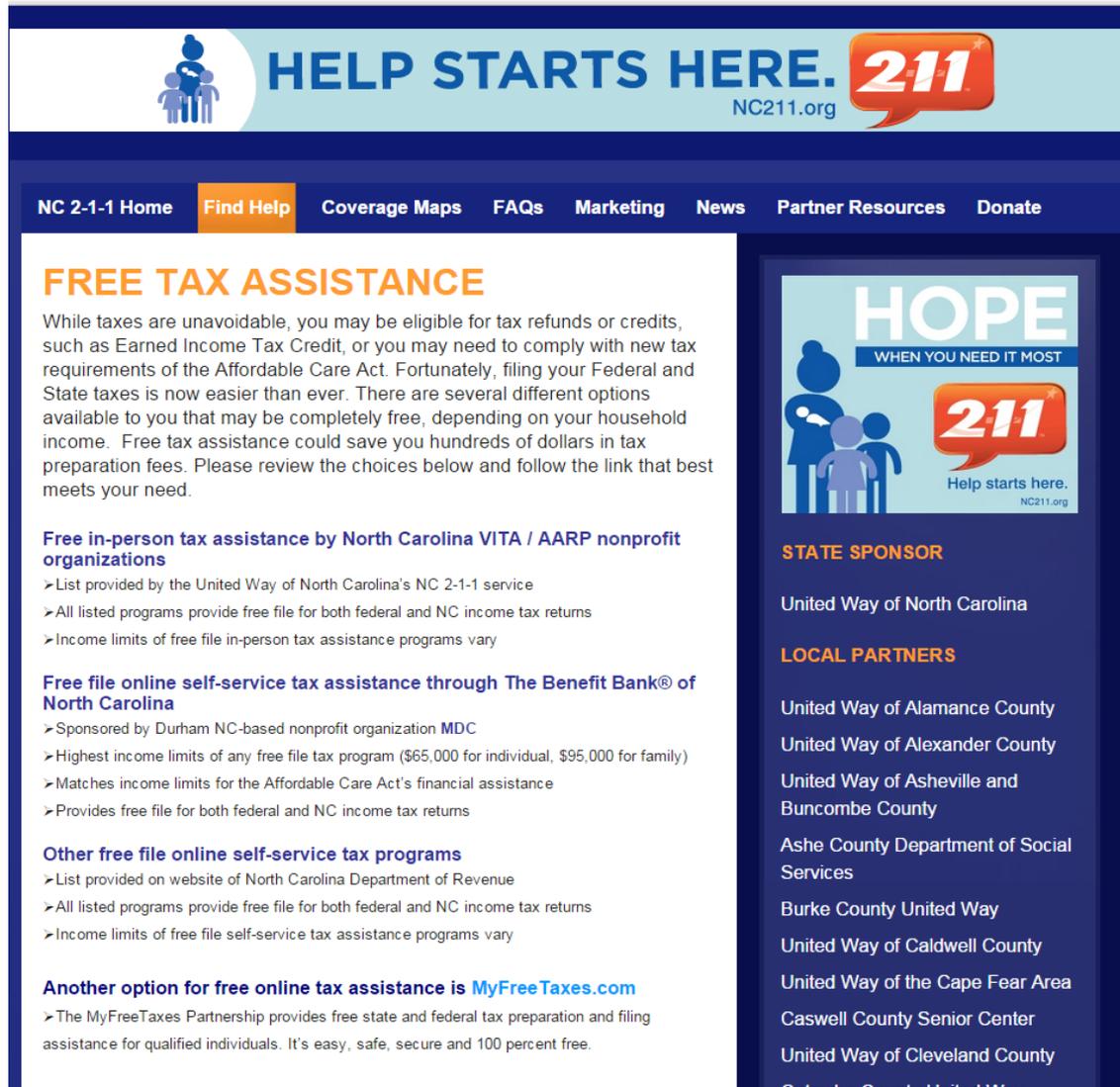


Education and training benefits

TBB™-NC has Helped Families Apply for >59M in Supports since 2010



Free Tax Assistance Resources



The screenshot shows the NC211.org website. At the top, there is a header with the text 'HELP STARTS HERE. 211' and the URL 'NC211.org'. Below the header is a navigation menu with links: 'NC 2-1-1 Home', 'Find Help', 'Coverage Maps', 'FAQs', 'Marketing', 'News', 'Partner Resources', and 'Donate'. The 'Find Help' link is highlighted in orange. The main content area is titled 'FREE TAX ASSISTANCE' in orange. It contains a paragraph explaining that while taxes are unavoidable, users may be eligible for tax refunds or credits, such as the Earned Income Tax Credit. It then lists several options for free tax assistance, including in-person assistance by North Carolina VITA / AARP nonprofit organizations and free file online self-service tax assistance through The Benefit Bank® of North Carolina. It also mentions other free file online self-service tax programs and another option for free online tax assistance is MyFreeTaxes.com. On the right side of the page, there is a sidebar with a 'HOPE' banner that says 'WHEN YOU NEED IT MOST' and '211 Help starts here. NC211.org'. Below the banner, there are sections for 'STATE SPONSOR' (United Way of North Carolina) and 'LOCAL PARTNERS' (United Way of Alamance County, United Way of Alexander County, United Way of Asheville and Buncombe County, Ashe County Department of Social Services, Burke County United Way, United Way of Caldwell County, United Way of the Cape Fear Area, Caswell County Senior Center, United Way of Cleveland County, and Catawba County United Way).

HELP STARTS HERE. 211
NC211.org

NC 2-1-1 Home **Find Help** Coverage Maps FAQs Marketing News Partner Resources Donate

FREE TAX ASSISTANCE

While taxes are unavoidable, you may be eligible for tax refunds or credits, such as Earned Income Tax Credit, or you may need to comply with new tax requirements of the Affordable Care Act. Fortunately, filing your Federal and State taxes is now easier than ever. There are several different options available to you that may be completely free, depending on your household income. Free tax assistance could save you hundreds of dollars in tax preparation fees. Please review the choices below and follow the link that best meets your need.

Free in-person tax assistance by North Carolina VITA / AARP nonprofit organizations

- List provided by the United Way of North Carolina's NC 2-1-1 service
- All listed programs provide free file for both federal and NC income tax returns
- Income limits of free file in-person tax assistance programs vary

Free file online self-service tax assistance through The Benefit Bank® of North Carolina

- Sponsored by Durham NC-based nonprofit organization MDC
- Highest income limits of any free file tax program (\$65,000 for individual, \$95,000 for family)
- Matches income limits for the Affordable Care Act's financial assistance
- Provides free file for both federal and NC income tax returns

Other free file online self-service tax programs

- List provided on website of North Carolina Department of Revenue
- All listed programs provide free file for both federal and NC income tax returns
- Income limits of free file self-service tax assistance programs vary

Another option for free online tax assistance is MyFreeTaxes.com

- The MyFreeTaxes Partnership provides free state and federal tax preparation and filing assistance for qualified individuals. It's easy, safe, secure and 100 percent free.

HOPE
WHEN YOU NEED IT MOST
211
Help starts here.
NC211.org

STATE SPONSOR

United Way of North Carolina

LOCAL PARTNERS

United Way of Alamance County
United Way of Alexander County
United Way of Asheville and Buncombe County
Ashe County Department of Social Services
Burke County United Way
United Way of Caldwell County
United Way of the Cape Fear Area
Caswell County Senior Center
United Way of Cleveland County
Catawba County United Way

MDC and Health Insurance

- Participates in NC Navigator Consortium and NC Get Covered Coalition
- Deploys 7 Navigators (5 in the Triangle, 2 with Triad United Ways)
- Developed and manages the NC Get Covered website, social media, and texting services



[Explore](#)

[Enroll](#)

[Find Help](#)

[FAQs](#)

[En Español](#)

[In the news](#)

[In-person Assister Login](#)



Your Pathway to Securing Health Coverage

[Pathway to Get Covered ▶](#)

[Free Tax Filing Assistance ▶](#)

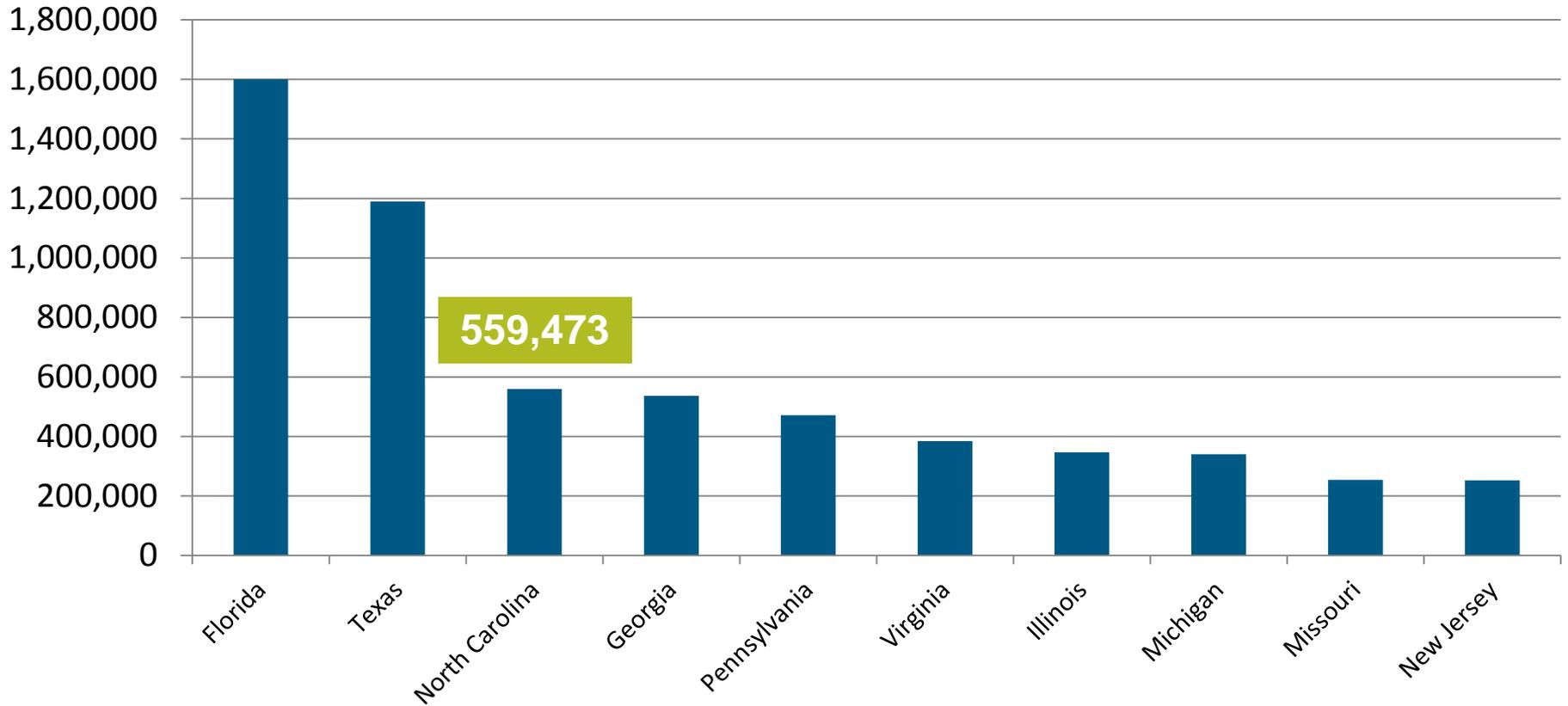
[Are you renewing your coverage? ▶](#)

 [Just learn you have to pay a tax penalty for 2014? You may still be able to enroll](#)

 [Ready to file your taxes? Confused about how to reconcile your health insurance subsidy? Learn more here](#)

Affordable Care Act (ACA) Enrollment

Health Plan Selections (Nov 15 – Feb 15)

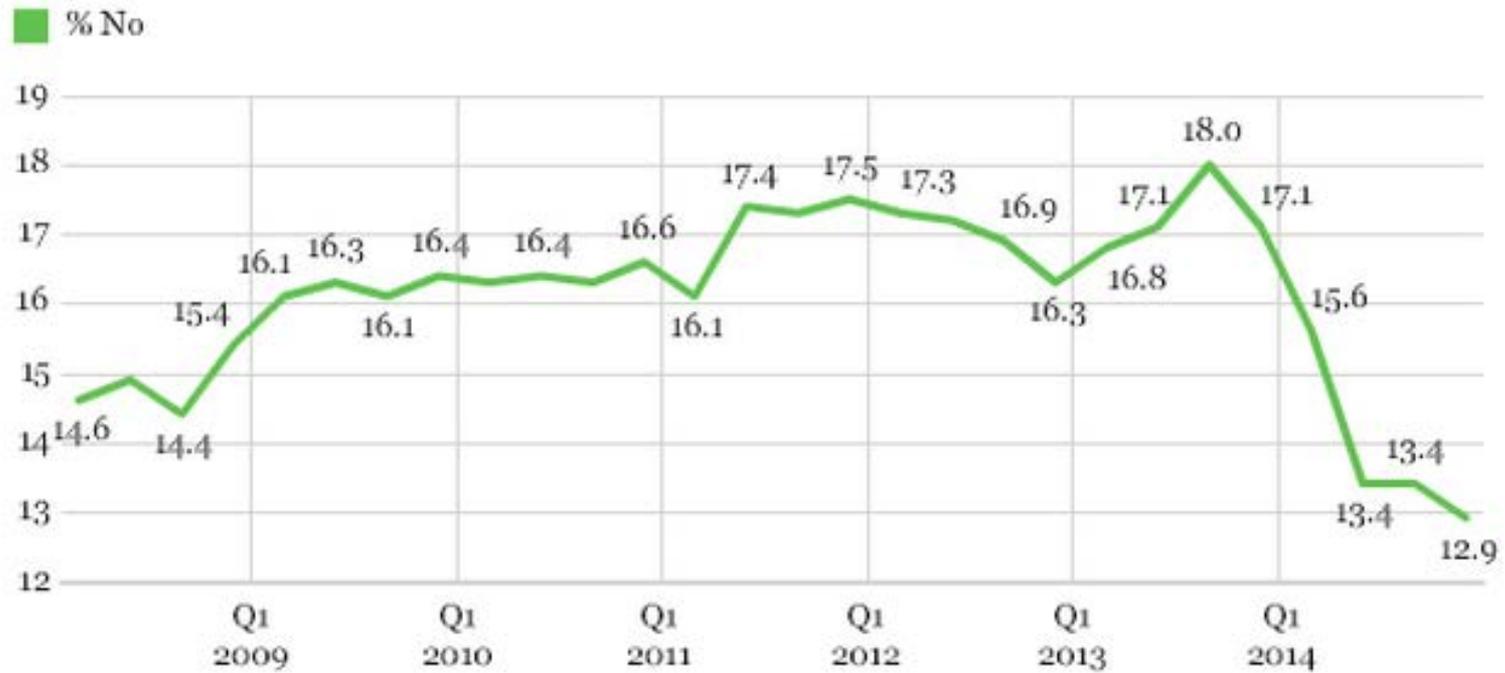


Percent of Uninsured is Dropping

Percentage of U.S. Adults Without Health Insurance, by Quarter

Do you have health insurance coverage?

Among adults aged 18 and older



Quater 1 2008-Quarter 4 2014

Gallup-Healthways Well-Being Index

GALLUP®

ACA Marries Taxes and Health Insurance

- All tax-filers required to verify whether insured
- Newly-insured under ACA are required to file new, complicated tax forms
- Uninsured will be encountering tax penalties for first time
 - Claim an exemption or
 - Pay a tax penalty

Insured Other Than by ACA: Usually Simple—Check a Box on Tax Return

- Any job-based plan, including retiree plans and COBRA coverage
- Medicare Part A or Part C
- Medicaid / Health Choice (children)
- Student health plan
- Private health insurance plan (purchased directly)
- Other (must meet minimum essential value)

Insured by ACA: Complete New, Complicated Tax Forms

- Premium assistance amount is calculated on basis of **projected** annual income
- Although paid by government directly to insurance companies, premium assistance is an “Advanced Premium Tax Credit”
- Report **actual** annual income on new tax forms to calculate revised premium assistance amount

Insured by ACA: Unreported income changes can produce big tax consequences

Figure 2: Estimated Annual Income Volatility from 2013 to 2014
among tax households eligible to receive advance payments of tax credit

Annual 2013 Income (%FPL)	Percent of tax households experiencing a change in annual income from 2013 to 2014				
	Decrease of 20% or more	Decrease of less than 20%	No Change	Increase of less than 20%	Increase of 20% or more
100% to <200%	22%	18%	6%	25%	29%
200% to <300%	25%	24%	4%	26%	21%
300% to 400%	25%	26%	3%	24%	21%
All (100–400%)	23%	21%	5%	25%	26%

Note: Households with a change in the tax filing unit size (e.g. due to birth, death, divorce) are not included in this analysis.
Source: Kaiser Family Foundation analysis of 2008 Survey of Income and Program Participation (SIPP) panel data.

Source: *Repayments and Refunds: Estimating the Effects of 2014 Premium Tax Credit Reconciliation*
Mar 24, 2015 | [Cynthia Cox](#), Anthony Damico, [Gary Claxton](#), [Rosa Ma](#), and [Larry Levitt](#)

Insured by ACA: Some Owe, Some Pay

Figure 4: Estimated Percent of Subsidy-Eligible Tax Households Owing Repayment or Receiving a Refund, by Amount of Adjustment among tax households projected to owe repayment or receive refund

Reconciliation Adjustment	Repayment	Refund
Less than \$50	15%	14%
\$50 to <\$200	18%	19%
\$200 to <\$500	22%	22%
\$500 to <\$1000	24%	20%
\$1000 to <\$2000	12%	16%
\$2000 to <\$5000	7%	9%
More than \$5000	2%	1%

Note: Repayment and refund amounts are estimated per tax household, and therefore represent the amount per tax-filing unit (household); not per person or per enrollee.

Source: Kaiser Family Foundation analysis of 2008 Survey of Income and Program Participation (SIPP) panel data.

Source: *Repayments and Refunds: Estimating the Effects of 2014 Premium Tax Credit Reconciliation*
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Uninsured: Exempt or pay a penalty

- ACA requires uninsured tax-filers to pay tax penalty (“Shared Responsibility Payment”) unless qualify for exemption
- This is called the “Individual Mandate” – insured, be exempt, or pay a penalty
- Exemptions such as those related to income, special populations (e.g., American Indians), or certain medical considerations
- Consumers falling in the “gap” created in states, like NC, that did not expand Medicaid are exempted from the mandate as well

It's Getting More Expensive to be Uninsured

Shared Responsibility Payment

2014

\$95

Per adult
(\$47 per child <18)

or

1%

of gross household income

2015

\$325

Per adult
(\$162 per child <18)

or

2%

of gross household income

2016 and beyond

\$695

Per adult
(\$347 per child <18)

or

2.5%

of gross household income

-----whichever is greater-----

Household Examples of the Shared Responsibility Payment

Filing status and income	2014	2015	2016
 <p>Aaron (35 yr. old) Earns \$40k/year Filing status: Single</p>	\$299	\$594	\$736
 <p>Kim (42 yr. old) Earns \$35k/year Filing status: Head of Household</p>	\$220	\$650	\$1,390
 <p>Chris and Lauren (37 & 39 yrs. old) Earns \$70k/year Filing status: Married Filing Jointly</p>	\$497	\$988	\$2,085

**** all household members are uninsured for full-year**

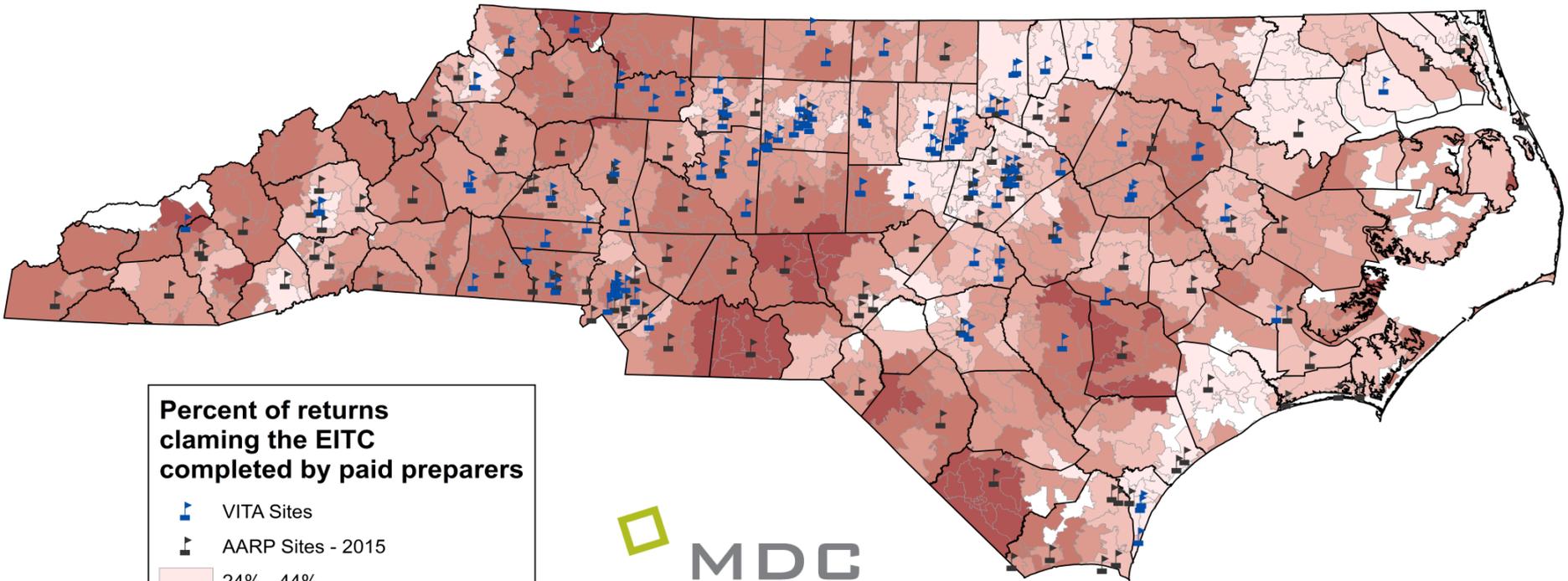
How Can the Nonprofit Sector Respond?

- **Get the word out!**
 - NC 2-1-1 and NC Get Covered websites
- Utilize existing resources, including our informational flyer detailing:
 - Possible exemptions
 - Special Enrollment Period (until April 30) for those who did not realize that they owed a tax penalty
 - Flyer included in your materials and available from: www.ncgetcovered.org/SEP_Materials (both English and Spanish versions)

MDC is Designing Strategies to Improve the Complicated Marriage in the Coming Year

1. Screen tax-filers for potential tax penalties
2. Calculate current and future potential tax penalties
3. Explore possible exemptions
4. Identify future enrollment opportunities
5. Strengthen communication and outreach strategies to persuade more of the 'Persistently Uninsured' to enroll

Link Free Tax Assistance and Health Insurance Enrollment



Percent of returns claiming the EITC completed by paid preparers

-  VITA Sites
-  AARP Sites - 2015
-  24% - 44%
-  45% - 53%
-  54% - 61%
-  62% - 70%
-  71% - 87%



Reach Families Eligible for Both EITC and Premium Assistance

State	Type of Exchange	Tax Units	People
California	State	594,025	1,094,612
Texas	Federal	513,061	985,748
Florida	Federal	405,924	738,182
New York	State	201,206	372,557
Georgia	Federal	186,020	320,372
North Carolina	Federal	155,437	263,560
Illinois	State partnership	122,102	236,213
Ohio	Federal	114,018	187,387
Pennsylvania	Federal	112,863	203,574

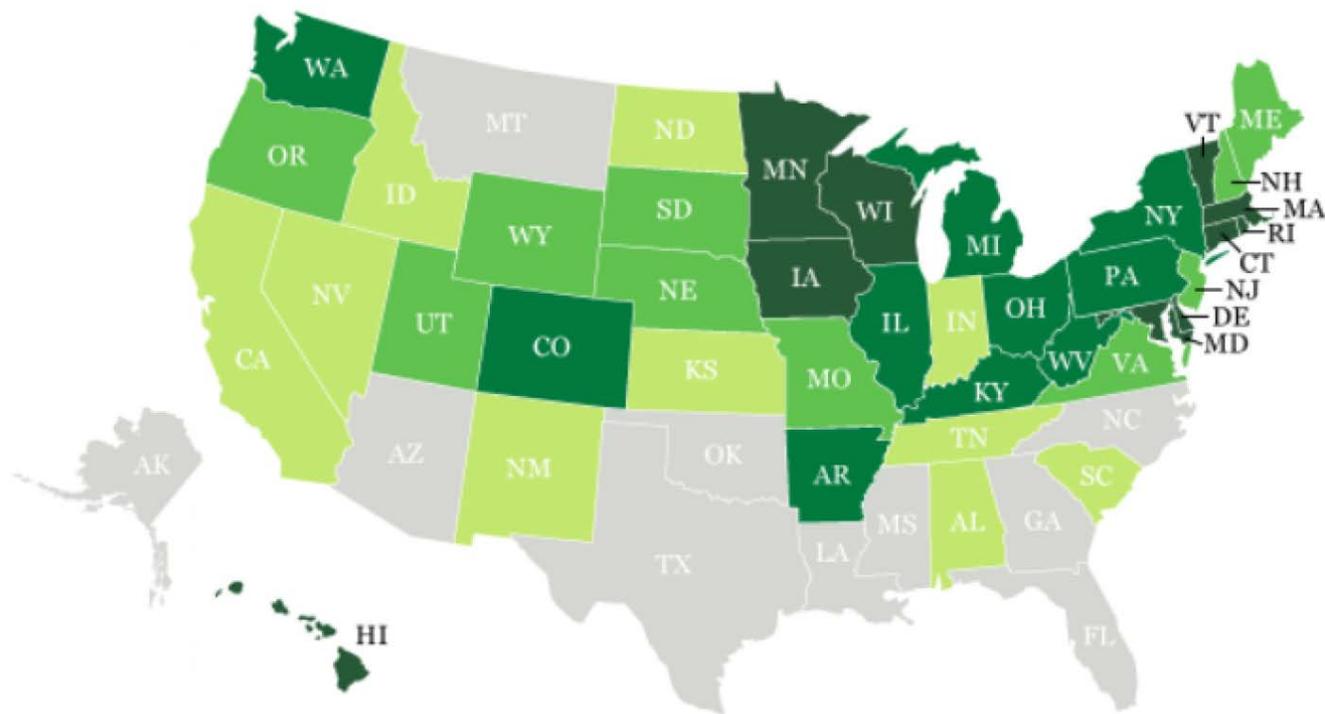
Source: MetroTax model estimates of EITC and ACA eligibility

Source: *Connecting EITC filers to the Affordable Care Act premium tax credit*
By: [Elizabeth Kneebone](#), Jane R. Williams and [Natalie Holmes](#)

Coordinated Efforts are Needed Because, Despite Progress, NC Lags in Health Coverage

Uninsured Rates by State, 2014

■ Lowest uninsured quintile ■ Second lowest uninsured quintile ■ Middle uninsured quintile
■ Second highest uninsured quintile ■ Highest uninsured quintile



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Well-Being Index

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