

# Federally- facilitated Marketplace Assister Curriculum: Marketplace Exemptions Assistance

U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
Center for Consumer Information & Insurance  
Oversight

**November 2016**

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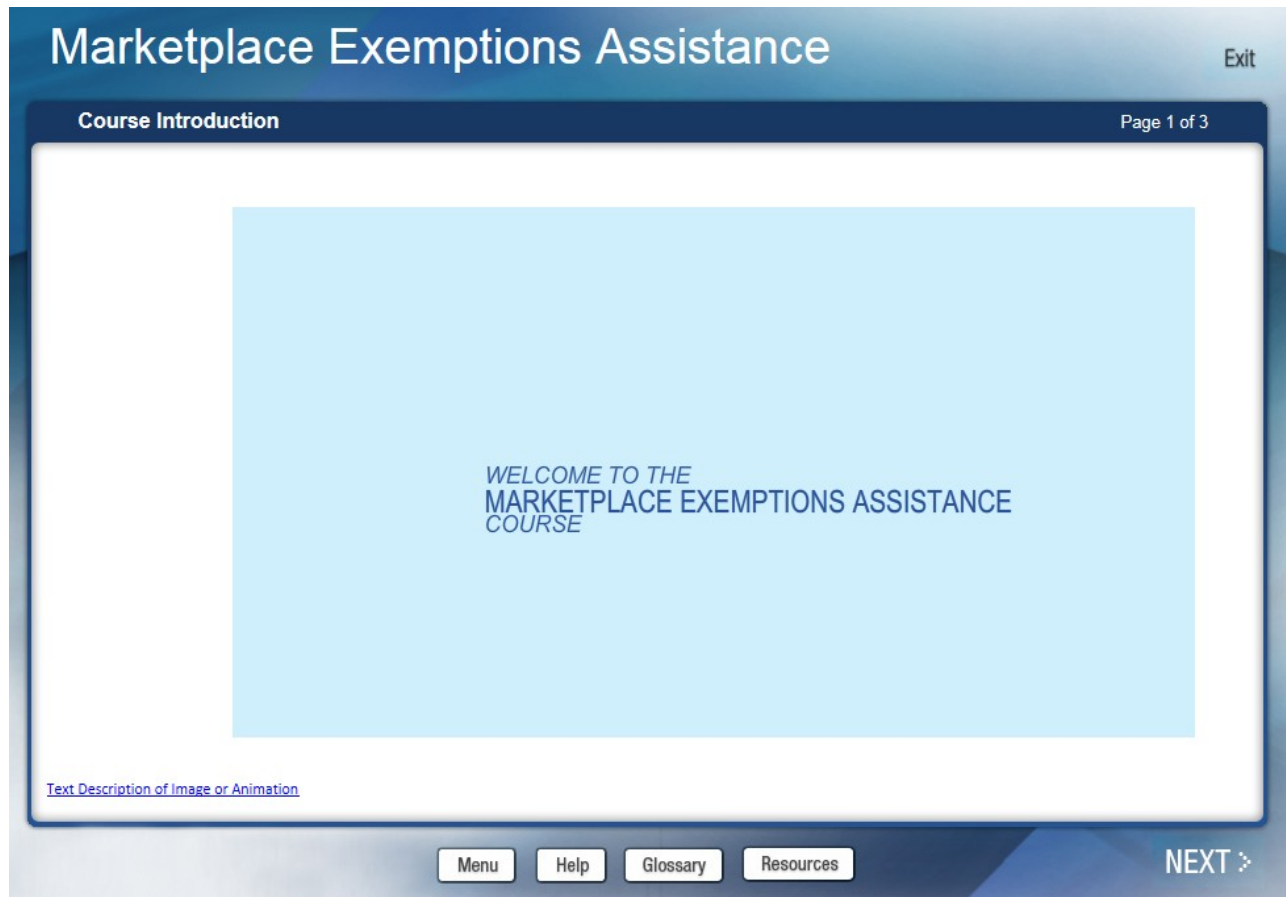
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## Marketplace Exemptions Assistance Course

### Course Introduction Module



### Course Title

Welcome to the Marketplace Exemptions Assistance Course

The screenshot shows a web-based course interface titled "Marketplace Exemptions Assistance" with an "Exit" link in the top right. Below the title is a "Course Introduction" header and "Page 2 of 3". The main content area is titled "Course Overview" and contains a welcome message, a list of topics, and a note about the use of "you". At the bottom, there are navigation buttons: "Menu", "Help", "Glossary", "Resources", and "BACK NEXT".

## Marketplace Exemptions Assistance

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### Course Introduction

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#### Course Overview

Welcome to the course on Marketplace Exemptions Assistance! This course provides you with training on exemptions under Title 45 of the Code of Federal Regulations (CFR) Part 155, Subpart G. This course describes policies and procedures that are in place in all states for which the Federally-facilitated Marketplace, is performing exemption determinations. As of February 2016, the Federally-facilitated Marketplace is making exemption determinations in all states except Connecticut.

The course includes information on:

- Tax implications of the individual shared responsibility payment
- Types of exemptions
- How consumers qualify for specific types of exemptions
- The types of documents required to apply for specific exemptions
- The process for applying for exemptions
- The timelines for applying for exemptions

In this lesson, "you" refers to the following types of assisters:

- Navigators in the Federally-facilitated Marketplace, including State Partnership Marketplaces and FFMs where the state performs plan management functions
- Non-Navigator assistance personnel in the Federally-facilitated Marketplace, including State Partnership Marketplaces and FFMs where the state performs plan management functions
- Non-Navigator assistance personnel in State-based Marketplaces and State Partnership Marketplaces that are funded with Marketplace Establishment Grant funds.

*Note: In some cases, "you" is also used to refer to a consumer, but it should be clear when this is the intended meaning.*

This course concludes with an exam.

Click **NEXT** to begin.

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## Course Overview

Welcome to the course on Marketplace Exemptions Assistance! This course provides you with training on exemptions under Title 45 of the Code of Federal Regulations (CFR) Part 155, Subpart G. This course describes policies and procedures that are in place in all states for which the Federally-facilitated Marketplace, is performing exemption determinations. As of February 2016, the Federally-facilitated Marketplace is making exemption determinations in all states except Connecticut.

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## Types of Examples Module

# Marketplace Exemptions Assistance

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### Introduction

If consumers don't maintain minimum essential coverage, they may have to pay a fee when they file their annual federal income tax return. This fee is called the individual shared responsibility payment. This requirement began under the Affordable Care Act starting on January 1, 2014. Some consumers may not have to pay the fee if they qualify for an exemption. This training will explain the different types of exemptions and how consumers may qualify for them.

This training will provide you with the skills to:

- Describe generally the tax implications of the individual shared responsibility payment
- List the different types of exemptions
- Identify the eligibility requirements and timelines for applying for each type of exemption
- Explain the exemption application process

Click **NEXT** to continue.



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### Introduction

If consumers don't maintain minimum essential coverage, they may have to pay a fee when they file their annual federal income tax return. This fee is called the individual shared responsibility payment. This requirement began under the Affordable Care Act starting on January 1, 2014. Some consumers may not have to pay the fee if they qualify for an exemption. This training will explain the different types of exemptions and how consumers may qualify for them.

This training will provide you with the skills to:

- Describe generally the tax implications of the individual shared responsibility payment
- List the different types of exemptions
- Identify the eligibility requirements and timelines for applying for each type of exemption
- Explain the exemption application process



# Marketplace Exemptions Assistance

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**Scenario: Dominique and Eda Discuss Exemptions**

Do you recall Eda and her colleague Dominique who you met earlier in training?

Dominique is now helping Eda understand exemptions and the exemption application process.



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## Scenario: Dominique and Eda Discuss Exemptions

Do you recall Eda and her colleague Dominique who you met earlier in training?

Dominique is now helping Eda understand exemptions and the exemption application process.



# Marketplace Exemptions Assistance


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## Individual Shared Responsibility Payment: Tax Implications

**Dominique:** When consumers ask me whether they should get health coverage, I explain that when consumers file their federal income tax returns for the previous year, they may need to pay a fee for each month that each household member didn't have minimum essential coverage or qualify for and receive an exemption for that month.

For example, a consumer and his spouse didn't have minimum essential coverage and didn't qualify for an exemption for 2015, but their two children were enrolled in the Children's Health Insurance Program (CHIP) for the whole year. In this case, the consumer would have to pay a fee only for himself and his spouse, but not for his children, when he files their tax return for 2015.



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## Individual Shared Responsibility Payment: Tax Implications

**Dominique:** When consumers ask me whether they should get health coverage, I explain that when consumers file their federal income tax returns for the previous year, they may need to pay a fee for each month that each household member didn't have minimum essential coverage or qualify for and receive an exemption for that month.

For example, a consumer and his spouse didn't have minimum essential coverage and didn't qualify for an exemption for 2015, but their two children were enrolled in the Children's Health Insurance Program (CHIP) for the whole year. In this case, the consumer would have to pay a fee only for himself and his spouse, but not for his children, when he files their tax return for 2015.

## Marketplace Exemptions Assistance

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### Individual Shared Responsibility Payment: Fee Calculation

**Eda:** I remember hearing about the tax implications of not having minimum essential coverage. This is what I've heard consumers call the "individual mandate." So that I can be prepared to help consumers, can you tell me more about how much consumers may owe on their federal income tax returns if they fail to maintain minimum essential coverage?

**Dominique:** The fee for consumers who fail to maintain [minimum essential coverage](#) will increase every year. In my experience so far, I've found that some consumers only have minimum essential coverage for a portion of a year. As long as their household size doesn't change during the year, the fee for not having minimum essential coverage will be one-twelfth of the annual amount for each full month the consumer and each of their household members didn't have minimum essential coverage. The fee will be calculated on a monthly basis and the monthly amounts will be added up to determine the total annual payment.

**Eda:** Is there any limit to how large of a fee consumers can be charged?

**Dominique:** Yes. For 2016, the fee is \$695 or 2.5% of household income, whichever is greater. The fee is capped at the cost of the national average annual premium for a Bronze level health plan available through the Marketplace.

In...	The Payment Amount is...	And...	Or...	
2014	\$95 per adult	\$47.50 per child under age 18	1% of household income	over the tax-filing threshold, whichever is higher
2015	\$325 per adult	\$162.50 per child under age 18	2% of household income	
2016	\$695 per adult	\$347.50 per child under age 18	2.5% of household income	

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### Individual Shared Responsibility Payment: Fee Calculation

**Eda:** I remember hearing about the tax implications of not having minimum essential coverage. This is what I've heard consumers call the "individual mandate." So that I can be prepared to help consumers, can you tell me more about how much consumers may owe on their federal income tax returns if they fail to maintain minimum essential coverage?

**Dominique:** The fee for consumers who fail to maintain minimum essential coverage will increase every year. In my experience so far, I've found that some consumers only have minimum essential coverage for a portion of a year. As long as their household size doesn't change during the year, the fee for not having minimum essential coverage will be one-twelfth of the annual amount for each full month the consumer and each of their household members didn't have minimum essential coverage. The fee will be calculated on a monthly basis and the monthly amounts will be added up to determine the total annual payment.

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2016	\$695 per adult	\$347.50 per child under age 18	2.5% of household income**

\* the fee is the higher of the two options

\*\*over the tax-filing threshold

### More Information about Minimum Essential Coverage

Remember, consumers are considered to have minimum essential coverage for an entire calendar month as long as they have minimum essential coverage for at least one day during that month.

# Marketplace Exemptions Assistance


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## Introduction to Exemptions

**Eda:** So, an exemption means that under certain circumstances, consumers won't have to pay the fee. I remember that there are some exemptions available only from the Marketplace, some only from the Internal Revenue Service (IRS) through the federal income tax filing process, and some exemptions that are available from either the Marketplace or the IRS through the federal income tax filing process.

**Dominique:** You're right. The Affordable Care Act includes different categories of exemptions from the individual shared responsibility payment. Consumers may apply for more than one type of exemption; however, consumers only need to receive one exemption for any one period of time to avoid paying a fee on their annual tax return for that period of time.



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## Introduction to Exemptions

**Eda:** So, an exemption means that under certain circumstances, consumers won't have to pay the fee. I remember that there are some exemptions available only from the Marketplace, some only from the Internal Revenue Service (IRS) through the federal income tax filing process, and some exemptions that are available from either the Marketplace or the IRS through the federal income tax filing process.

**Dominique:** You're right. The Affordable Care Act includes different categories of exemptions from the individual shared responsibility payment. Consumers may apply for more than one type of exemption; however, consumers only need to receive one exemption for any one period of time to avoid paying a fee on their annual tax return for that period of time.



## Marketplace Exemptions Assistance

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### Exemption Categories

**Dominique:** Consumers can be exempt from the fee for different reasons. Here's a cheat sheet that I use when explaining different categories of exemptions to consumers. Select the Exemption on the left to read its Description.

Exemption

Short coverage gap
Consumers who find that the lowest- priced coverage available is unaffordable (i.e., coverage for that month costs more than 8% of their household income for 2014, 8.05% of their income for 2015, and 8.13% or their income for 2016)
Consumers who don't have to file a tax return because their household income is below the filing threshold
Consumers who are members of a federally recognized Indian tribe or is an Indian eligible for services through the Indian Health Service, tribes and tribal organizations, and urban Indian organizations
Consumers who aren't lawfully present in the United States (U.S.)

Note: The following consumers are not subject to the requirement to maintain MEC: consumers who are members of a recognized health care sharing ministry; consumers who are members of a recognized religious sect with objections to insurance, including Social Security and Medicare; consumers who were incarcerated, other than being held pending disposition of charges; and citizens living abroad and certain non-citizens who are not lawfully present in the United States (U.S.). For a complete listing of every Exemption from the Individual Shared Responsibility Payment, refer to the Types of Coverage Exemptions of the Form 8965 Instructions in the Resources tab.

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## Exemption Categories

**Dominique:** Consumers can be exempt from the fee for different reasons. Here's a cheat sheet that I use when explaining different categories of exemptions to consumers.

Exemption	Description
Short coverage gap	This exemption applies to each consumer in a household who's uninsured for less than three consecutive months. Consumers claim this exemption when filing their federal income tax return.
Consumers who find that the lowest- priced coverage available is unaffordable (i.e., coverage for that month costs more than 8% of their household income for 2014 and 8.05% of their income for 2015, and 8.13% of their income for 2016)	A similar exemption is available to consumers unable to afford coverage based on their projected household incomes. Consumers may apply to the Marketplace for this exemption. If consumers qualify, they may be eligible to purchase catastrophic coverage.

Exemption	Description
Consumers who don't have to file a tax return because their household income is below the filing threshold	This exemption applies to consumers who don't file a tax return because their household income is below the filing threshold. Consumers who don't file a federal income tax return are automatically exempt.
Consumers who are members of a federally recognized Indian tribe or is an Indian eligible for services through the Indian Health Service, tribes and tribal organizations, and urban Indian organizations	This exemption applies to each consumer in a household who's a member of a federally recognized Indian tribe or an Indian eligible for health services through the Indian Health Service, tribes or tribal organizations, or urban Indian health organizations. Consumers can obtain this exemption either by applying through the Marketplace or by claiming the exemption on their annual federal income tax return.
Consumers who aren't lawfully present in the United States (U.S.)	This exemption applies to consumers who aren't lawfully present in the U.S. and, therefore, don't need to submit an exemption application. Consumers may apply for this exemption when filing their federal income tax return.

Note: The following consumers are not subject to the requirement to maintain MEC: consumers who are members of a recognized health care sharing ministry; consumers who are members of a recognized religious sect with objections to insurance, including Social Security and Medicare; consumers who were incarcerated, other than being held pending disposition of charges; and citizens living abroad and certain non-citizens who are not lawfully present in the United States (U.S.). For a complete listing of every Exemption from the Individual Shared Responsibility Payment, refer to the Types of Coverage Exemptions of the Form 8965 Instructions in the Resources tab.

The screenshot shows a web interface titled "Marketplace Exemptions Assistance" with an "Exit" link in the top right. Below the title is a dark blue header bar containing "Types of Examples" on the left and "Page 7 of 23" on the right. The main content area is titled "Knowledge Check" and contains the following text: "You recently helped several consumers who were interested in applying for exemptions for various reasons. Based on their information, which of the following consumers may qualify for an exemption? Select all that apply and then click Check Your Answer." Below this text are three multiple-choice options, each with an unchecked checkbox: A. Claire is interested in applying for an exemption because she's an Indian and gets medical care through an Indian Health Service provider. B. Bobby is interested in applying for an exemption because he doesn't have any chronic medical conditions and prefers to pay for his medical expenses out-of-pocket. He has several affordable minimum essential coverage options. C. Eric is interested in applying for an exemption because he believes that he can't afford the coverage provided through his employer or the Marketplace plans in his area. At the bottom left of the content area is a blue button labeled "Check Your Answer". At the bottom right is a small text note: "Complete the Knowledge Check to enable NEXT button". The footer of the interface includes a navigation bar with buttons for "Menu", "Help", "Glossary", and "Resources", followed by "< BACK" and "NEXT >" buttons.

Marketplace Exemptions Assistance

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**Knowledge Check**

You recently helped several consumers who were interested in applying for exemptions for various reasons.

**Based on their information, which of the following consumers may qualify for an exemption?**

Select **all that apply** and then click **Check Your Answer**.

- ☐ A. Claire is interested in applying for an exemption because she's an Indian and gets medical care through an Indian Health Service provider.
- ☐ B. Bobby is interested in applying for an exemption because he doesn't have any chronic medical conditions and prefers to pay for his medical expenses out-of-pocket. He has several affordable minimum essential coverage options.
- ☐ C. Eric is interested in applying for an exemption because he believes that he can't afford the coverage provided through his employer or the Marketplace plans in his area.

[Check Your Answer](#)

Complete the Knowledge Check to enable NEXT button

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## Knowledge Check

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- C. Eric is interested in applying for an exemption because he believes that he can't afford the coverage provided through his employer or the Marketplace plans in his area.

**Feedback:** The correct answers are A and C. You can advise Claire and Eric, that they may be eligible for exemptions since eligibility for care through an Indian Health Service provider, and inability to afford coverage during the coverage year are all reasons consumers may qualify for an exemption. You can offer to help these consumers with the exemption process. On the other



hand, you should advise Bobby that even though he believes that he's healthy and doesn't need coverage, he doesn't meet any exemption requirements based on health status, and may still be assessed a fee for failing to maintain minimum essential coverage.

## Marketplace Exemptions Assistance

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### Exemption Type: Hardship Exemption

**Eda:** Thanks for sharing your exemption cheat sheet with me! I also recall learning about exemptions for consumers that experienced some type of hardship during the year. Are there options for these consumers?

**Dominique:** Yes, experiencing a hardship is a common reason that consumers may give when applying for an exemption. The Affordable Care Act gives the Secretary of the Department of Health & Human Services (HHS) the authority to determine circumstances under which consumers can qualify for an exemption if they "have suffered a hardship with respect to the capability to get coverage under a qualified health plan."

**Eda:** These hardship exemptions are interesting. I have a couple more questions about them. What are some other situations in which consumers would qualify for them? When consumers qualify for hardship exemptions, does that mean they don't have to pay the fee for the year, or are these exemptions only granted for a specific length of time?

**Dominique:** These are great questions. The length of hardship exemptions varies depending on the type of hardship. At a minimum, the Marketplace grants this type of exemption for one month prior to, during, and after the hardship event. Depending on the circumstances, this type of exemption can be granted for an entire year. Consumers who are granted hardship exemptions will get information about the length of their exemption from the Marketplace.



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### Exemption Type: Hardship Exemption

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**Dominique:** These are great questions. The length of hardship exemptions varies depending on the type of hardship. At a minimum, the Marketplace grants this type of exemption for one month prior to, during, and after the hardship event. Depending on the circumstances, this type of exemption can be granted for an entire year. Consumers who are granted hardship exemptions will get information about the length of their exemption from the Marketplace.


# Marketplace Exemptions Assistance

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## Exemption Type: Hardship Exemption Events

**Dominique:** To address your first question, there are actually several different circumstances in which consumers may qualify for a hardship exemption. It's important to remember that for some of these circumstances, consumers must submit an exemption application with supporting documentation. It'll be used to determine if the consumer qualifies for the exemption. I have a second cheat sheet that helps me explain to consumers the different hardship exemption circumstances and the documents that they're required to submit along with their application for each hardship exemption type.



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## Exemption Type: Hardship Exemption Events

**Dominique:** To address your first question, there are actually several different circumstances in which consumers may qualify for a hardship exemption. It's important to remember that for some of these circumstances, consumers must submit an exemption application with supporting documentation. It'll be used to determine if the consumer qualifies for the exemption. I have a second cheat sheet that helps me explain to consumers the different hardship exemption circumstances and the documents that they're required to submit along with their application for each hardship exemption type.

## Marketplace Exemptions Assistance

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### Hardship Exemption Events Table

Below are some examples of hardships that may affect a consumer's ability to get health coverage.

Hardship Exemption	Required Documentation
Homelessness	Consumers don't have to provide any documentation
Eviction or currently facing eviction or foreclosure	Consumers must provide a copy of their eviction or foreclosure notice
Received a shut-off notice from a utility company	Consumers must provide the shut-off notice from a utility company
Victim of domestic violence	Consumers don't have to provide any documentation
Experienced the death of a close family member	Consumers must provide the death certificate, a copy of the death notice from the newspaper, or a copy of the official notice of death
Experienced a natural or human-caused disaster that caused substantial property damage	Consumers must provide the police or fire report, insurance claim, or other document from a government agency, private entity, or news source documenting the event
Filed for bankruptcy	Consumers must provide a copy of the bankruptcy filing

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Experienced the death of a close family member	Consumers must provide the death certificate, a copy of the death notice from a newspaper, or a copy of the official death notice
Received a shut-off notice from a utility company	Consumers must provide the shut-off notice from a utility company

Hardship Exemption	Required Documentation
Experienced a natural or human-caused disaster that caused substantial property damage	Consumers must provide the police or fire report, insurance claim , or other documentation from a government agency, private entity, or news source documenting the event
Filed for bankruptcy	Consumers must provide a copy of the bankruptcy filing



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### Knowledge Check

Brian believes he's eligible for a hardship exemption and comes to you for help with his application. Brian explains that he recently received a shut-off notification from his electric company. He also tells you that he doesn't have a car, and therefore, doesn't visit a doctor on a regular basis.

**Based on this information, which of the following statements is true about Brian regarding exemptions?**

Select **the correct answer** and then click **Check Your Answer**.

- ☐ A. Brian can apply for a hardship exemption because he received a shut-off notice from the electric company. You also explain that he'll need to include a copy of the shut-off notice with his application.
- ☐ B. Brian can apply for a hardship exemption because he doesn't have reliable transportation to visit his doctor.
- ☐ C. Brian can apply for a hardship exemption because he cannot afford to purchase a car.
- ☐ D. Brian doesn't meet any of the criteria for a hardship exemption.

Check Your Answer

Complete the Knowledge Check to enable NEXT button

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### Knowledge Check

Brian believes he's eligible for a hardship exemption and comes to you for help with his application. Brian explains that he recently received a shut-off notification from his electric company. He also tells you that he doesn't have a car, and therefore, doesn't visit a doctor on a regular basis?

**Based on their information, which of the following consumers may qualify for an exemption?**

Select **the correct answer**.

- A. Brian can apply for a hardship exemption because he received a shut-off notice from the electric company. You also explain that he'll need to include a copy of the shut-off notice with his application.
- B. Brian can apply for a hardship exemption because he doesn't have reliable transportation to visit his doctor.
- C. Brian can apply for a hardship exemption because he cannot afford to purchase a car.
- D. Brian doesn't meet any of the criteria for a hardship exemption.

**Feedback:** The correct answer is A. Brian can file for a hardship exemption because he received a shut-off notice from his electric company. Remind Brian that he needs to include a copy of the notice with his application. Brian's lack of reliable transportation doesn't qualify him for a hardship exemption.



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### Exemption Type: Projected Affordability Exemption

**Eda:** Thanks Dominique. I had no idea that there were so many examples of hardship exemptions.

**Dominique:** In addition to hardship exemptions that we previously discussed, consumers might ask about a type of hardship exemption based on projected affordability. As you may recall, consumers may qualify for a hardship exemption based on projected affordability if the lowest-priced coverage available through their employer or the lowest-cost Bronze plan available through the Marketplace (if they aren't offered job-based coverage) costs more than 8.13% of their projected household income. When applying for this exemption, consumers must submit proof of projected household income for the coverage year as well as information about any available job-based coverage.

Click on the scenarios to learn more:

[Consumers with access to job-based coverage](#)  
[Consumers without access to job-based coverage](#)

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### Exemption Type: Projected Affordability Exemption

**Eda:** Thanks Dominique. I had no idea that there were so many examples of hardship exemptions.

**Dominique:** In addition to hardship exemptions that we previously discussed, consumers might ask about a type of hardship exemption based on projected affordability. As you may recall, consumers may qualify for a hardship exemption based on projected affordability if the lowest-priced coverage available through their employer or the lowest-cost Bronze plan available through the Marketplace (if they aren't offered job-based coverage) costs more than 8.13% of their projected household income. When applying for this exemption, consumers must submit proof of projected household income for the coverage year as well as information about any available job-based coverage.

#### Consumers with access to job-based coverage

If consumers have access to job-based coverage that meets the minimum value standard and the lowest cost health coverage available through the employer that would cover the consumer and their family is more than 8.13% of consumers' projected annual household income, their job-based coverage is considered unaffordable and the consumer may qualify for this exemption. In other words, if consumers' share of their premiums for plans that cover themselves and their family if is less than 8.13% of their families' income, the plan is considered affordable.

### Consumers without access to job-based coverage

If consumers don't have access to job-based coverage, and the lowest cost Bronze plan in the Marketplace is still more than 8.13% of their projected household income after applying any advance payments of the premium tax credit for which they are eligible, consumers will qualify for an affordability exemption.

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### Exemptions Available Through the Marketplace Versus Tax Return

**Eda:** Thank you! I now understand the different reasons and circumstances that may qualify consumers for exemptions. Are consumers able to choose whether they'll apply for an exemption through the Marketplace or claim it on their tax return?

**Dominique:** Great question! Whether the exemption is granted by the Marketplace or is claimed on a tax return depends on the reason for the exemption. In some cases, yes, the consumer can choose either option. In others, they only have one option. I have another cheat sheet that I can share with you.



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**Marketplace Exemptions Assistance** Exit

Types of Examples Page 14 of 23

### Where to Apply for an Exemption

Some exemptions can be granted by the Marketplace or claimed on a tax return. Consumers can choose either method of applying for an exemption if:

- Coverage is unaffordable (Note: If consumers apply through the Marketplace, the exemption is based on their projected annual household income; if consumers claim the exemption on their federal income tax return, the exemption is based on their actual annual household income.)
- They're members of a health care sharing ministry
- They're members of a federally recognized tribe or eligible for services through the Indian Health Service, tribes or tribal organizations, or urban Indian health organizations
- They're incarcerated

Consumers must apply for an exemption through the Marketplace if they're:

- Members of a recognized religious sect whose members object to insurance
- Applying for a hardship exemption; however, don't forget that consumers in a non-Medicaid expansion state who apply for coverage through the Marketplace and fall below 100% of the FPL will get an exemption automatically

Exemptions will be handled when consumers file their federal income tax return if their exemption is based on:

- A gap in minimum essential coverage of fewer than three months
- Not being lawfully present in the U.S.

Please remember that while Assistors may explain how to claim an exemption through filing taxes, they may not help consumers fill out IRS forms.

Here's a [key tip](#) to remember about consumers with low household incomes who don't file federal income taxes.

Click on the [BLUE](#) links(s) to enable NEXT button

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Please remember that while Assistors may explain how to claim an exemption through filing taxes, they may not help consumers fill out IRS forms.

Here's a key tip to remember about consumers with low household incomes who don't file federal income taxes.

**Key Tip**

Consumers whose household incomes are low enough that they won't be required to file taxes don't need to apply for an exemption. If they do choose to file a tax return to get a refund, they can claim the exemption based on having a household income below the filing threshold.



The screenshot shows a web application titled "Marketplace Exemptions Assistance" with an "Exit" button in the top right. Below the title bar, there's a sub-header "Types of Examples" and a page indicator "Page 15 of 23". The main content area is titled "Knowledge Check" and contains a paragraph about Jennifer's situation: "Jennifer requests help because she doesn't know if the Marketplace will grant her an exemption or if she'll be able to claim her exemption on her tax return. Jennifer explains that she didn't enroll in health coverage because she's a member of a religious sect and is opposed to acceptance of the benefits of any private or public insurance which pays for medical care. Which of the following would be appropriate advice to give Jennifer?" Below the paragraph is the question "Which of the following statements is TRUE?" and a prompt "Select the correct answer and then click Check Your Answer." There are four radio button options: A. Jennifer can claim the exemption on her tax return. B. Jennifer may apply for an exemption through the Marketplace or claim it on her tax return, whichever she prefers. C. Jennifer should apply for an exemption through the Marketplace. D. Jennifer will be granted an exemption automatically and doesn't need to take any actions. A "Check Your Answer" button is located below the options. At the bottom right of the content area, it says "Complete the Knowledge Check to enable NEXT button". The footer contains a navigation bar with "Menu", "Help", "Glossary", and "Resources" buttons, and "BACK" and "NEXT" buttons with arrows.

**Marketplace Exemptions Assistance** Exit

Types of Examples Page 15 of 23

**Knowledge Check**

Jennifer requests help because she doesn't know if the Marketplace will grant her an exemption or if she'll be able to claim her exemption on her tax return. Jennifer explains that she didn't enroll in health coverage because she's a member of a religious sect and is opposed to acceptance of the benefits of any private or public insurance which pays for medical care. Which of the following would be appropriate advice to give Jennifer?

**Which of the following statements is TRUE?**

Select the correct answer and then click **Check Your Answer**.

☐ A. Jennifer can claim the exemption on her tax return.

☐ B. Jennifer may apply for an exemption through the Marketplace or claim it on her tax return, whichever she prefers.

☐ C. Jennifer should apply for an exemption through the Marketplace.

☐ D. Jennifer will be granted an exemption automatically and doesn't need to take any actions.

**Check Your Answer**

Complete the Knowledge Check to enable NEXT button

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## Knowledge Check

Jennifer requests help because she doesn't know if the Marketplace will grant her an exemption or if she'll be able to claim her exemption on her tax return. Jennifer explains that she didn't enroll in health coverage because she's a member of a religious sect and is opposed to acceptance of the benefits of any private or public insurance which pays for medical care. Which of the following would be appropriate advice to give Jennifer?

**Which of the following statements is TRUE?**

Select the correct answer.

- A. Jennifer can claim the exemption on her tax return.
- B. Jennifer may apply for an exemption through the Marketplace or claim it on her tax return, whichever she prefers.
- C. Jennifer should apply for an exemption through the Marketplace.
- D. Jennifer will be granted an exemption automatically and doesn't need to take any actions.

**Feedback:** The correct answer is C. Exemptions for members of certain religious groups may only be granted by the Marketplace, so you should explain that Jennifer should apply for an exemption through the Marketplace. Jennifer can't claim this exemption on her tax return and it won't be granted automatically.



## Marketplace Exemptions Assistance

Exit


Types of Examples Page 16 of 23

### Applying for Exemptions from the Individual Shared Responsibility Payment

**Dominique:** Now that you understand the different exemptions, let's talk about the exemption application process. You can help consumers identify which exemption they qualify for, which application they should submit, and how to complete the application accurately.

**Eda:** Yes, I know that exemption applications are posted on [HealthCare.gov/exemptions](https://www.healthcare.gov/exemptions). I can direct consumers there to find the forms.

**Dominique:** Excellent. And, don't forget that in some cases, consumers need to submit supporting documents that prove they're eligible for certain exemptions. You can help consumers identify the documents they need and make sure they haven't missed anything.



Menu Help Glossary Resources < BACK NEXT >

### Applying for Exemptions from the Individual Shared Responsibility Payment

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## Marketplace Exemptions Assistance

Exit

Types of Examples


Page 17 of 23

### Timeline for Applying for Exemptions: Exemptions Claimed on a Tax Return

**Eda:** Thank you for that information. Now, are there important dates or deadlines for submitting exemption applications?

**Dominique:** Yes, there are deadlines for submitting exemption applications. First, I want to tell you about the exemptions that don't require an application. Consumers can claim these exemptions on their federal income tax returns when they file their taxes for the year.

Here's a [key tip](#) you should remember about consumers who don't submit federal income tax returns.



Click on the [BLUE](#) links(s) to enable NEXT button

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### Timeline for Applying for Exemptions: Exemptions Claimed on a Tax Return

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**Dominique:** Yes, there are deadlines for submitting exemption applications. First, I want to tell you about the exemptions that don't require an application. Consumers can claim these exemptions on their federal income tax returns when they file their taxes for the year.

Here's a key tip you should remember about consumers who don't submit federal income tax returns.

#### Key Tip

Consumers who aren't required to submit federal income tax returns because they don't meet the filing threshold are automatically exempt from the fee and don't need to do anything else to get an exemption. This is true even if consumers file a tax return to get a refund. Consumers who don't file taxes typically have very low incomes. For 2015, that means incomes of less than \$10,300 a year for single consumers and \$20,600 for consumers who are married and file jointly.

## Marketplace Exemptions Assistance

Exit


Types of Examples Page 18 of 23

### Timeline for Applying for Exemptions: Exemptions Granted by the Marketplace

**Eda:** Thank you for that helpful information. What about exemptions granted by the Marketplace?

**Dominique:** Only certain Marketplace exemptions continue to be available through the Marketplace after the coverage year is over. Consumers who did not already receive an Exemption Certificate Number (ECN) from the Marketplace must claim an exemption on their tax return for 2015 exemptions for lack of affordable coverage, membership in a health care sharing ministry, and incarceration.

Exemptions for Indian status may be claimed on a tax return or obtained through the Marketplace year round.



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### Timeline for Applying for Exemptions: Exemptions Granted by the Marketplace

**Eda:** Thank you for that helpful information. What about exemptions granted by the Marketplace?

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# Marketplace Exemptions Assistance

Exit

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## Examples of When to Submit Exemption Applications

Dominique: To help you, I highlighted the section called "Who can use this application?" on a few applications to show you where it tells consumers the timeline for when to submit the application.

The first application shows when consumers can submit their application for an exemption if they're members of a health care sharing ministry.

The second application shows when consumers can submit their application for an exemption if they were incarcerated during the year.

**Who can use this application?**

- Use this application if you and/or anyone in your tax household is/was a member of a health care sharing ministry that is recognized by the Health Insurance Marketplace. A health care sharing ministry is an organization whose members share a common set of ethical and religious beliefs and share medical expenses among themselves in accordance with these beliefs.
- You can also ask the Internal Revenue Service (IRS) for this exemption when you file your federal income tax return.
- Use this application only if you're requesting an exemption for months of membership in a health care sharing ministry for the current year. If you want to request this exemption for the calendar after that year ends, you'll need to claim it on your federal income tax returns.
- You can use one single application to ask for this exemption for more than one person in your tax household.

**Who can use this application?**

- Use this application if you and/or anyone in your tax household was incarcerated (detained or jailed), AFTER a court issued a final decision on charges.
- You can also ask the Internal Revenue Service (IRS) for this exemption when you file your federal income tax return.
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### Example #1: Members of a Health Care Sharing Ministry

- Use this application if you and/or anyone in your tax household is/was a member of a health care sharing ministry that is recognized by the Health Insurance Marketplace. A health care sharing ministry is an organization whose members share a common set of ethical and religious beliefs and share medical expenses among themselves in accordance with those beliefs.
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#### Example #2: Consumer Incarcerated During the Year

- Use this application if you and/or anyone in your tax household was incarcerated (detained or jailed), AFTER a court issued a final decision on charges.
- You can also ask the Internal Revenue Service (IRS) for this exemption when you file your federal income tax return.
- You can use one single application to ask for this exemption for more than one person in your tax household.

## Marketplace Exemptions Assistance

Exit

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### Links to Exemption Applications

Eda: This is so helpful. I should make a cheat sheet with all of this information.

Dominique: You're in luck! I've created one, and I'm happy to share with you. My table outlines the exemption types, processes for applying, and links to exemption applications. There's a complete job aid that you can download and print, but for now, here's a sample of the table.

#### How to Apply for an Exemption Through the Marketplace

Exemption	Process for Applying	Application Form
Exemption based on affordability of coverage based on projected income	Consumers can submit an exemption application to ask for an exemption for months in the future. If consumers want this exemption for a whole calendar year, they'll need to request it before the year starts. In this case, the exemption will be based on their projected household income. Consumers can also claim an exemption on their federal income tax return if they're unable to afford coverage based on their actual household income.	<a href="#">Click here to view the Application Form</a>
Exemption based on a hardship	Consumers can submit an application if they and/or anyone in their tax household experienced a hardship that keeps them from getting minimum essential coverage.	<a href="#">Click here to view the Application Form</a>
Exemption based on membership in a health care sharing ministry	Consumers can submit an application for an exemption based on the number of months they had a membership in a health care sharing ministry for 2016. If they want to request this exemption for 2016 after the end of 2016, consumers will need to claim it on their federal income tax return.	<a href="#">Click here to view the Application Form</a>

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**Marketplace Exemptions Assistance** Exit

Types of Examples Page 21 of 23

**Knowledge Check**

On November 30, 2015, Megan, a member of a federally recognized Indian tribe, comes to you because she is concerned that she may not have submitted an exemption application in time to avoid paying the fee on her 2015 tax return.

**Which of the following would be appropriate guidance to provide to Megan?**

Select **all that apply** and then click **Check Your Answer**.

- ☐ A. Megan, as a member of federally recognized Indian tribe, can submit her exemption application up to three years after 2015.
- ☐ B. Megan can claim the exemption on her tax return.
- ☐ C. Megan must request to get an exemption application from her specific tribe.
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**Check Your Answer**

Complete the Knowledge Check to enable NEXT button

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## Knowledge Check

On November 30, 2015, Megan, a member of a federally recognized Indian tribe, comes to you because she is concerned that she may not have submitted an exemption application in time to avoid paying the fee on her 2015 tax return.

**Which of the following would be appropriate guidance to provide to Megan?**

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- B. Megan can claim the exemption on her tax return.
- C. Megan must request to get an exemption application from her specific tribe.
- D. Megan is too late for 2015, but offer to help her with applying for an exemption on her 2016 tax return.

**Feedback:** The correct answers are A and B. Remind Megan that as a member of a federally recognized tribe or a shareholder in an Alaska Native corporation, she may claim the exemption on her 2015 tax return and may amend her return in order to claim it.

**Marketplace Exemptions Assistance** Exit

Types of Examples Page 22 of 23

**Exemption Certificate Number**

**Eda:** Thank you Dominique. I feel so much more prepared to help consumers who are interested in exemptions from the individual shared responsibility payment. To ensure that I have all of the information in one place, I've created a chart of the different exemption types and application instructions that I can use when helping consumers. Is there anything else I should know about the process?

**Dominique:** There is one last step I wanted to share with you about helping consumers with exemptions. The Marketplace will process the consumer's exemption application and issue an exemption determination. If the exemption is granted, the consumer will be assigned an Exemption Certificate Number (ECN). In situations where multiple household members qualify for exemptions, each consumer will get separate ECNs. When they file their federal income taxes, consumers will input their ECN into IRS Form 8965.

Here's a [key tip](#) that you should remind consumers about when they'll need their ECN.

For more information, reference the Fact Sheet called "Consolidated Exemptions Table" which can be found in the "Resources" section.

**HELP STEPS** Applying For Coverage

**How do I use my Exemption Certificate Number (ECN)?**

If you [apply for an exemption](#) from the [shared responsibility payment](#), you'll get a notice of exemption eligibility from the Marketplace. The notice displays an Exemption Certificate Number (ECN) for each person that qualifies on your Exemption application. It's in the "Eligibility Results" column in the notice.

You'll need the ECN

- if this person qualifies for a hardship exemption and you plan to you enroll them in a [Catastrophic health plan](#) in the Marketplace
- if you plan to file a federal income tax return, so the IRS knows that this person has an exemption

Click on the [BLUE](#) link(s) to enable NEXT button

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## Exemption Certificate Number

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Here's a key tip that you should remind consumers about when they'll need their ECN.

For more information, reference the Fact Sheet called "Consolidated Exemptions Table" which can be found in the "Resources" section.

**Key Tip**

If consumers qualify for a hardship exemption and plan to enroll in a catastrophic health plan through the Marketplace, then they'll need their ECN.

If consumers plan to file a federal income tax return, they'll need their ECN so the IRS knows that they have an exemption from the Marketplace. The federal income tax return includes instructions for when consumers should write down their ECN. However, if the consumer claims an exemption on the tax return, they will not receive an ECN and do not need an ECN.

## Marketplace Exemptions Assistance

Exit

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### Key Points

- Consumers may be required to pay the individual shared responsibility payment if they don't have minimum essential coverage. Under certain circumstances, consumers may be exempt from this fee.
- There are different types of exemptions. Common exemptions include hardship exemptions and affordability exemptions.
- You should be able to explain which types of exemptions may be granted by the Marketplace, claimed on a federal income tax return, or both.

Click **NEXT** to continue.

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### Key Points

- Consumers may be required to pay the individual shared responsibility payment if they don't have minimum essential coverage. Under certain circumstances, consumers may be exempt from this fee.
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## Applying for an Exemption Module

### Marketplace Exemptions Assistance

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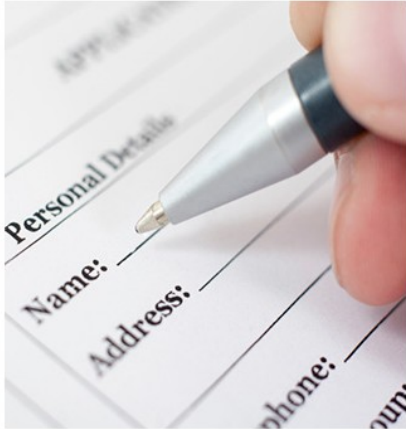
#### Introduction

In many cases, consumers who may qualify for exemptions from the individual shared responsibility payment need to submit exemption applications to the Marketplace. As you previously learned, there are different applications for different types of exemptions. You may help consumers determine which exemption they may qualify for and which exemption application they should submit.

This training will provide you with the skills to:

1. Describe the steps required for consumers to complete an exemption application
2. Identify how consumers can complete and submit affordability exemption applications

Click **NEXT** to continue.



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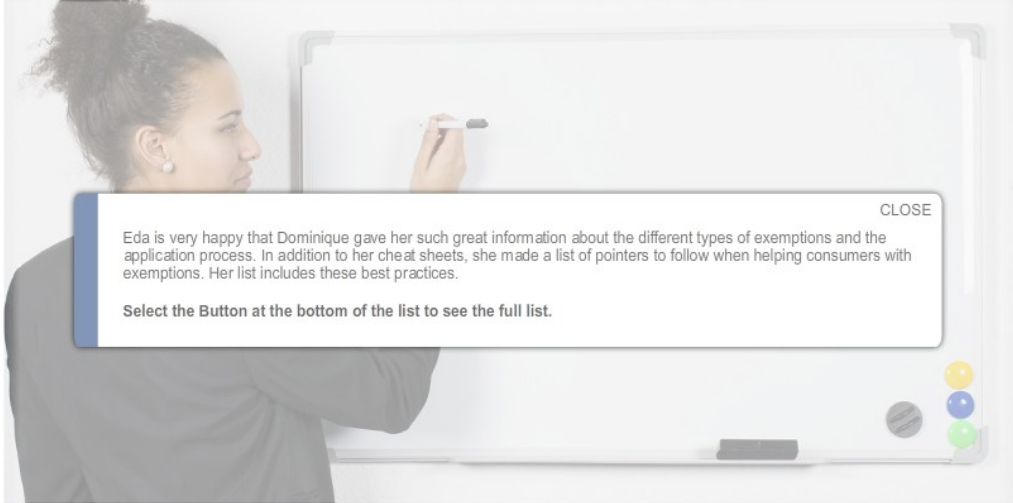


# Marketplace Exemptions Assistance

Exit

Applying for an Exemption Page 2 of 17

## Key Tips for Assisting Consumers with Exemption Applications



Eda is very happy that Dominique gave her such great information about the different types of exemptions and the application process. In addition to her cheat sheets, she made a list of pointers to follow when helping consumers with exemptions. Her list includes these best practices.

Select the Button at the bottom of the list to see the full list.

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## Key Tips for Assisting Consumers with Exemption Applications

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- Be familiar with the different exemption reasons
- Confirm designation of an authorized representative
- Help consumers determine who's in their tax household
- Remind consumers to complete all of the questions on the application
- Encourage consumers to submit all supporting documents requested on the application
- Remind consumers that they shouldn't send original documents to the Marketplace (other than the application itself)
- Ensure that any hard copies of consumers' records are returned



- Be familiar with the different exemption reasons so that you can help consumers determine which exemption best fits their situation. If consumers choose the wrong exemption type or submit the wrong exemption application, they'll have to submit a new application.
- Confirm that consumers who seek exemptions on behalf of other people are designated authorized representatives or are otherwise qualified to seek exemptions on behalf of others.
- Help consumers determine who's in their tax household. Except for exemptions based on incarceration, consumers can use a single application per exemption reason for multiple members of their tax household.
- Remind consumers to complete all of the questions on the application for every adult in the tax household and any dependent child who also needs the exemption. If consumers skip questions, the Marketplace will contact them for the missing information. This will slow the exemption application process down.
- Encourage consumers to submit all supporting documents requested on the application.
- Remind consumers that missing information may delay processing, because applications can't be processed until documentation is received.
- Remind consumers that other than the application itself, they shouldn't send original documents to the Marketplace. Also, remind them to keep a copy of their completed application and all documents sent to the Marketplace, along with proof of mailing.
- Ensure that any hard copies of consumers' records are returned at the end of your meeting. If information is left with you by accident, take immediate measures to have consumers pick up the information and follow the procedures of the Marketplace and your organization for this issue.

**Marketplace Exemptions Assistance** Exit

Applying for an Exemption Page 3 of 17

**Knowledge Check**

Brian is applying for a hardship exemption because his utilities were recently shut off.

**Which of the following should Brian include in his exemption application?**

Select **all that apply** and then click **Check Your Answer**.

- ☐ A. His original completed exemption application
- ☐ B. A photocopy of the shut-off notice he received from the utility company
- ☐ C. A photocopy of his completed exemption application
- ☐ D. His original shut-off notice received from the utility company

[Check Your Answer](#)

Complete the Knowledge Check to enable NEXT button

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- D. His original shut-off notice received from the utility company

**Feedback:** The correct answers are A and B. You should tell Brian that other than his completed exemption application, he shouldn't send original documents to the Marketplace. Brian, and every consumer that you help, should keep copies of their completed exemption application and all documents sent to the Marketplace, along with proof of mailing.

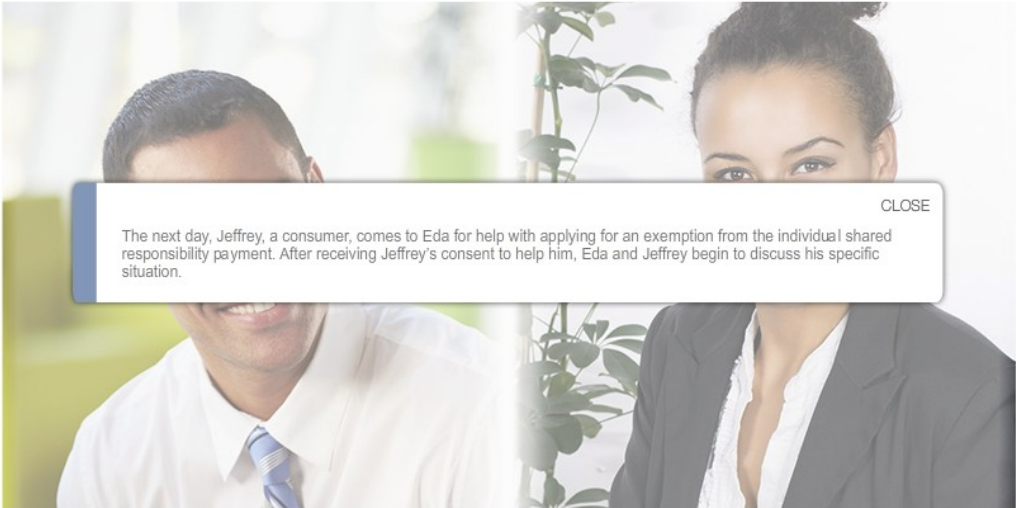
# Marketplace Exemptions Assistance

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## Scenario Introduction



The next day, Jeffrey, a consumer, comes to Eda for help with applying for an exemption from the individual shared responsibility payment. After receiving Jeffrey's consent to help him, Eda and Jeffrey begin to discuss his specific situation.

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## Scenario Introduction

The next day, Jeffrey, a consumer, comes to Eda for assistance with applying for an exemption from the individual shared responsibility payment. After receiving consent to assist him, Eda and Jeffrey begin to discuss his specific situation.

**Jeffrey:** I would like to apply for an affordability exemption, but I'm not sure what to do.

**Eda:** I'd be happy to help you. I can help you identify the correct exemption application to use, walk you through the information that you need to fill out on the application, identify the documents that you need to provide, and tell you where to submit the application. I can also help you to figure out how to answer some of the questions on the application.

**Jeffrey:** Great, thank you! I brought some information with me, but I'm not sure if I have the right documents.

**Eda:** Don't worry. Even if you don't have all of the required documents with you today, we can start working on the application. However, you will want to include copies of all of the documents that the application asks for before mailing it in so that the Marketplace can quickly process your application.

## Marketplace Exemptions Assistance

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### Find the Affordability Exemption Application

**Eda:** You mentioned that you want to apply for the affordability exemption. You can apply to have this exemption granted by the Marketplace. If you choose to apply now, the exemption will be based on your projected household income for this year. If you're eligible, you'll get the exemption for the whole year and won't have to make any changes, even if your household income changes. However, this exemption, which is based on projected household income, is only available when you apply before the last date you could have enrolled in a qualified health plan through the Marketplace. You also have the option of claiming the affordability exemption on your 2016 tax return. If you choose to claim it on your tax return, the exemption will be based on your actual annual household income. How would you like to proceed?

**Jeffrey:** I'd like to go ahead with the Marketplace exemption application today.

**Eda:** Great, let's get started



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### Find the Affordability Exemption Application

**Eda:** You mentioned that you want to apply for the affordability exemption. You can apply to have this exemption granted by the Marketplace. If you choose to apply now, the exemption will be based on your projected household income for this year. If you're eligible, you'll get the exemption for the whole year and won't have to make any changes, even if your household income changes. However, this exemption, which is based on projected household income, is only available when you apply before the last date you could have enrolled in a qualified health plan through the Marketplace. You also have the option of claiming the affordability exemption on your 2016 tax return. If you choose to claim it on your tax return, the exemption will be based on your actual annual household income. How would you like to proceed?

**Jeffrey:** I'd like to go ahead with the Marketplace exemption application today.

**Eda:** Great, let's get started

# Marketplace Exemptions Assistance

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## Affordability Exemption Application: Step 1

**Eda:** Let's pull up the appropriate application for the state where you live. As you can see, your state is listed at the top of the form, so we have the right one.

The first step of the application asks you to fill out your personal information, including your name, address, phone number, and whether you want to get information by email. If you have a preferred spoken or written language other than English, you'd want to fill that part in as well.

**Jeffrey:** This information won't be hard for me to fill out. I can complete all of this now.

**STEP 1: Tell us about yourself.**

(The person who files a federal income tax return in your household should be the contact person for this application. If you're applying for an exemption for a child, we need an adult who claims the child on his or her federal income tax return to fill out this information even if the adult doesn't need the exemption.)

Do you live in Alabama, Alaska, Arizona, Arkansas, Delaware, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Louisiana, Maine, Michigan, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Virginia, West Virginia, Wisconsin, or Wyoming?

☐ **YES.** Fill out this application.

☐ **NO.** Visit [HealthCare.gov/exemptions](http://HealthCare.gov/exemptions) to get the correct application for people who live in your state. Or call **1-800-318-2596** to find out how to apply for this exemption.

**Give your legal name**

1. First name	Middle name	Last name	Suffix
---------------	-------------	-----------	--------

2. Home address (Leave blank if you don't have one.)

3. Apartment or suite number

4. City

5. State

6. ZIP code

7. County, parish, or township

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## Affordability Exemption Application: Step 1

**Eda:** Let's pull up the appropriate application for the state where you live. As you can see, your state is listed at the top of the form, so we have the right one.

The first step of the application asks you to fill out your personal information, including your name, address, phone number, and whether you want to get information by email. If you have a preferred spoken or written language other than English, you'd want to fill that part in as well.

**Jeffrey:** This information won't be hard for me to fill out. I can complete all of this now.

**STEP 1: Tell us about yourself.**

(The person who files a federal income tax return in your household should be the contact person for this application. If you're applying for an exemption for a child, we need an adult who claims the child on his or her federal income tax return to fill out this information even if the adult doesn't need the exemption.)

Do you live in Alabama, Alaska, Arizona, Arkansas, Delaware, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Louisiana, Maine, Michigan, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Virginia, West Virginia, Wisconsin, or Wyoming?

☐ **YES.** Fill out this application.

☐ **NO.** Visit [HealthCare.gov/exemptions](http://HealthCare.gov/exemptions) to get the correct application for people who live in your state. Or call **1-800-318-2596** to find out how to apply for this exemption.

**Give your legal name**

1. First name	Middle name	Last name	Suffix
---------------	-------------	-----------	--------

2. Home address (Leave blank if you don't have one.)

3. Apartment or suite number

4. City

5. State

6. ZIP code

7. County, parish, or township



# Marketplace Exemptions Assistance

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## Affordability Exemption Application: Step 2

**Eda:** Step 2 of the application is a little bit more complicated. The first part of this section asks you for information about which of your household members you want to include on the application and their demographic information.

**Jeffrey:** Why do I need to fill out all of this personal information?

**Eda:** The application asks for your Social Security number and other income information to make sure that your exemption is counted when you file your federal income tax return. Don't forget that all of the information you submit is kept private and secure by the Marketplace; it can't be shared with anyone else.

### STEP 2: PERSON 1 (Continue with yourself.)

#### Current job & income information

We need to know about any income you have made or expect to make from a job, self-employment, unemployment, retirement, pensions, rental property, fishing/farming, alimony, and Social Security (if taxable). You also need to submit at least one support document for each type of income you list below.

##### Job 1:

21. Employer name (as listed on paystub or W-2)

22. Amount (wages, tips, commissions, bonuses, or overtime before taxes)  
 \$

How often?
 

☐ Hourly

☐ Weekly

☐ Every 2 weeks

☐ Twice a month

☐ Monthly

☐ Quarterly

☐ Semi-annually

☐ Yearly

23. Average hours worked each WEEK

24. When did you start this job? (mm/dd/yyyy)

25. When did/will this job end? (mm/dd/yyyy)

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## Affordability Exemption Application: Step 2

**Eda:** Step 2 of the application is a little bit more complicated. The first part of this section asks you for information about which of your household members you want to include on the application and their demographic information.

**Jeffrey:** Why do I need to fill out all of this personal information?

**Eda:** The application asks for your Social Security number and other income information to make sure that your exemption is counted when you file your federal income tax return. Don't forget that all of the information you submit is kept private and secure by the Marketplace; it can't be shared with anyone else.

### STEP 2: PERSON 1 (Continue with yourself.)

#### Current job & income information

We need to know about any income you have made or expect to make from a job, self-employment, unemployment, retirement, pensions, rental property, fishing/farming, alimony, and Social Security (if taxable). You also need to submit at least one support document for each type of income you list below.

##### Job 1:

21. Employer name (as listed on paystub or W-2)

22. Amount (wages, tips, commissions, bonuses, or overtime before taxes)  
 \$

How often?
 

☐ Hourly

☐ Weekly

☐ Every 2 weeks

☐ Twice a month

☐ Monthly

☐ Quarterly

☐ Semi-annually

☐ Yearly

23. Average hours worked each WEEK

24. When did you start this job? (mm/dd/yyyy)

25. When did/will this job end? (mm/dd/yyyy)



# Marketplace Exemptions Assistance

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## Affordability Exemption Application: Step 2 (Cont.)

**Eda:** Step 2 of the application also asks for job and income information for each person that you included as part of your household. I remember that you mentioned earlier that you're employed.

Here are the questions that you'll need to complete about your income.

### STEP 2: PERSON 1 (Continue with yourself.)

QR Code

#### Current job & income information

We need to know about any income you have made or expect to make from a job, self-employment, unemployment, retirement, pensions, rental property, fishing/farming, alimony, and Social Security (if taxable). You also need to submit at least one support document for each type of income you list below.

**Job 1:**

21. Employer name (as listed on paystub or W-2)

22. Amount (wages, tips, commissions, bonuses, or overtime before taxes)      How often?

☐ Hourly    ☐ Weekly    ☐ Every 2 weeks    ☐ Twice a month  
☐ Monthly    ☐ Quarterly    ☐ Semi-annually    ☐ Yearly

23. Average hours worked each WEEK

24. When did you start this job? (mm/dd/yyyy)

25. When did/will this job end? (mm/dd/yyyy)

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## Affordability Exemption Application: Step 2 (Cont.)

**Eda:** Step 2 of the application also asks for job and income information for each person that you included as part of your household. I remember that you mentioned earlier that you're employed.

Here are the questions that you'll need to complete about your income.

- Employer name
- How often (hourly, weekly, every 2 weeks, twice a month, monthly, quarterly, semi-annually, yearly)
- Amount (wages, tips, commissions, bonuses, or overtime before taxes)
- Average hours worked each week
- When did you start this job?
- When did/will this job end?

## Marketplace Exemptions Assistance

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### Knowledge Check

Jessica comes to you for help completing an application for an exemption based on affordability. When reading the application, she noticed that her state's name wasn't listed at the top. She's also worried about providing the details of her personal information and isn't sure if she's supposed to put her husband's income information on the application as well, even though they file taxes jointly. Finally, she realizes she didn't bring copies of any documents that would prove how much she makes in a year.

**Which of the following would be appropriate guidance to provide to Jessica?**

Select **all that apply** and then click **Check Your Answer**.

☐ A. You tell Jessica that you can't help her until she has all of the required documentation. You ask her to gather the documents and come back tomorrow.

☐ B. You tell Jessica that she has the wrong exemption application and you help her locate the correct one on [HealthCare.gov/exemptions](http://HealthCare.gov/exemptions).

☐ C. You assure Jessica that the information she submits on her application is kept private and secure by the Marketplace and won't be shared with anyone else.

☐ D. You tell Jessica that she needs to include the information about her husband's income because they file taxes jointly.

Check Your Answer

Complete the Knowledge Check to enable NEXT button

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### Knowledge Check

Jessica comes to you for help completing an application for an exemption based on affordability. When reading the application, she noticed that her state's name wasn't listed at the top. She's also worried about providing the details of her personal information and isn't sure if she's supposed to put her husband's income information on the application as well, even though they file taxes jointly. Finally, she realizes she didn't bring copies of any documents that would prove how much she makes in a year.

**Which of the following would be appropriate guidance to provide to Jessica?**

Select **all that apply**.

- A. You tell Jessica that you can't help her until she has all of the required documentation. You ask her to gather the documents and come back tomorrow.
- B. You tell Jessica that she has the wrong exemption application and you help her locate the correct one on [HealthCare.gov/exemptions](http://HealthCare.gov/exemptions).
- C. You assure Jessica that the information she submits on her application is kept private and secure by the Marketplace and won't be shared with anyone else.
- D. You tell Jessica that she needs to include the information about her husband's income because they file taxes jointly.

**Feedback:** The correct answers are B, C, and D. All exemption applications are located on [HealthCare.gov/exemptions](https://www.healthcare.gov/exemptions), but there are different exemption applications based on the exemption type and states in which consumers live. Reassure Jessica that the information she includes on her application is private and secure and that the Marketplace won't share it with anyone else. You should also tell her that she'll need to include the job and income information for each member of her household. Even though Jessica doesn't have all of the required documents with her today, you can help her start filling out the exemption application and identify the documents that she'll need to gather and submit with it.

The screenshot shows a web application titled "Marketplace Exemptions Assistance" with an "Exit" button in the top right. Below the title bar, it says "Applying for an Exemption" and "Page 10 of 17". The main content area is titled "Affordability Exemption Application: Step 3 Proof of Income". The text describes a conversation between Eda and Jeffrey about providing proof of income for 2016. It lists documents like pay stubs and employer letters. A section titled "STEP 3: Proof of yearly income" states that proof of income is required for approval. At the bottom, there are buttons for "Menu", "Help", "Glossary", "Resources", and navigation arrows for "BACK" and "NEXT".

**Marketplace Exemptions Assistance** Exit

Applying for an Exemption Page 10 of 17

**Affordability Exemption Application: Step 3 Proof of Income**

Eda continues to help Jeffrey fill out the appropriate sections. They pause when they get to Step 3.

**Eda:** In order to grant an affordability exemption, the Marketplace requires proof of income for 2016. Let's take a look at the list of documents you can submit to prove your annual income and see if you brought any of them with you today.

**Jeffrey:** Yes, I brought a copy of my recent pay stubs as well as a letter from my employer with my income.

**Eda:** Great. Both of those documents provide proof of income, so you can submit copies of either one with your application. I just have a few additional questions for you. Does your employer offer job-based coverage?

**Jeffrey:** Yes, but I don't think it's affordable, so I haven't enrolled in it.

**Eda:** That's okay. This just means that you need to answer a few questions about it before submitting your application.

**STEP 3: Proof of yearly income**

You MUST submit proof of each type of income you listed for each person on this application. We can't approve your exemption without proof of income. The table below lists possible documents for each type of income; you may submit other documents not on the list if they are included in the income amount you listed on your application.

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## Affordability Exemption Application: Step 3 Proof of Income

Eda continues to help Jeffrey fill out the appropriate sections. They pause when they get to Step 3.

**Eda:** In order to grant an affordability exemption, the Marketplace requires proof of income for 2016. Let's take a look at the list of documents you can submit to prove your annual income and see if you brought any of them with you today.

**Jeffrey:** Yes, I brought a copy of my recent pay stubs as well as a letter from my employer with my income.

**Eda:** Great. Both of those the documents provide proof of income, so you can submit copies of either one with your application. I just have a few additional questions for you. Does your employer offer job-based coverage?

**Jeffrey:** Yes, but I don't think it's affordable, so I haven't enrolled in it.

**Eda:** That's okay. This just means that you need to answer a few questions about it before submitting your application.



# Marketplace Exemptions Assistance

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## Tips for Completing an Application for an Affordability Exemption: Steps 4 and 5

**Eda:** We're getting close to completing the application. In these next two steps, you'll need to sign the application and confirm that all of the information you provided is accurate. You will also see where to mail the application.

**Jeffrey:** Great. I'm happy you're able to walk me through this entire application.

### STEP 4: Read & sign this application

- I'm signing this application under penalty of perjury, which means I've given true answers to all the questions on this form to the best of my knowledge. I know that I may be subject to penalties under federal law if I give false and/or untrue information.
- I know that under federal law, discrimination isn't permitted on the basis of race, color, national origin, sex, age, sexual orientation, gender identity, or disability. I can file a complaint of discrimination by visiting [hhs.gov/ocr/office/file](https://hhs.gov/ocr/office/file).

**Is anyone applying for an exemption on this application incarcerated (detained or jailed)?** ..... ☐ Yes ☐ No

**If yes,** tell us the person's name. The name of the incarcerated person is:

☐ Fill in here if this person is facing disposition of charges.

### STEP 5: Mail completed application

Mail your signed application and documents showing your yearly income (see examples on page 10) to:

**Health Insurance Marketplace – Exemption Processing**  
**465 Industrial Blvd.**  
**London, KY 40741**

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## Tips for Completing an Application for an Affordability Exemption: Steps 4 and 5

**Eda:** We're getting close to completing the application. In these next two steps, you'll need to sign the application and confirm that all of the information you provided is accurate. You will also see where to mail the application.

**Jeffrey:** Great. I'm happy you're able to walk me through this entire application.

### STEP 4: Read & sign this application

- I'm signing this application under penalty of perjury, which means I've given true answers to all the questions on this form to the best of my knowledge. I know that I may be subject to penalties under federal law if I give false and/or untrue information.
- I know that under federal law, discrimination isn't permitted on the basis of race, color, national origin, sex, age, sexual orientation, gender identity, or disability. I can file a complaint of discrimination by visiting [hhs.gov/ocr/office/file](https://hhs.gov/ocr/office/file).

**Is anyone applying for an exemption on this application incarcerated (detained or jailed)?** ..... ☐ Yes ☐ No

**If yes,** tell us the person's name. The name of the incarcerated person is:

☐ Fill in here if this person is facing disposition of charges.

**Marketplace Exemptions Assistance** Exit

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**Tips for Completing Employer Sponsored Coverage Questions on an Exemption Application**



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## Tips for Completing Employer Sponsored Coverage Questions on an Exemption Application

Here are few important tips that Eda tells Jeffrey to keep in mind about job-based coverage:

- Affordability of job-based coverage is determined by looking at the lowest-cost self-only or family plan (depending on who is applying for the exemption) offered by your employer and comparing that to your total projected household income. Employer insurance is considered affordable under the health care law if the employee's share of the premium for the lowest priced plan available that would cover the employee only — not the employee's family — is 8.05% or less of their household income.
- Affordability isn't based on the cost of the coverage in which you're currently enrolled, or the cost of coverage you may prefer.
- The application asks for the premium amount you, as the employee, would pay for the coverage for yourself ("self-only") as well as for the premium amount you would pay for family coverage (if available). Since you're only applying for the exemption for yourself, you don't need to include information about family coverage.
- You don't have to include information about the premium amount your employer pays, or any deductibles or cost sharing (these aren't part of the calculation for cost of coverage).



**Marketplace Exemptions Assistance** Exit

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### Employer Sponsored Coverage Exemption Questions

**Eda:** Let's take a closer look at where you enter this information on the application. The job-based coverage questions on the exemption application are similar to those on the health coverage application, except that there's space to put in information about the cost of family coverage.

**Appendix A** Form Approved OMB No. 0938-1191

#### Health Coverage from Jobs

You **DON'T** need to answer these questions unless someone in the household is eligible for health coverage from a job, even if they don't accept the coverage. Attach a copy of this page for each job that offers coverage.

**Tell us about the job that offers coverage.**  
Make a copy of this page and take it to the employer who offers coverage to help you answer these questions.

16. For the lowest-cost plan that meets the minimum value standard\* offered **to the employee and family members requesting an exemption** (only include family plans for family members that do not already have an exemption): If the employer has wellness programs, provide the premium that the employee would pay if they don't get a discount for wellness programs, including smoking cessation programs.

a. How much would the employee have to pay in premiums for this plan? \$

b. How often? ☐ Weekly ☐ Every 2 weeks ☐ Twice a month ☐ Once a month ☐ Quarterly ☐ Yearly

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## Employer Sponsored Coverage Exemption

**Eda:** Eda: Let's take a closer look at where you enter this information on the application. The job-based coverage questions on the exemption application are similar to those on the health coverage application, except that there's space to put in information about the cost of family coverage.

The image zooms to a close-up of line 16 on the appendix which is highlighted by a red box and states: For the lowest-cost plan that meets the minimum value standard offered to the employee and family members requesting an exemption (only include family plans for family members that do not already have an exemption): If the employer has wellness programs, provide the premium that the employee would pay if they don't get a discount for wellness programs, including smoking cessation programs.

16. For the lowest-cost plan that meets the minimum value standard\* offered **to the employee and family members requesting an exemption** (only include family plans for family members that do not already have an exemption): If the employer has wellness programs, provide the premium that the employee would pay if they don't get a discount for wellness programs, including smoking cessation programs.

a. How much would the employee have to pay in premiums for this plan? \$

b. How often? ☐ Weekly ☐ Every 2 weeks ☐ Twice a month ☐ Once a month ☐ Quarterly ☐ Yearly

The screenshot shows a web application titled "Marketplace Exemptions Assistance" with an "Exit" button in the top right. Below the title bar, there's a header "Applying for an Exemption" and "Page 14 of 17". The main content area is titled "Knowledge Check" and contains a paragraph about Jimmy needing help with an exemption application. Below this is a question: "What information does Jimmy need to submit in order to complete this application?" followed by instructions to "Select all that apply" and a "Check Your Answer" button. To the right of the question are four multiple-choice options, each with an unchecked checkbox. At the bottom of the content area, a message says "Complete the Knowledge Check to enable NEXT button". The footer contains a navigation bar with "Menu", "Help", "Glossary", and "Resources" buttons, and "BACK" and "NEXT" buttons with arrows.

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Applying for an Exemption Page 14 of 17

**Knowledge Check**

Jimmy needs help filling out his exemption application. Jimmy's job offers coverage, but he believes that it won't be affordable. Jimmy is married and his wife doesn't currently work. He wants to apply for an exemption based on affordability. What information does Jimmy need to submit in order to complete this application?

**What information does Jimmy need to submit in order to complete this application?**

Select **all that apply** and then click **Check Your Answer**.

☐ A. Proof of household income

☐ B. Estimated medical expenses

☐ C. Information about the premium amount he'd have to pay for coverage for himself ("self-only") as well as for the premium he'd have to pay for family coverage.

☐ D. Cost sharing and deductible information that he'd have to pay for his job-based coverage

**Check Your Answer**

Complete the Knowledge Check to enable NEXT button

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## Knowledge Check

Jimmy needs help filling out his exemption application. Jimmy's job offers coverage, but he believes that it won't be affordable. Jimmy is married and his wife doesn't currently work. He wants to apply for an exemption based on affordability. What information does Jimmy need to submit in order to complete this application?

**What information does Jimmy need to submit in order to complete this application?**

Select **all that apply**.

- A. Proof of household income
- B. Estimated medical expenses
- C. Information about the premium amount he'd have to pay for coverage for himself ("self-only") as well as for the premium he'd have to pay for family coverage.
- D. Cost sharing and deductible information that he'd have to pay for his job-based coverage

**Feedback:** The correct answers are A and C. You should explain to Jimmy that he's required to provide proof of his household income because he's applying for an exemption based on affordability. In addition, tell Jimmy that since his employer offers coverage, he'll need to include

the premium that he'd have to pay for the coverage for himself ("self-only") as well as the premium amount he'd have to pay for family coverage, if it's available. You can also inform Jimmy that he doesn't need to include his estimated medical expenses or information about the premium amount his employer pays, or any of the deductibles or cost sharing amounts for his coverage on the exemption application.

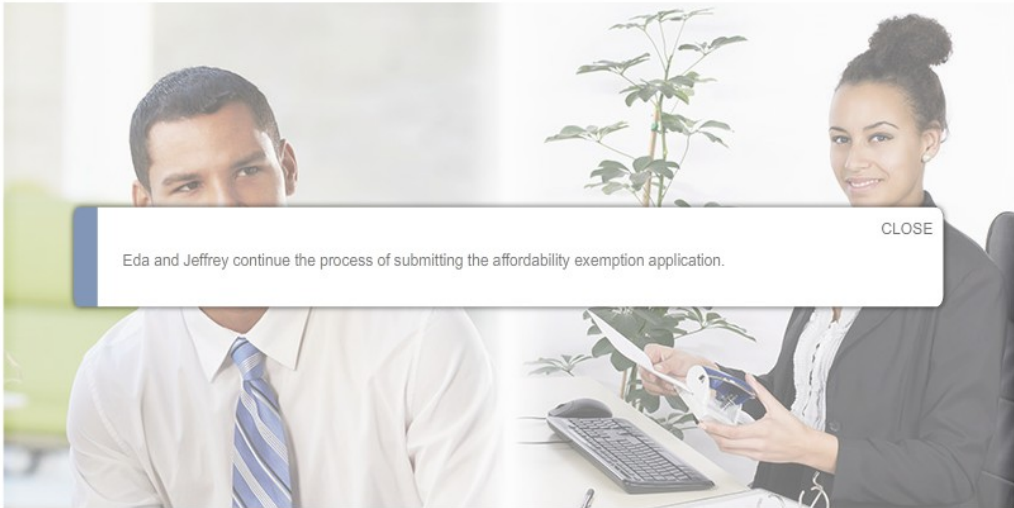
# Marketplace Exemptions Assistance

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## Process for Submitting an Exemption Application



Eda and Jeffrey continue the process of submitting the affordability exemption application.

[Text Description of Image or Animation](#)

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## Process for Submitting an Exemption Application

Eda and Jeffrey continue the process of submitting the affordability exemption application.

**Eda:** Now that you've completed and signed your application and gathered copies of the supporting documentation, we can send it to the Marketplace.

**Jeffrey:** Am I able to submit this on the internet?

**Eda:** No. The Marketplace doesn't accept online or telephone exemption applications at this time. All exemption applications – except for hardship exemptions due to canceled planes, which should go directly to the health insurance company – must be mailed with copies of your supporting documentation to the Marketplace address:

Health Insurance Marketplace<sup>SM</sup> – Exemption Processing  
Processing 465 Industrial Boulevard  
London, KY 40741

**Jeffrey:** It's no problem for me to put this in the mail. How long should I expect to wait for a response?

**Eda:** After you submit your application, the Marketplace will review it and determine your eligibility. The time it takes to get a response will depend on how complicated your request is, how complete your application is, and whether you need to submit supporting documentation

after you apply. If you're granted an exemption, the Marketplace will send you an exemption certificate number (ECN).

**Jeffrey:** An ECN? What should I do with that?

**Eda:** You'll need it when you fill out your federal income tax return. You'll also need your ECN if you decide to enroll in catastrophic coverage. So, make sure that you keep the certificate and approval notice in a safe place. I'd also recommend that you keep a copy of your submitted exemption application and supporting documents in case any follow-up is needed.

**Jeffrey:** Thank you for your help today.

**Eda:** You're welcome!



# Marketplace Exemptions Assistance

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## Exemption Certificate Number

The next day, Dominique stops by Eda's desk to see how she's doing.

**Dominique:** Do you have any questions about exemptions?

**Eda:** Your guidance has been very helpful. I've started helping consumers, but I do have one question. I know consumers need their ECN to enroll in catastrophic coverage, but I'm not sure where to go from there. What should I do?

**Dominique:** Consumers who receive a cancelation notice from their insurance company and believe other plans are unaffordable, as well as consumers with a hardship exemption or an exemption based on inability to afford coverage may be eligible to enroll in catastrophic coverage. It's important to remember that consumers who enroll in catastrophic coverage aren't eligible for the premium tax credit. Once consumers log into their Marketplace account, they should select "Exemption" on the left side of "Application Status." Here, they'll be prompted to enter the ECN for each person in their household who has qualified for an exemption.

Then, they'll be able to proceed with their application and enroll in a plan for catastrophic coverage.

**Eda:** Thank you!

For more information about applying for catastrophic coverage, reference the Frequently Asked Questions (FAQs) document on "Enrolling in Catastrophic Coverage" which can be found in the "Resources" section.

### Add an exemption

Enter information for each person on your coverage application to receive an Exemption Certificate Number (ECN).

First name  Last name

Enter the Exemption Certificate Number (ECN), which has 6 or 7 letters and numbers.

XXXXXXXXX **Important:** Please complete this required field

[Where do I find the Exemption Certificate Number?](#)

Enter information for one person at a time. After you submit, click the button below to add another person.

**CANCEL**

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## Exemption Certificate Number

The next day, Dominique stops by Eda's desk to see how she's doing.

**Dominique:** Do you have any questions about exemptions?

**Eda:** Your guidance has been very helpful. I've started helping consumers, but I do have one question. I know consumers need their ECN to enroll in catastrophic coverage, but I'm not sure where to go from there. What should I do?

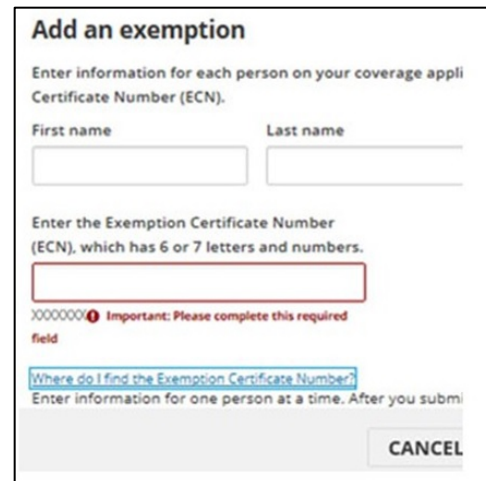
**Dominique:** Consumers who receive a cancelation notice from their insurance company and believe other plans are unaffordable, as well as consumers with a hardship exemption or an exemption based on inability to afford coverage may be eligible to enroll in catastrophic coverage. It's important to remember that consumers who enroll in catastrophic coverage aren't eligible for the premium tax credit. Once consumers log into their Marketplace account, they should select "Exemption" on the left side of "Application Status."



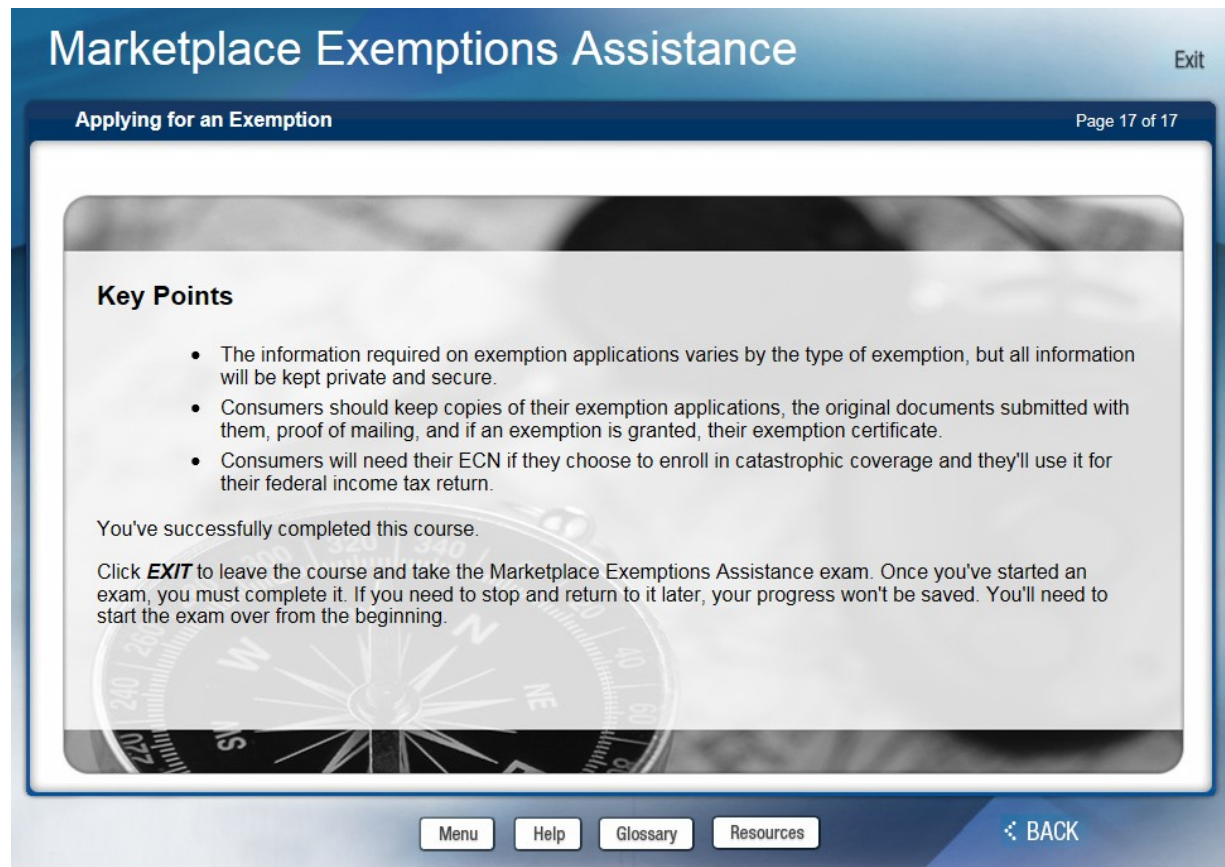
Here, they'll be prompted to enter the ECN for each person in their household who has qualified for an exemption.

Then, they'll be able to proceed with their application and enroll in a plan for catastrophic coverage.

**Eda:** Thank you!

A screenshot of a web form titled "Add an exemption". The form is enclosed in a black border. At the top, the title "Add an exemption" is in bold. Below it, the instruction "Enter information for each person on your coverage application. Enter the Exemption Certificate Number (ECN)." is displayed. There are two input fields: "First name" and "Last name". Below these, another instruction says "Enter the Exemption Certificate Number (ECN), which has 6 or 7 letters and numbers." followed by a single-line text input field. A red error message "XXXXXXXXXX Important: Please complete this required field" is shown below the ECN field. At the bottom, there is a link "Where do I find the Exemption Certificate Number?" and a note "Enter information for one person at a time. After you submit". A "CANCEL" button is located in the bottom right corner.

For more information about applying for catastrophic coverage, reference the Frequently Asked Questions (FAQs) document on "Enrolling in Catastrophic Coverage" which can be found in the "Resources" section.



**Marketplace Exemptions Assistance** Exit

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**Key Points**

- The information required on exemption applications varies by the type of exemption, but all information will be kept private and secure.
- Consumers should keep copies of their exemption applications, the original documents submitted with them, proof of mailing, and if an exemption is granted, their exemption certificate.
- Consumers will need their ECN if they choose to enroll in catastrophic coverage and they'll use it for their federal income tax return.

You've successfully completed this course.

Click **EXIT** to leave the course and take the Marketplace Exemptions Assistance exam. Once you've started an exam, you must complete it. If you need to stop and return to it later, your progress won't be saved. You'll need to start the exam over from the beginning.

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## Key Points

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## Marketplace Exemptions Assistance Resources

### **Applying for an Exemption: Information and Application**

Provides information on the individual shared responsibility payment, types of exemptions as well as links to exemption applications.

<https://www.healthcare.gov/exemptions/>

### **Exemption Application - Exemption Based on Affordability of Coverage**

A paper application for exemption in the Federally-facilitated Marketplace from the individual shared responsibility payment based on affordability of coverage.

<https://marketplace.cms.gov/applications-and-forms/affordability-ffm-exemption-2015.pdf>

### **Exemption Application - Exemption Based on Affordability of Coverage**

A paper application for exemption from the individual shared responsibility payment based on affordability of coverage in the State-based Marketplace.

<https://marketplace.cms.gov/applications-and-forms/affordability-sbm-exemption-2015.pdf>

### **Exemption Application - Exemption Based on a Hardship**

A paper application for exemption from the individual shared responsibility payment based on hardship.

<https://marketplace.cms.gov/applications-and-forms/hardship-exemption.pdf>

### **Exemption Application - Exemption Based on Membership in a Health Care Sharing Ministry**

A paper application for exemption from the individual shared responsibility payment based on membership in a health care sharing ministry.

<http://marketplace.cms.gov/applications-and-forms/sharing-ministry-exemption.pdf>

### **Exemption Application - Exemption Based on Membership in a Recognized Religious Sect**

A paper application for exemption from the individual shared responsibility payment based on membership in a recognized religious sect whose members object to insurance.

<http://marketplace.cms.gov/applications-and-forms/religious-sect-exemption.pdf>

### **Exemption Application - Exemption for Members of a Federally Recognized Tribe or Eligibility for Services through an Indian Health Services Provider**

A paper application for exemption from the individual shared responsibility payment based on membership in a federally recognized tribe or eligibility for services through an Indian Health Services provider.

<https://marketplace.cms.gov/applications-and-forms/tribal-exemption.pdf>

**Exemption Application - Exemption Based on Incarceration**

A resource that explains the requirements for an exemption from the individual shared responsibility payment based on incarceration status.

<http://marketplace.cms.gov/applications-and-forms/incarceration-exemption.pdf>

**Catastrophic Coverage**

Details regarding Catastrophic coverage.

<https://www.healthcare.gov/choose-a-plan/plans-categories/#catastrophic>