

Earlier Marketplace Open Enrollment Calls Attention to Tax Compliance, Higher Penalties

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Beginning November 1, Taxpayers Could Learn They Lost Eligibility for Premium Tax Credit

KANSAS CITY, MO -- (Marketwired) -- 10/30/15 -- H&R Block (NYSE: HRB) will be ready to assist consumers when the federal health care marketplace and many state marketplaces begin open enrollment November 1, which is two weeks earlier than last year. Whether it's to help consumers gain a better understanding of the tax implications, learn of potential penalties, or select and enroll/re-enroll in a health care plan, H&R Block has services to help.

Open enrollment begins and ends two weeks earlier than last year, but again will last three months. After open enrollment ends January 31, 2016, taxpayers can't enroll unless they qualify for a special enrollment period. Generally, these are available after life changes, such as having a change in family status, moving to a new coverage area, or losing non-marketplace health insurance.

"It is important for taxpayers to act early to get health insurance coverage for 2016. The open enrollment season begins and ends earlier than it has in the past, so families must make health care decisions sooner rather than later," said Mark Ciaramitaro, vice president of H&R Block taxes and health care services.

Taxpayers who do not enroll in health insurance for 2016 and do not qualify for an exemption could face much higher penalties for 2016 than what they will on their 2015 returns. And, taxpayers who haven't filed a 2014 return won't be eligible for the Advance Premium Tax Credit (APTC) until their 2014 tax returns are filed. Taxpayers who filed 2014 returns and reconciled their APTC will be able to attest they complied with these requirements and continue to receive APTC in 2016, even if the marketplace has not yet received 2014 filing data from the IRS.

The marketplace will automatically re-enroll taxpayers currently enrolled in health plans. Some of these taxpayers may be re-enrolled without the APTC if they don't provide new information about their household and income; some re-enrollments could be based on information provided in 2013 and not place taxpayers in the plans that best meet their current needs.

Whether taxpayers are visiting a health care marketplace for the first time or re-enrolling, they can also receive free assistance from licensed health care advisors through [H&R Block's partnership with GoHealth](#).

For the third year, H&R Block offers nationwide health insurance enrollment services through GoHealth. The enrollment services, free of charge, help consumers understand their options, apply for the APTC, and select and enroll in health insurance coverage.

Tax compliance new requirement for APTC eligibility

Taxpayers can lose their eligibility for the APTC if they have not filed the necessary tax forms. The APTC, which lowers the monthly cost of health insurance, reduces premiums. Anyone who received the APTC for 2014 needed to file [form 8962](#) with their 2014 return to ensure they received the proper amount. The marketplace will use that information to determine qualification to continue receiving the APTC for the 2016 plan year.

Those who received the APTC in 2014 and either did not file a 2014 return or who did not include the required form, as of May [an estimated 1.8 million households](#), will not qualify for the APTC when they enroll in marketplace coverage for 2016. To regain eligibility and continue receiving the tax credit, taxpayers should file a 2014 return or amend a 2014 return to include form 8962 as soon as possible.

H&R Block can also assist taxpayers with estimating their 2016 income. The marketplace uses this estimate to determine the amount of the taxpayer's APTC. If the estimate is inaccurate, taxpayers may end up having to repay some or all of the

APTC received or they may get some credit increasing their refund. Two-thirds of H&R Block tax filers who received the APTC in 2014 underestimated their income and [had to repay an average of \\$729](#) when they filed their 2014 tax return. Taxpayers who automatically re-enroll in their current health care plan for 2016 may have income estimates they made as early as 2013 used to calculate their APTC.

Penalties for 2016 could be five times what they were in 2014

For 2016, penalties for being without insurance will increase for the second year in a row. Taxpayers will have to pay a penalty of \$695 per uncovered adult plus \$347.50 per uncovered child up to a maximum of \$2,085, or 2.5 percent of their household income over the filing threshold, whichever is greater. That means a family of four earning \$60,000 would pay a penalty of more than \$2,000. For 2014, their penalty would have been around \$400 and for 2015 it would be around \$975.

"According to IRS figures, taxpayers saw an average penalty of \$201 for 2014. The per-person penalty for 2016 will be much higher. The impact to taxpayers will be significant, making this open enrollment season one of the most important tax events for individuals and families this year," said Ciaramitaro.

Starting November 1, consumers can call a licensed health care advisor at 855-487-7026 or visit [GoHealth](#) online to find plans and enroll. They also may visit H&R Block's [ACA tax impact website](#) to access easy-to-understand ACA information, infographics, videos and FAQs, as well as a [tax calculator](#) that analyzes the impact of the ACA on an individual's specific situation.

About H&R Block

H&R Block, Inc. (NYSE: HRB) is the world's largest consumer tax services provider. More than 680 million tax returns have been prepared worldwide by and through H&R Block since 1955. In fiscal 2015, H&R Block had annual revenues of nearly \$3.1 billion with 24.2 million tax returns prepared worldwide. Tax return preparation services are provided by professional tax preparers in approximately 12,000 company-owned and franchise retail tax offices worldwide, and through H&R Block tax software products. H&R Block also offers adjacent Tax Plus products and services. For more information, visit the H&R Block Newsroom at <http://newsroom.hrblock.com/>.

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