

Deadline to Enroll in Marketplace Health Insurance Looms

January 27, 2016 9:00 AM ET

January 31 Deadline Last Opportunity to Avoid Penalties, Get Advanced Tax Credit

KANSAS CITY, MO -- (Marketwired) -- 01/27/16 -- The Jan. 31 deadline to enroll in the federal or state marketplace for 2016 coverage is the final opportunity for taxpayers to avoid increasing penalties and get the advance premium tax credit without a special life event. Whether visiting a health care marketplace for the first time or re-enrolling, taxpayers can receive free assistance from licensed health care advisors through [H&R Block's](#) (NYSE: HRB) [partnership with GoHealth](#).

Penalties could balloon

Those that do not enroll in health insurance for 2016 and do not qualify for an exemption could face much higher penalties for 2016. The penalty amount increases to \$695 per uncovered adult plus \$347.50 per uncovered child up to a maximum of \$2,085, or 2.5 percent of their taxable household income, whichever is greater. This is an increase from the 2015 amounts of \$325 per uncovered adult plus \$162.50 per uncovered child up to a maximum of \$975, or 2 percent of their taxable household income.

"The higher penalties could mean a substantial increase for some families without health insurance and time is running out to avoid these ballooning penalties," said Mark Ciaramitaro, vice president of H&R Block taxes and health care services.

Taxpayers may be surprised at how much their penalty increases for 2016, especially if they move from the percentage calculation to the flat-rate penalty. For example, a single, uncovered taxpayer who earned \$27,000 in 2015 would pay a \$334 penalty based on 2 percent of their adjusted income because it is greater than the flat-rate penalty of \$325 per person. In 2016, the percentage calculation increases from 2 percent to 2.5 percent, so the taxpayer may think the new penalty will be around \$416. However, because the flat-rate penalty increases to \$695 per person, the taxpayer must pay the greater amount. His penalty would therefore increase from \$334 to \$695 instead of about \$416.

Taxpayers should act to get an accurate premium tax credit

Even though the marketplace will automatically re-enroll taxpayers currently enrolled in health plans, taxpayers should still visit the marketplace during open enrollment to review their health plan and update their expected household size and income for the coming year. Some of these taxpayers may be re-enrolled with an inaccurate advance premium tax credit (APTC) amount if they don't provide up-to-date information about their household and income. This could result in a painful hit to their tax return when they reconcile their premium tax credit next year. Qualifying households should also consider enrolling in silver level plans to benefit from available cost-sharing subsidies, which reduce out-of-pocket costs like deductibles and copays.

"Taxpayers who were enrolled in a marketplace health insurance plan last year and are automatically re-enrolled may not need to worry about tax penalties, but they could still be paying if they lose the advance premium tax credit or have an outdated plan that doesn't meet their health care needs anymore," said Ciaramitaro.

Further, taxpayers who haven't filed a 2014 return won't be eligible for the APTC in 2016 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.

Free, impartial health insurance enrollment services help taxpayers under pressure

"With just a week left to compare plans, apply for the advance premium tax credit -- which includes estimating 2016 income -- and enroll in health insurance, taxpayers feeling the pressure can get free help from a licensed health care advisor

through H&R Block's partner GoHealth," said Ciaramitaro.

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.

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.

For help filing a 2014 or 2015 return, taxpayers can [make an appointment](#) in one of H&R Block's 12,000 offices or visit www.hrblock.com.

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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Source: H&R Block