

# MA Health Care Affordability Calculator

This calculator helps the counselor answer the affordability questions in TaxSlayer in the case where a taxpayer does not have full year coverage. If the taxpayer's AGI is  $\leq$  150% of the federal poverty level (FPL) or no gap is greater than 3 months, TSO will automatically exempt the penalty.

The calculator does not compute the penalty itself as TSO automatically will calculate based on the answers to the affordability questions.

Basic Filing Information and AGI Information:

Enter in filing status and family size. If filing MFS and the spouse lives in the household for even 1 day during the year, then family size is taxpayer, spouse, plus all dependents claimed by both taxpayer and spouse.

Enter AGI from Federal return. Only if filing MFS and spouse lived in the household for even 1 day, enter the AGI of the spouse. Otherwise, leave blank.

Calculator will determine if AGI is at or below 150% of FPL. If it is, STOP. No need to continue as TSO will automatically exempt the taxpayer from paying the penalty.

Test 1:

Eligibility for Employer-Sponsored Insurance:

If the taxpayer had an offer of insurance that covered the entire family, select "Yes" and enter the lowest monthly premium option offered.

If the taxpayer was not offered insurance or insurance didn't cover the entire family, select "No" and continue.

Test 2:

If the AGI is at or below 300% of FPL, the taxpayer was eligible for government-subsidized health insurance (generally either MassHealth or premium credits for a policy on the Mass Health Connector). There are some cases where even if AGI is at or below 300% FPL, the taxpayer is not eligible such as if not a citizen or legal

resident or if previously denied MassHealth or subsidized insurance. Also, if the taxpayer had an offer of employer insurance that covered just the individual, and that cost was < 9.56% of AGI (for 2018), then the taxpayer is not eligible.

#### Test 3:

The third test is if the taxpayer could purchase private insurance from Mass Health Connector that was affordable. Enter in the county of residence, age as of December 31 of previous year, and type of insurance plan required. Note that the insurance plan required is different from family size. The 3 choices are Individual (for Single and MFS with no dependents), Married Couple (MFJ with no dependents or MFS with spouse living in same household and no dependents) or Family (MFJ/MFS with dependents and HoH).

If all 3 tests are not affordable, then no penalty will be assessed. The 3 tests align with the 3 questions asked in TSO Health Care Menu/Affordability Questions.

Note that for MFJ, results of tests 1 and 3 are always the same for taxpayer and spouse. It is possible for test 2 to have a different answer for taxpayer and spouse. (E.g. one spouse is not a legal resident or one spouse is offered individual insurance and not the other). In this case, run through the calculator once for the taxpayer and once for spouse. Most data will be the same.