

Dear Client(s):

I am certain you have become aware through the media of what is known as the Individual Mandate of the Affordable Care Act which will impact every individual in America in 2014 and will require certain reporting on your 2014 U. S. Individual Federal Income Tax Return.

There are numerous new complicated and time consuming forms that will have to be completed to validate your coverage of health insurance for every member of your household reported on your tax return.

In preparing your 2013 U. S. Individual Federal Income Tax Return we encountered the first provisions of the Affordable Health Care Act, ACA, the .9% additional Medicare Tax and the 3.8% Net Investment Income Tax. Changes to the amount of Medical that could be deducted as well as the taxability of Medical Loss Rebates, those refund amounts from your health insurance carrier that had an impact on your return.

Preparing your 2014 return will include the reporting of your health insurance whether or not you obtained it through the HealthCare Exchange or purchased it privately from a carrier.

Our firm has taken every opportunity to learn about the impact of the Affordable HealthCare Act and how it will affect you and your taxes. We continue to study and attend seminars to address this complex legislation which will impact taxpayers progressively into the future.

We want to take this opportunity to thank you for your trust in us and to inform you that we have tried to keep our fees for return preparation reasonable and respectful of you, however, the time commitment to preparing returns with the implementation of the Affordable HealthCare Act is simply beyond our control. Without question, the time it will take to prepare your 2014 tax return will increase, therefore resulting in higher fees.

In order to keep your costs as manageable as possible, we are enclosing a chart to fill out. It will also be enclosed electronically with your year-end e-mail newsletter in the next few days, and again on paper in your tax package (3 times in all). This is extremely important and every client must fill it out and provide it. We will need this information to prepare your 2014 return. If we have to ask you for it after the fact or provide it to you an additional time, the time wasted will increase fees further.

Our commitment to you remains strong - our fee will represent the quality of our work and will always represent a value to you.

Sincerely,
Phil

HEALTH INSURANCE COVERAGE INFORMATION - for INDIVIDUALS - information for your professional tax preparer

List all individuals listed on the tax return including taxpayer / spouse / dependents	Insurance coverage provided by....	Number of months covered....	Did you receive a Form 1095?
For each person listed on the tax return, please provide the applicable insurance coverage information	Name of insurance coverage including private carriers such as Unitedhealth, Kaiser, HMSA, etc. as well as government plans including Medicare, Medicaid, VA, Tricare, ChampVA, Quest, etc. If "no coverage" please enter that and explain below.	Were you covered by this policy for the entire calendar tax year? If not, please provide dates of coverage and reasons for any period when any individual did not have coverage. Use lines below for more space to write your explanation.	If you received a Form 1095-A, 1095-B, or 1095-C, you must include it with your tax data. No exceptions. If such a form is attached, please enter "Yes / attached" in this space.
1)			
2)			
3)			
4)			
5)			
6)			

ADDITIONAL EXPLANATION regarding insurance coverage issues for any individuals who are listed on your tax return including change in policy, periods with no insurance, and reason.

- 1) _____
- 2) _____
- 3) _____
- 4) _____
- 5) _____
- 6) _____

TAXPAYER ATTESTATION: The above information is true and correct to the best of my knowledge. Signature _____ Date _____

COVERAGE INFORMATION - for INDIVIDUALS with INSURANCE through the HEALTH INSURANCE MARKETPLACE [called MARKETPLACE, also often called the EXCHANGE].

You should have received Form 1095-A as they are required to provide it to you by January 31st each calendar year. MEMO: If you have received a Form 1095 A, B, or C and have not attached it to this worksheet be advised, it must be provided as your return cannot be completed without it. If you cannot find it, you must obtain another copy so that it can be provided to your tax preparer.

If you have not received a Form 1095-A from your MARKETPLACE health insurance provider, you must follow-up with your insurance company and obtain a copy of the form. The most common reason for not receiving a copy of the Form: A recent CHANGE OF ADDRESS.

The IRS instructions to the Recipient for FORM 1095-A say: You received this Form 1095-A because you or a family member enrolled in health insurance coverage through the Health Insurance Marketplace.

Form 1095-A provides the needed information to complete Form 8962 (Premium Tax Credit aka PTC) which must be completed and filed with your tax return if you wish to claim the premium tax credit whether or not you received advance credit payments at the time that you enrolled.

NOTE THIS: For issues related to the PTC, Form 8962 must be filed even if you would not otherwise be required to file a federal tax return.

Form 1095-A is your copy of what The Health Insurance Marketplace has reported to the IRS. You will receive a separate Form 1095-A for each policy obtained through The Health Insurance Marketplace.

There are additional forms in order to be in compliance with the ACA (Affordable Care Act). Please allow for that as you carefully and completely gather your tax data. As a result of the required additional reporting, additional preparation time is also necessary in order to meet all of the requirements. Please allow your preparer more time. As has been reported widely in the news, there are penalties for being out of compliance (not having the required insurance). Please allow for that, too, as applicable.