

## **Federal Guidelines Announce New Exemption from Affordable Care Act Tax Penalty**

### **Hardship Exemption Guidance Issued**

On April 9, 2018 the federal government issued guidance regarding hardship exemptions. It indicated the federal government may grant a hardship exemption to individuals living in a county where there was only one health insurer offering individual health insurance coverage on the federally facilitated health insurance exchange (FFE). A hardship exemption is an approved reason for waiving a penalty fee for not having minimum essential coverage under the Affordable Care Act.

### **Do I Qualify?**

To qualify, the applicant must show that the resulting lack of choice precluded them from obtaining coverage for a qualified health plan. The FFE will relax the documentary support requirement where documentary evidence is not readily available. In lieu of documentation, you can provide a written explanation that details how having only one insurer and a lack of choice on the FFE prevented you from getting coverage from a plan offered on the FFE.

### **Applying for the Exemption**

To apply for this exemption, a hardship exemption application must be completed, specifically “2017 Hardship Exemptions, #14: You experienced another hardship...” In section 2 of that particular form, an applicant will need to provide a brief explanation of how having only one major medical insurer on the FFE prevented him or her from obtaining coverage. You will also be required to provide documentation, when available, to show that the hardship occurred within the current calendar year or up to two years earlier.

A copy of the application form is located at this link, under option 14:

<https://www.healthcare.gov/health-coverage-exemptions/hardship-exemptions/>

If you have any questions regarding this exemption, you may wish to talk to your tax preparer or financial advisor. Questions about the application form and what constitutes sufficient documentation and/or written explanation of why an exemption may be granted should be directed to healthcare.gov at <https://www.healthcare.gov/contact-us/> or 1-800-318-2596.

### **More Information**

If you have insurance-related questions or concerns, please call the Department’s toll-free hotline at 1-877-564-7323. Additional information is available on our website at [www.doi.nebraska.gov](http://www.doi.nebraska.gov).