

# Individual Health Insurance Mandate for Rhode Island Residents

## Individual Health Insurance Form and Shared Responsibility Worksheet

### GENERAL INSTRUCTIONS

#### PURPOSE OF FORM

Pursuant to R.I. Gen. Laws § 44-30-101, beginning after December 31, 2019, Rhode Island residents are required to maintain health insurance, known as "Minimum Essential Coverage" or be subject to a tax known as the "Shared Responsibility Payment Penalty". Rhode Island's individual health insurance mandate is based, in part, on the federal mandate established under the Patient Protection and Affordable Care Act (Pub. Law 111-148).

The Rhode Island Individual Health Insurance Mandate requires each applicable individual to have health insurance coverage, have a health coverage exemption, or make a shared responsibility payment with their Rhode Island personal income tax return.

Forms RI-1040 and RI-1040NR include a checkbox on page 1 to indicate if all members of your tax household had minimum essential coverage for the full year. Part-year residents filing Form RI-1040NR may check the checkbox on page 1, line 15b if all members of the tax household had minimum essential health coverage for the months they were Rhode Island residents.

**Form IND-HEALTH and the Shared Responsibility Worksheet** are to be used and filed with your personal income tax return if not all members of your tax household had minimum essential coverage for the full year, and you are unable to check the "Full-year health care coverage" checkbox on page 1 of Form RI-1040 or RI-1040NR.

Use these instructions to determine your Shared Responsibility Payment if for any month during the year you or another member of your tax household did not have minimum essential health coverage. If you can claim any part-year exemptions for specific members of your tax household, use Form IND-HEALTH form. This will reduce the amount of your shared responsibility payment.

#### Coverage exemptions

If you cannot check the "Full-year health care coverage" checkbox on page 1 of Form RI-1040 or RI-1040NR, Form IND-HEALTH must be completed. If you or a member of your tax household did not have full-year health coverage and were not granted an exemption, Form IND-HEALTH must still be completed.

#### Shared responsibility payment

You must make a shared responsibility payment if, for any month, you or another member of your tax household did not have minimum essential health-care coverage or a coverage exemption. See the Shared Responsibility Worksheet to determine your payment, if any. Report your Shared Responsibility Payment on Form RI-1040, line 12b or Form RI-1040NR, line 15b.

#### Who Must File

Form IND-HEALTH, along with the Shared Responsibility Worksheet, must be filed if all of the following apply:

- You are filing a Form RI-1040 or RI-1040NR.
- You cannot be claimed as a dependent by another taxpayer.
- For one or more months of 2023, you or someone else in your tax household did not have minimum essential coverage.

Use Form IND-HEALTH to report or claim a coverage exemption if you can claim any part-year exemptions or exemptions for specific members of your tax household. This will reduce the amount of your shared responsibility payment.

#### Not required to file a tax return

If you are not required to file a tax return, your tax household is exempt from the shared responsibility payment and you do not need to file a tax return to claim the coverage exemption. However, if you are not required to file a tax

return but choose to file anyway, enter "NC" for each month and for each tax household member on Form IND-HEALTH.

#### In Summary

If, during 2023, each individual who is a member of your tax household for any month had coverage for all the months they were members of your tax household and residents of Rhode Island, you will check the "Full-year health care coverage" box on your return.

If, during 2023, one or more members of your tax household did not have minimum essential coverage, complete Form IND-HEALTH being sure to list ALL members of your tax household (**not just those with months of non-coverage**). You will also need to complete the Shared Responsibility Worksheet. Be sure to attach both the form and the worksheet to your tax return.

#### DEFINITIONS

##### BIRTH, DEATH, OR ADOPTION

An individual is included in your tax household in a month only if he or she is alive for the full month.

##### Adoption:

If you adopt a child during the year, the child is included in your tax household only for the full months that follow the month in which the adoption occurs.

Use Coverage Exemption Code "H1" for the month in which the adoption occurred and for all of the months preceding that month.

For example, if you adopt a child on October 10, 2023, you would enter "H1" for the months of January through October on Form IND-HEALTH.

##### Birth:

If you or your spouse gives birth during the year, the child is included in your tax household only for the full months that follow the month in which the birth occurs.

Use Coverage Exemption Code "H1" for the month in which the birth occurred and for all of the months preceding that month.

For example, if you or your spouse gave birth in April of 2023, you would enter "H1" for the months of January through April on Form IND-HEALTH.

##### Death:

If a member of your tax household passes away during the year, the household member is included in your tax household only for the full months preceding the month in which the passing occurs.

Use Coverage Exemption Code "H2" for the month in which the death occurred and for the months following for the rest of the year.

For example, if a member of the tax household passes away in May of 2023, you would enter "H2" for the months of May through December on Form IND-HEALTH.

##### CHILD

Means any individual under the age of eighteen (18).

For the purposes of minimum essential coverage and for calculating the shared responsibility payment, a dependent under the age of eighteen (18) on January 1st of the calendar year is considered a child for the entire calendar year.

# Individual Health Insurance Mandate for Rhode Island Residents

## Individual Health Insurance Form and Shared Responsibility Worksheet

### COVERAGE EXEMPTION CODES AND REASONS

Page IND-9 of these Instructions includes a chart of coverage exemptions allowed under 26 U.S. Code § 5000A(e). In addition to those exemptions allowed under 26 U.S. Code § 5000A(e), the chart includes other valid circumstances in which a member of your tax household may be exempt from minimum essential coverage requirements.

These Coverage Exemptions, if applicable, may be used to reduce your Shared Responsibility Payment.

#### **The Coverage Exemption Reasons are:**

- Income Below the Filing Threshold
- Coverage Considered Unaffordable
- Short Coverage Gap
- Citizens Living Abroad & Certain Noncitizens
- Members of a Healthcare Sharing Ministry
- Minimum Essential Health Coverage
- Incarceration
- Aggregate Self Only Coverage Considered Unaffordable
- HealthSource RI Exemption
- Member of Tax Household Born or Adopted During the Year
- Member of Tax Household Died During the Year

### DEPENDENT

An individual who is or may become eligible for minimum essential coverage under the terms of a health insurance plan because of a relationship to a qualified individual or enrollee.

### DEPENDENTS OF MORE THAN ONE TAXPAYER

Your tax household does not include someone you can, but do not, claim as a dependent if the dependent is properly claimed on another taxpayer's return.

### HOUSEHOLD INCOME

Your household income is your modified adjusted gross income (MAGI) plus the MAGI of each individual in your tax household whom you claim as a dependent if that individual is required to file a tax return because his or her income meets the income tax return filing threshold.

### MINIMUM ESSENTIAL COVERAGE

"Minimum essential coverage" has the same meaning as set forth in 26 U.S.C § 5000A(f), as in effect on December 15, 2017:

#### **1. In general.**

The term "minimum essential coverage" means any of the following:

- a. Government sponsored programs. Coverage under:
  - (1) The Medicare program under the Social Security Act, 42 U.S.C. § 1395(c) et seq.,
  - (2) The Medicaid program under the Social Security Act, 42 U.S.C. § 1396 et seq.,
  - (3) The CHIP program under the Social Security Act, 42 U.S.C. § 1397(aa) et seq.,
  - (4) Medical coverage under 10 U.S.C. § 1071 et seq., including coverage under the TRICARE program;
  - (5) A health care program under 38 U.S.C. §§ 1701 et seq. or 1801 et seq., as determined by the Secretary of Veterans Affairs, in coordination with the Secretary of Health and Human Services and the Secretary of the Treasury,
  - (6) A health plan under 22 U.S.C. § 2504(e) (relating to Peace Corps volunteers); or
  - (7) The Nonappropriated Fund Health Benefits Program of the Department of Defense, established under the National Defense Authorization Act for Fiscal Year 1995, 10 U.S.C. § 1587 (1995) note.
- b. Employer-sponsored plan. Coverage under an eligible employer-sponsored plan.

- c. Plans in the individual market. Coverage under a health plan offered in the individual market within a state.
- d. Grandfathered health plan. Coverage under a grandfathered health plan.
- e. Other coverage. Such other health benefits coverage, such as a state health benefits risk pool, as the federal Secretary of Health and Human Services, in coordination with the Secretary of the Treasury, recognizes for purposes of this subsection.

#### **2. Eligible employer-sponsored plan.**

The term "eligible employer-sponsored plan" means, with respect to any employee, a group health plan or group health insurance coverage offered by an employer to the employee which is:

- a. A governmental plan (within the meaning of the Public Health Service Act, 42 U.S.C. § 300gg-91(d)(8)), or
- b. Any other plan or coverage offered in the small or large group market within a state.
- c. Such term shall include a grandfathered health plan described in § 15.6 (G)(1)(d) of this Part offered in a group market.

#### **3. Excepted benefits not treated as minimum essential coverage.**

The term "minimum essential coverage" shall not include health insurance coverage which consists of coverage of excepted benefits:

- a. Described in the Public Health Service Act, 42 U.S.C. § 300gg-91(c)(1); or
- b. Described in the Public Health Service Act, 42 U.S.C. § 300gg-91(c)(2), (3) or (4) if the benefits are provided under a separate policy, certificate, or contract of insurance.

#### **4. Individuals residing outside United States or residents of territories.**

Any applicable individual shall be treated as having minimum essential coverage for any month:

- a. If such month occurs during any period described in 26 U.S.C. § 911(d)(1)(A) or (B) which is applicable to the individual, or
- b. If such individual is a bona fide resident of any possession of the United States (as determined under 26 U.S.C. § 937(a)) for such month.

### MODIFIED ADJUSTED GROSS INCOME

Modified Adjusted Gross Income ("MAGI") is determined by adding to your federal adjusted gross income any amount excluded from gross income under section 911, and any amount of interest received or accrued by the taxpayer during the taxable year which is exempt from tax.

See page IND-6 of these instructions for tables to assist you in calculating the MAGI for your tax household.

### PART YEAR RESIDENT

An individual who is a Rhode Island resident as defined in R.I. Gen. Laws § 44-30-5 for less than the full calendar year is only required to maintain minimum essential health coverage for those months as a Rhode Island resident.

A part year resident should enter Coverage Exemption Code "N" for those months during which he or she was not a resident of Rhode Island as well as the month in which the individual either became or ceased to be a Rhode Island resident.

For example, a member of your tax household moves to the state of Alaska in September of 2023, you would enter "N" for the months of September through December for that tax household member on Form IND-HEALTH.

#### **Individuals residing outside United States or residents of territories.**

Any applicable individual shall be treated as having minimum essential coverage for any month:

- a. If such month occurs during any period described in 26 U.S.C. § 911(d)(1)(A) or (B) which is applicable to the individual, or

# Individual Health Insurance Mandate for Rhode Island Residents

## Individual Health Insurance Form and Shared Responsibility Worksheet

b. If such individual is a bona fide resident of any possession of the United States (as determined under 26 U.S.C. § 937(a)) for such month.

### **SHARED RESPONSIBILITY PAYMENT PENALTY**

Tax assessed when a taxpayer fails to maintain minimum essential coverage for each month of the calendar year

### **SHORT COVERAGE GAP**

You generally can claim a coverage exemption for yourself or another member of your tax household for each month of a gap in coverage of less than 3 consecutive months. If an individual had more than one short coverage gap during the year, the individual is exempt only for the month(s) in the first gap. If an individual had a gap of 3 months or more, the individual is not exempt for any of those months.

### **TAX HOUSEHOLD**

For purposes of Form IND-HEALTH, your tax household generally includes you, your spouse (if filing a joint return), and any individual you claim as a dependent on your tax return. It also generally includes each individual you can, but do not, claim as a dependent on your tax return.

## COVERAGE EXEMPTION DESCRIPTIONS

### **Code "A" = Coverage Considered Unaffordable**

You can claim a coverage exemption for yourself or another member of your tax household for any month in which:

- 1 The individual is eligible for coverage under an employer plan and that coverage is considered unaffordable, or
- 2 The individual isn't eligible for coverage under an employer plan and the coverage available for that individual through the Marketplace is considered unaffordable.
- 3 Coverage is considered unaffordable if the individual's required contribution (described later) is more than 8.17% (0.0817) of household income.

Use the Affordability Worksheet on page IND-10 to help you determine if coverage is considered unaffordable for one or more months throughout the year for yourself or another family member allowing you to use Code "A" for that month(s).

### **Code "B" = Short Coverage Gap**

You generally can claim a coverage exemption for yourself or another member of your tax household for each month of a gap in minimum essential coverage of less than three (3) consecutive months. If an individual had more than one short coverage gap during the year, the individual is exempt only for the month(s) in the first gap. If an individual had a gap of three (3) months or more, the individual is not exempt for any of those months.

For example:

#### **Single gap in coverage less than three consecutive months**

Ruth had coverage from her employer for her and her spouse for every month through July. Her spouse was able to sign up for coverage for them, but the coverage was not effective until October. Because they were only without coverage for the months of August and September, Ruth and her spouse are eligible for the short coverage gap exemption for the months of August and September. Ruth and her spouse would each enter "B" for the months of August and September.

#### **Single gap in coverage for three or more consecutive months**

Eddie had coverage each month until September. This left Eddie without coverage for three months - October, November and December. Because Eddie did not have minimum essential coverage for three or more consecutive months, he is **not** eligible for the Short Coverage Gap exception.

#### **Multiple gaps in coverage**

Teddy had coverage for every month except February, March, October, and November. Teddy is eligible for the short coverage gap exemption only for February and March. Teddy would enter "B" for the months of February and March only, and would be subject to the Shared Responsibility Payment Penalty for the months of October and November.

### **Code "C" = Citizens Living Abroad and Certain Noncitizens**

You can claim a coverage exemption for yourself or another member of your tax household to which any of the following apply.

The individual is a U.S. citizen or a resident alien who is physically present in a foreign country (or countries) for at least 330 full days during any period of 12 consecutive months. You can claim the coverage exemption for any month during your tax year that is included in the 12-month period. For more information, see Physical Presence Test in Pub. 54.

The individual is a U.S. citizen who is a bona fide resident of a foreign country (or countries) for an uninterrupted period which includes the entire tax year. You can claim the coverage exemption for the entire year. For more information, see Bona Fide Residence Test in Pub. 54.

The individual is a resident alien who is a citizen or national of a foreign country with which the U.S. has an income tax treaty with a nondiscrimination clause and who is a bona fide resident of a foreign country for an uninterrupted period that includes the entire tax year. You can claim the coverage exemption for the entire year. For more information, see Bona Fide Residence Test in Pub. 54.

The individual is a bona fide resident of a U.S. territory. You can claim the coverage exemption for the entire year.

The individual isn't lawfully present in the U.S. and isn't a U.S. citizen or U.S. national. For this purpose, an immigrant with Deferred Action for Childhood Arrivals (DACA) status is not considered lawfully present and therefore qualifies for this exemption. For more information about who is treated as lawfully present for purposes of this coverage exemption, visit [www.HealthCare.gov](http://www.HealthCare.gov).

The individual is a nonresident alien, including (1) a dual-status alien in the first year of U.S. residency and (2) a nonresident alien or dual-status alien who elects to file a joint return with a U.S. spouse. You can claim the coverage exemption for the entire year. This exemption doesn't apply if you are a nonresident alien for 2023, but met certain presence requirements and elected to be treated as a U.S. resident. For more information, see Pub. 519.

### **Code "D" = Members of a Health Care Sharing Ministry**

You can claim a coverage exemption for yourself or another member of your tax household for any month in which the individual was a member of a health care sharing ministry for at least one (1) day in the month.

Use Coverage Exemption Code "D" for the months which apply.

In general, a health care sharing ministry is a tax-exempt organization whose members share a common set of ethical or religious beliefs and share medical expenses in accordance with those beliefs, even after a member develops a medical condition. For you to qualify for this exemp-

# Individual Health Insurance Mandate for Rhode Island Residents

## Individual Health Insurance Form and Shared Responsibility Worksheet

tion, the health care sharing ministry (or a predecessor) must have been in existence and sharing medical expenses continuously and without interruption since December 31, 1999. An individual who is unsure whether a ministry meets the requirements should contact the ministry for further information.

the entire year.

Use Coverage Exemption Code "G1" for you and your household members for the entire year if you are eligible for this coverage exemption.

### **Code "E" = Members of Indian Tribes or Individuals Otherwise Eligible for Services from an Indian Health Care Provider**

You can claim a coverage exemption for yourself or another member of your tax household for any month in which the individual was a member of a federally recognized Indian tribe, including an Alaska Native Claims Settlement Act (ANCSA) Corporation Shareholder (regional or village), for at least 1 day in the month. The list of village or regional corporations formed under ANCSA is available at:  
<https://www.ncsl.org/research/state-tribal-institute/list-of-federal-and-state-recognized-tribes.aspx>

You also can claim a coverage exemption for yourself or another member of your tax household for any month in which the individual was eligible for services through an Indian health care provider or through the Indian Health Service.

Use Coverage Exemption Code "E" for the months which apply.

### **Code "F" = Incarceration**

You can claim a coverage exemption for yourself or another member of your tax household for any month in which the individual was incarcerated for at least one (1) day in the month. For this purpose, an individual is considered incarcerated if he or she was confined, after the disposition of charges, in a jail, prison, or similar penal institution or correctional facility.

Use Coverage Exemption Code "F" for the months in which the individual was incarcerated.

For example, if the individual was incarcerated from March 24 until June 1, enter "F" for the months of March through June on Form IND-HEALTH.

See Code "X" on page IND-5 if there was a time period when the household member had minimum essential coverage for the months prior to or after incarceration.

### **Code "G1" = Aggregate Self-only Coverage Considered Unaffordable**

You and any other members of your tax household you list on your 2023 tax return (such as yourself, your spouse if filing jointly, and your dependents) who can't be claimed as a dependent on someone else's 2023 tax return can claim a coverage exemption for all months in 2023 if, for at least one month in 2023, all of the following conditions apply:

- 1) The cost of self-only coverage through employers for two or more members of your tax household doesn't exceed 8.17% of household income when tested individually,
- 2) The cost of family coverage that the members of your tax household described in condition 1 could enroll in through an employer exceeds 8.17% of household income, **and**
- 3) The combined cost of the self-only coverage identified in condition 1 exceeds 8.17% of household income.

If you meet the requirements just described, you and any other members of your tax household that you list on your 2023 tax return who can't be claimed as dependents on someone else's 2023 tax return are exempt for

### **Code "H1" = Member of Tax Household Born or Adopted During the Year**

Your tax household for a month only includes individuals who were alive for the entire month. In general, if an individual was added to your tax household by birth or adoption and that individual had minimum essential coverage, you do not need to file Form IND-HEALTH solely to report that fact.

For example, if all members of your tax household, as well as the newborn or adopted individual, had minimum essential coverage for every month of the year they are part of your tax household and residents of Rhode Island, check the "Full-year health care coverage" box on Form RI-1040, line 12b or Form RI-1040NR, line 15b. You do not need to file Form IND-HEALTH.

However, if you had or adopted a child during 2023 and you are claiming a coverage exemption (other than code "H1") for one or more months on Form IND-HEALTH, you can claim a coverage exemption for that child for the months before (and including) the month when the child was born or adopted.

To claim this coverage exemption, enter code "H1" for the month in which the child was born or adopted and the months preceding that month to the beginning of the year.

For example, Jamison was born in September. His parents did not have minimum essential coverage for any of 2023. When Jamison's parents complete Form IND-HEALTH, code "H1" would be entered for Jamison for the months of January through September. October, November and December would be left blank.

In addition, if Jamison was born in October rather than September, when Jamison's parents complete Form IND-HEALTH, code "H1" would be entered for Jamison for the months of January through October and code "B" would be entered for the months of November and December. Even though Jamison's parents cannot claim the Short Coverage Gap (code "B") exemption, they can claim it for their newborn child.

### **Code "H2" = Member of Tax Household Died During the Year**

Your tax household for a month only includes individuals who were alive for the entire month. In general, if a member of your tax household died during the year, you do not need to file Form IND-HEALTH solely to report that fact.

For example, if all members of your tax household, including the decedent prior to death, had minimum essential coverage for every month they are part of your tax household and residents of Rhode Island, check the "Full-year health care coverage" box on Form RI-1040, line 12b or Form RI-1040NR, line 15b. You do not need to file Form IND-HEALTH.

However, if a member of your tax household died during 2023 and you are claiming a coverage exemption (other than code "H2") for one or more months on Form IND-HEALTH, you can claim a coverage exemption for the months following (and including) the month of his or her death.

To claim this coverage exemption, enter code "H2" for the month in which the household member passed away along with the months through the end of the year.

For example, Nick did not have minimum essential coverage from January through April. Nick had coverage starting in May and until he passed

# Individual Health Insurance Mandate for Rhode Island Residents

## Individual Health Insurance Form and Shared Responsibility Worksheet

away in July. When Form IND-HEALTH is completed for the tax household which Nick is a part of, no code would be entered in January through April; May and June would have code "X" and the rest of the year would have code "H2".

### **Code "N" = Nonresident During the Year**

An individual who is a Rhode Island resident as defined in R.I. Gen. Laws § 44-30-5 for less than the full calendar year is only required to maintain minimum essential health coverage for those months during which the individual is a Rhode Island resident.

#### **Part-year Resident of Rhode Island:**

A part-year resident who, along with all members of his/her tax household had minimum essential coverage for all of the months when they were Rhode Island residents, does not need to file Form IND-HEALTH. Instead, the box on RI-1040NR, line 15b will be checked.

A part year resident who, along with all members of his/her tax household did not maintain minimum essential coverage for all of the months when they were Rhode Island residents, should enter Coverage Exemption Code "N" for those months during which he or she was not a resident of Rhode Island as well as the month in which the individual either became or ceased to be a Rhode Island resident.

For example, a member of your tax household moves to the state of Alaska in September of 2023. During the months prior to September the household member had minimum essential coverage from January until May. You would enter "N" for the months of September through December for that tax household member on Form IND-HEALTH.

See Code "X" in the next column for the time period when the household member had minimum essential coverage prior to moving out of state.

#### **Nonresident of Rhode Island:**

A full-year nonresident is not subject to Rhode Island's requirement to maintain minimum essential health coverage. The full-year nonresident will not complete Form IND-HEALTH and will **not** check the "Full-year health care coverage" box on Form RI-1040NR.

### **Code "NC" = Income Below Filing Threshold**

You qualify for this exemption if your household income is less than the amount of gross income requiring you to file a return as set forth in R.I. Gen. Laws § 44-30-51.

First, determine your household income for the taxable year (see definition of Household Income on page IND-2). Then compare your household income to the state filing threshold that applies to you based on your filing status and your dependents.

If you qualify for this coverage exemption, everyone in your tax household is exempt for the entire year.

#### **Minimum filing threshold:**

Standard Deduction Amounts:

Single	\$10,000
Married Joint	\$20,050
Qualifying Widow(er)	\$20,050
Married Separate	\$10,025
Head of Household	\$15,050

Exemption Amount: \$4,700

Multiply the Exemption Amount above by the number of members you would claim on your personal income tax return and then add that to the applicable Standard Deduction Amount from the list above.

If your gross income or the income of your household is less than the mini-

mum threshold required for filing a tax return for tax year 2023, enter Coverage Exemption Code "NC" for each month and for each household member on Form IND-HEALTH.

### **Code "X" = Minimum Essential Health Coverage**

If you and each member of your tax household had minimum essential health coverage for each month of tax year 2023, you should check the box on Form RI-1040, line 12b or Form RI-1040NR, line 15b to indicate your tax household had minimum essential health coverage for the whole year. You will not complete Form IND-HEALTH.

If, at some point during tax year 2023, you or a member of your household did not have minimum essential coverage, you should enter Coverage Exemption Code "X" for those months in which you and other members of your tax household DID have minimum essential health coverage.

You are considered to have minimum essential coverage for a month if you have that coverage for at least one (1) day during that month.

### **Code "RI" = HealthSource RI Exemption**

HealthSource RI will be accepting applications from Rhode Islanders who may be exempt from the Shared Responsibility Payment. You may apply for an exemption from HealthSource RI for the following categories:

#### **Members of Certain Religious Sects**

Members of certain religious sects (enter ECN). An individual may claim a coverage exemption for members of recognized religious sects only if the Marketplace has granted the individual an exemption.

#### **Hardship Affecting Ability to Purchase Coverage**

You can claim a coverage exemption for yourself or another member of your tax household for 2023 if you experienced a hardship that prevented you from obtaining minimum essential coverage. Hardship exemptions usually cover the month before the hardship, the months of the hardship, and the month after the hardship.

Hardships can include:

- Being homeless;
- Being evicted or facing eviction or foreclosure;
- Receiving a shut-off notice from a utility company;
- Experiencing domestic violence;
- Experiencing the death of a close family member;
- Experiencing a fire, flood, or other natural or human-caused disaster that caused substantial damage to your property;
- Filing for bankruptcy;
- Having unreimbursed medical expenses in the last 24 months that resulted in substantial debt;
- Experiencing unexpected increases in necessary expenses due to caring for an ill, disabled, or aging family member;
- Your child was denied Medicaid and CHIP, and another person is required by court order to provide coverage to the child;
- Experiencing personal circumstances that create a hardship, such as when no affordable plans provide access to needed specialty care; or
- Experiencing a hardship not included in this list that prevented you from getting health insurance.

Use Coverage Exemption Code "RI" on Form IND-HEALTH for the months to which one of the above exemptions applies.

***You must apply to HealthSource RI for an exemption certificate. You will need to enter the Exemption Certificate number on Form IND-HEALTH.***

# Individual Health Insurance Mandate for Rhode Island Residents

## Individual Health Insurance Form and Shared Responsibility Worksheet

### **Code "M" = Member of tax household lost medicaid during the year**

If you or another member of your tax household had Medicaid during tax year 2023, but lost coverage at some point during the year, you can claim a coverage exemption for yourself or another member of your tax household for any month in which the individual did not have Medicaid coverage.

Use Coverage Exemption Code "M" for the months in which the individual no longer had Medicaid coverage. For example, if the individual had Medicaid coverage until September 14, enter "M" for the months of September through December on form IND-HEALTH.

Use Coverage Exemption Code "X" for the time period when the household member had minimum essential coverage under Medicaid.

### **MODIFIED AGI CALCULATION**

#### **Modified Adjusted Gross income (Modified AGI).**

For purposes of Form IND-HEALTH and the Penalty Calculation Worksheet, your Modified AGI is your Adjusted Gross Income plus certain other items from your tax return.

To determine your Modified AGI, enter the amounts from the Federal Form 1040 into Table 1 below. You will need to complete this table for ALL members of your tax household who were required to file Federal Form 1040 for tax year 2023.

Table 1	
Form 1040, line 2a.	
Form 1040, line 11.	
Foreign earned income exclusion or Housing exclusion from Form 2555, line 45.	
Housing deduction from Form 2555, line 50.	
Modified AGI. Total all of the above.	

If you have one or more dependents with:

- 1) a filing requirement AND
- 2) you reported the dependent's income on Form 8814, you must include each dependent's Modified AGI in the calculation of your household income.

Using Table 2 below, enter the income amounts from Federal Form 8814 for each applicable dependent.

Table 2	
Form 8814, line 1b.	
Form 8814, line 4 or 5, whichever is smaller.	
Dependent's Modified AGI.	

If you do not have one or more dependents that meet the criteria requiring Table 2 to be completed, you can enter the Modified AGI amount calculated above for ALL members of your tax household on line 4 of the Shared Responsibility Worksheet.

#### **NOTE:**

The Modified Adjusted Gross Income amount to be used on the 2023 Shared Responsibility Worksheet - Individual Mandate Penalty Calculation form MUST include the Modified AGI for each applicable member of your tax household.

Be sure to complete Table 1 for each applicable individual filing his/her own Federal Form 1040, and Table 2 for each applicable dependent with income being claimed on Federal Form 8814 and included in a household member's Federal Form 1040.

## FORM IND-HEALTH LINE BY LINE INSTRUCTIONS

If you cannot check the "Full-year health care coverage" checkbox on page 1 of Form RI-1040 or RI-1040NR, Form IND-HEALTH and the Shared Responsibility Worksheet must be completed and attached to your RI-1040 or RI-1040NR.

**Form IND-HEALTH is used to list each member of your tax household and the months of minimum essential coverage, coverage exemption and non-coverage.**

**Each member of your tax household is to be listed separately in one of the sections. Complete additional Form(s) IND-HEALTH as needed.**

**Complete each section of Form IND-HEALTH with information for a member of your tax household.**

Name: Enter this household member's name.

Social security number: Enter this household member's social security number.

Checkbox: If this household member was under the age of eighteen as of January 1, 2023, check the box.

Exemption number: If an individual qualified for an exemption through HealthSource RI, enter the exemption number(s) in the space provided.

In the section where the months of the year are shown, you will either enter one of the Coverage Exemption Codes from the reference chart on page IND-9 for each corresponding month in which the household member had minimum essential health coverage or a coverage exemption. If an exemption did not apply, leave the corresponding months blank.

Number of months for which an exemption did not apply: In each household member's section, enter the number of months that are blank and do not contain a coverage exemption code.

# Individual Health Insurance Mandate for Rhode Island Residents

## Individual Health Insurance Form and Shared Responsibility Worksheet

For example:

John Jones moved to Rhode Island in March. He did not have any health insurance until he found a full-time job in August. From that point on, John had minimum essential coverage.

Name:	JOHN JONES	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Social Security Number:	123-45-6789	N	N	N					X	X	X	X	X
Exemption Number:		Number of months for which an exemption did not apply.										4	

Check  if under 18 years of age as of 01/01/2023

Do this for each member of your tax household. Once this is done, you will need to add up the total number of months during which the adult (over the age of 18) and child (under the age of 18 as of January 1, 2023) members of your tax household did not have minimum essential health coverage or a coverage exemption.

For all of the **adult members of your household** - find those household members that do not have the under 18 years of age checkbox checked and add the number of months from lines 1 through 5 in which these adult members of your tax household did not have minimum essential health coverage or a coverage exemption.

Enter this number on line 6a on the bottom of Form IND-HEALTH and on line 1a of the Shared Responsibility Worksheet.

For all of the **child members of your household** - find those household members that have the under 18 years of age checkbox checked and add the number of months from lines 1 through 5 in which these child members of your tax household did not have minimum essential health coverage or an exemption.

Enter this number on line 6b on the bottom of Form IND-HEALTH and on line 1c of the Shared Responsibility Worksheet.

## SHARED RESPONSIBILITY WORKSHEET GENERAL INFORMATION

The Shared Responsibility Payment is determined by comparing the results of three different calculations listed below and taking the higher of percentage of income method OR the Flat Dollar Method (but not to exceed the Average Bronze Plan amount).

**Percentage of Income Method** - 2.5 % of your Modified Adjusted Gross Income above the tax filing threshold.

**Flat Dollar Amount Penalty** - The maximum penalty amount is \$2,085 (300% of the flat dollar amount penalty).

**Average Bronze Plan amount as determined by HealthSource RI.** For calendar year 2023, the Average Bronze Plan amount is \$350 per month.

## LINE BY LINE INSTRUCTIONS

### STEP 1: FLAT FEE METHOD

**Line 1 - Enter the number of months that members of the household DID NOT HAVE coverage or an exemption**

For tax year 2023, the Monthly Penalty Rates are:

Adult \$57.92

Child\* \$28.96

\*Child is an individual under 18 years of age as of January 1.

**Line 1a** - Total number of months without coverage or an exemption for all adults in the household. This number can be found in box 6a of Form IND-HEALTH.

**Line 1b** - Adult No Coverage Penalty. Multiply line 1a by \$57.92.

**Line 1c** - Total number of months without coverage or an exemption for all children. This number can be found in box 6b of Form IND-HEALTH.

**Line 1d** - Children No Coverage Penalty  
Multiply line 1c by \$28.96.

**Line 2 - Penalty Total Based on Calculations**

Add the amounts from lines 1b and 1d.

**Line 3 - Flat Fee Method Penalty**

Enter amount from line 2 or the Maximum Flat Fee Penalty (using the Flat Fee Method Worksheet located on the bottom of page IND-8), whichever is less.

### STEP 2: PERCENTAGE OF INCOME METHOD

**Line 4 - Modified Adjusted Gross Income**

Using the table(s) on page IND-6 of these instructions enter your Modified Adjusted Gross Income. If married filing separately and living in the same household, each spouse must combine their income figures from their separate returns when completing this section. If you have no filing requirement enter zero.

# Individual Health Insurance Mandate for Rhode Island Residents

## Individual Health Insurance Form and Shared Responsibility Worksheet

### Line 5 - Federal Standard Deduction

Using the chart below, enter your Federal Standard Deduction from Federal Form 1040.

Federal Standard Deduction for tax year 2023:

Married Filing Jointly	\$27,700
Married Filing Separately	\$13,850
Head of Household	\$20,800
Single	\$13,850
Qualifying surviving spouse	\$27,700

If you and your spouse file married filing separately and living in the same household, each spouse must combine their deductions from their separate returns when completing this section.

**Line 6** - Subtract the Federal Standard Deduction amount on line 5 of the worksheet from your Modified Adjusted Gross Income on line 4 of the worksheet.

### Line 7 - Income Percentage Amount

Multiply the amount on line 6 by 2.5% (0.025).

### Line 8 - Household Size

Enter the total number of members in your household, including yourself, your spouse (if living in the same household at any point during the year) and any dependents as claimed on Form IND-HEALTH.

NOTE: All members should be listed on the Individual Mandate schedule. If you need more space, complete an additional Form IND-HEALTH.

### Line 9 - Number of Household Periods

Multiply the number of household members from line 8 by 12.0.

### Line 10 - Months Subject to Penalty

Add the total number of months of no health coverage or no exemption for all adults from line 1a and the total number of months of no health coverage or no exemption for all children under the age of 18 from line 1c.

### Line 11 - Uninsured/unexempted Apportionment Ratio

Divide line 10 by line 9. Carry apportionment to four decimal places (0.0000).

For example, if there are two adult members and two children in your tax household, line 9 would be 48 (4 household members times 12). If you lost your health coverage in August of 2023, line 10 would be 16 (4 household members times 4 months).  $16/48 = 0.2500$

**Line 12** - Multiply line 11 by line 7.

**Line 13** - Enter the amount from line 3 or line 12, whichever is greater.

## STEP 3: BRONZE PLAN METHOD

**Line 14a** - Enter the number of months subject to the penalty from line 10 of the worksheet.

**Line 14b** - Multiply the number of months from line 14a times \$350 and enter the total here.

**Note: For tax year 2023, the average monthly bronze plan amount was \$350.**

### Line 14c - Household Amounts

Use the list provided to find the number of total household members that applies to your household and enter the corresponding dollar amount. This amount represents the Average Bronze Plan annual amount.

Number of Household members	Amounts
1	\$4,200
2	\$8,400
3	\$12,600
4	\$16,800
5 or More	\$21,000

**Line 14d** - Enter the amount from line 14b or line 14c, whichever is less.

### Line 15 - Individual Mandate Fee

Enter the amount from line 13 or line 14d, whichever is less.

Enter this amount on Form RI-1040, page 1, line 12b or Form RI-1040NR, page 1, line 15b.

## FLAT FEE METHOD WORKSHEET

Complete lines 1 and 3 of the Flat Fee Method Worksheet using the information from Form IND-HEALTH

Flat Fee Method Worksheet	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
1. For each month, enter the number of ADULTS without coverage or an exemption												
2. For each month, multiply the number of ADULTS times \$695												
3. For each month, enter the number of CHILDREN without coverage or an exemption												
4. For each month, multiply the number of CHILDREN by \$347.50												
5. For each month, add lines 2 and 4												
6. For each month, enter the amount from line 5 or \$2,085, whichever is less												
7. Enter the total of all of the amounts on line 6..... \$												
8. Maximum Flat Fee Penalty: Divide line 7 by 12.0.. \$												

# Individual Health Insurance Mandate for Rhode Island Residents

## Individual Health Insurance Form and Shared Responsibility Worksheet

### Types of Coverage Exemptions

This chart shows all of the coverage exemptions available for tax year 2023, including information about each exemption and the code that is to be used on Form IND-HEALTH when you claim the exemption. If your coverage exemption was granted by HealthSource RI, you will need to enter the Exemption Certificate Number (ECN) provided by HealthSource RI on Form IND-HEALTH.

These Coverage Exemption Reasons and Codes are also listed on the top of Form IND-HEALTH for easy reference.

Coverage Exemption Reasons	Exemption Code
<b>Income Below Filing Threshold:</b> Your gross income or your household income was less than your applicable minimum threshold for filing a tax return.	NC
<b>Coverage Considered Unaffordable:</b> The required contribution is more than 8.17% of your household income.	A
<b>Short Coverage Gap:</b> You went without coverage for less than 3 consecutive months during this year.	B
<b>Citizens Living Abroad and Certain Noncitizens:</b> You were: - A U.S. citizen or a resident alien who was physically present in a foreign country or countries for at least 330 full days during any period of 12 consecutive months. - A U.S. citizen who was a bona fide resident of a foreign country or countries for an uninterrupted period that includes the entire tax year. - A bona fide resident of a U.S. territory. - A resident alien who was a citizen or national of a foreign country with which the U.S. has an income tax treaty with a nondiscrimination clause, and you were a bona fide resident of a foreign country for an uninterrupted period that includes the entire tax year; - Not lawfully present in the U.S. and not a U.S. citizen or U.S. national. - A nonresident alien including (1) a dual-status alien in the first year of U.S. residency and (2) a nonresident alien or dual-status alien who elects to file a joint return with a U.S. spouse.	C
<b>Members of a Health Care Sharing Ministry:</b> You were a member of a health care sharing ministry.	D
<b>Members of Federally Recognized Indian Tribes:</b> You were either a member of a federally recognized Indian tribe or you were otherwise eligible for services through an Indian health care provider or the Indian Health Service.	E
<b>Incarceration:</b> You were in jail, prison, or similar penal institution or correctional facility after the disposition of charges.	F
<b>Aggregate Self Only Coverage Considered Unaffordable:</b> Two or more family members' aggregate cost of self-only employer-sponsored coverage was more than 8.17% of household income, as was the cost of any available employer-sponsored coverage for the entire family.	G1
<b>Member of Tax Household Born or Adopted During the Year:</b> The months before and including the month that the individual was added to your tax household by birth or adoption. Claim this exemption only if you are also claiming another exemption or period of no coverage on Form IND-HEALTH.	H1
<b>Member of Tax Household Died During the Year:</b> The months after the month that a member of your tax household died during the year. You should claim this exemption only if you are also claiming another exemption period of no coverage on Form IND-HEALTH.	H2
<b>Nonresident of Rhode Island:</b> The months during which the individual was a resident of another state as well as the month in which the individual either became or ceased to be a Rhode Island Resident. Claim this exemption only if you are claiming another exemption on Form IND-HEALTH or have a period of no coverage during your time as a Rhode Island resident.	N
<b>Minimum Essential Health Coverage:</b> You had minimum essential health coverage for part of 2023. If you had minimum essential health coverage for the entire year, see Form RI-1040 or RI-1040NR instructions.	X
<b>Healthsource RI Exemption:</b> An exemption you received through HealthSource RI for which you were provided a valid Exemption Certificate Number.	RI
<b>Medicaid:</b> You had Medicaid during tax year 2023, but lost coverage at some point during the year.	M

# Individual Health Insurance Mandate for Rhode Island Residents

## Individual Health Insurance Form and Shared Responsibility Worksheet

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### Affordability Worksheet

for use with Code "A" = Coverage Considered Unaffordable

For help relating to questions about health insurance go to <https://healthsourceri.com/affordability-sheet/>.

Use this worksheet to determine whether coverage for each individual in your tax household is considered unaffordable allowing you to use Exemption Code "A".

An individual is eligible for the affordability exemption for any month in which the Required Contribution from (B), is more than the Affordability Threshold from (A). To claim this coverage exemption, enter code "A" on Form IND-HEALTH for the month(s) to which the exemption applies as determined below.

**(A) Affordability Threshold**

Enter 8.17% (0.0817) of your household income (see Household income) in the box to the right. For this purpose, increase household income by the amount of any premium that is paid through a salary reduction arrangement and excluded from gross income.

\$
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**(B) Required Contribution Amount**

For each member of your tax household, enter in the columns provided the amount the individual must pay for coverage for the first situation below that applies to that person. If the required contribution is the same for the whole year, enter the annual required contribution in the space for each month.

Situations (use the first that applies to each member of your tax household, including you, for each month):

1. The lowest cost self-only policy offered to each member of your tax household by his or her employer.
2. The lowest cost family policy offered by your employer or your spouse's employer (if you are filing a joint return).  
 The policy must cover everyone in your tax household:
  - a Who you list on your 2023 tax return (such as yourself, your spouse if filing jointly, and your dependents) and who cannot be claimed as a dependent on someone else's 2023 tax return,
  - b Who isn't eligible for other employer coverage, and
  - c Who doesn't qualify for another coverage exemption.
3. The amount from the Marketplace Coverage Affordability Worksheet.

For each individual, coverage is considered unaffordable and the individual is exempt for any month in which the Required Contribution Amount is more than the Affordability Threshold.

Member(s) of your tax household. Enter one name per column.					
Annualized required contribution for:					
January					
February					
March					
April					
May					
June					
July					
August					
September					
October					
November					
December					

# Individual Health Insurance Mandate for Rhode Island Residents

## Individual Health Insurance Form and Shared Responsibility Worksheet

### Marketplace Coverage Affordability Worksheet for use with Code "A" = Coverage Considered Unaffordable

Use this worksheet to figure an individual's required contribution for any month in which the individual isn't eligible for employer-sponsored coverage. Complete a separate worksheet for each part of the year in which the number of people in your tax household who are neither exempt nor eligible for minimum essential coverage (other than individual market coverage) was different. For reference tables related to health insurance premiums and plans and for help relating to questions on health coverage go to: <https://healthsourceri.com/affordability-sheet/>.

**CAUTION: Do not complete this worksheet unless you were instructed to do so in the Affordability Worksheet on Page IND-10**

1. Enter the monthly premium for the lowest cost bronze plan that covers everyone in your tax household who you list on your 2023 tax return (such as yourself, your spouse if filing jointly, and your dependents) and who can't be claimed as a dependent on someone else's tax return, who isn't eligible for employer coverage, and who doesn't qualify for another coverage exemption for the month. To find the lowest cost bronze plan, go to <a href="https://healthsourceri.com/affordability-sheet/">https://healthsourceri.com/affordability-sheet/</a> . (If you are married and file a separate return, enter the monthly premium here and on line 12. Don't complete lines 2 through 11)	
2. Enter your <u>household income</u>	
3. Enter the total of all nontaxable social security benefits received by you, your spouse, and each claimed dependent who must file a tax return <sup>1</sup>	
4. Add lines 2 and 3	
5. Enter the federal poverty line (to access, go to: <a href="https://healthsourceri.com/affordability-sheet/">https://healthsourceri.com/affordability-sheet/</a> ) for the number of individuals in your tax household less any dependents not claimed	
6. Divide line 4 by line 5. If the result (without rounding) is less than 1.0 or more than 4.0, skip lines 7 through 10 and enter -0- on line 11. If the result is less than 1.38, see footnote 2 below	
7. Multiply line 6 by 100 and round down to the nearest whole number. Enter the applicable figure for the result from Table 1 in the instructions at <a href="https://healthsourceri.com/affordability-sheet/">https://healthsourceri.com/affordability-sheet</a>	
8. Multiply line 4 by line 7	
9. Divide line 8 by 12.0	
10. Enter the monthly premium for the second lowest cost silver plan premium that covers everyone in your tax household, who you list on your tax return (such as yourself, your spouse if filing jointly, and your dependents) and who can't be claimed as a dependent on someone else's tax return, who isn't eligible for minimum essential coverage (other than individual market coverage), and who doesn't qualify for another coverage exemption for the month. If one or more members of your tax household meet this criteria, find the second lowest cost silver plan for those members at <a href="https://healthsourceri.com/affordability-sheet/">https://healthsourceri.com/affordability-sheet/</a> . If no one in your tax household meets this criteria (for example, everyone in your tax household is eligible for Medicaid or qualifies for a coverage exemption), enter -0-	
11. Subtract line 9 from line 10. If zero or less, enter -0-	
12. Subtract line 11 from line 1. If zero or less, enter -0-. This is the individual's required contribution for the month	
13. Is the individual eligible for this coverage for every month of the year? <b>If Yes</b> - Multiply line 12 by 12.0. This is the annualized required contribution. Enter this amount in the space for every month on the Affordability Worksheet <b>If No</b> - Multiply line 12 by 12.0. This is the annualized required contribution. Enter this amount in the space on the Affordability Worksheet for each month the individual was eligible for the coverage being tested	

Footnotes:

1 – Figure the nontaxable social security benefits received by that individual by subtracting Federal Form 1040, line 6b from Federal Form 1040, line 6a.

2 – If the result is less than 1.38 and you meet the Medicaid eligibility requirements, you are eligible for Medicaid and therefore not eligible for a premium tax credit. Enter -0- on line 10.