

# Individual Healthcare Mandate for Rhode Island Residents

## Individual Healthcare 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 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 Individual Healthcare Mandate provision requires each individual to have health care coverage, have a health coverage exemption, or make a shared responsibility payment with their tax return.

Forms RI-1040 and RI-1040NR have been updated for tax year 2020 to 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 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 figure 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 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 2020, 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, you can check the "Full-year health care coverage" box on Form RI-1040 or RI-1040NR. You do not have to file Form IND-HEALTH with Form RI-1040 or RI-1040NR.

If 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, you will check the "Full-year health care coverage or exempt" box on your return.

If, during 2020, 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**).

#### 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, 2020, 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 2020, 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 2020, 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)

# Individual Healthcare Mandate for Rhode Island Residents

## Individual Healthcare Form and Shared Responsibility Worksheet

on January 1st of the calendar year is considered a child for the entire calendar year.

### **COVERAGE EXEMPTION CODES AND REASONS**

Page I-7 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  
Resident of State that Didn't Expand Medicaid  
HealthSource RI Exemption  
Member of Tax Household Born or Adopted During the Year  
Member of Tax Household Died During the Year  
COVID-19 Related Hardship

### **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 is determined by adding to your 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.

Page I-6 of these instructions includes 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 a resident of another state 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 2020, you would enter "N" for the months of Sep-

# Individual Healthcare Mandate for Rhode Island Residents

## Individual Healthcare Form and Shared Responsibility Worksheet

tember through December for that tax household member on Form IND-HEALTH.

### **SHARED RESPONSIBILITY PAYMENT PENALTY**

Tax assessed when a taxpayer fails to maintain minimum essential coverage for each month of the calendar year beginning after December 31, 2019.

### **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:

The individual is eligible for coverage under an employer plan and that coverage is considered unaffordable, or

The individual isn't eligible for coverage under an employer plan and the coverage available for that individual through the Marketplace is considered unaffordable.

Coverage is considered unaffordable if the individual's required contribution (described later) is more than 8.16% of household income.

### **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.

### **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.

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 2020, 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

# Individual Healthcare Mandate for Rhode Island Residents

## Individual Healthcare Form and Shared Responsibility Worksheet

member develops a medical condition. For you to qualify for this exemption, 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.

### **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 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" below for the time period when the household member had minimum essential coverage 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 2020 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 2020 tax return can claim a coverage exemption for all months in 2020 if, for at least one month in 2020, 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 8.16% 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 8.16% of household income, **and**
- 3) The combined cost of the self-only coverage identified in condition 1 exceeds 8.16% of household income.

If you meet the requirements just described, you and any other members of your tax household that you list on your 2020 tax return who can't be

claimed as dependents on someone else's 2020 tax return are exempt for 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 "G2" = Resident of a State that Didn't Expand Medicaid**

You can claim a coverage exemption for yourself or another member of your tax household if your household income is less than 138% of the federal poverty line for the number of individuals in your tax household, not including any dependents you did not claim. For purposes of this exemption, your household income is increased by the amount of any nontaxable social security benefits received by you, your spouse (if filing jointly), or a dependent you claimed that must file his or her own tax return. To see if your household income is less than 138% of the federal poverty line for the number of individuals in your tax household, not including any dependents you did not claim, first calculate your household income.

Next, use the Poverty Level chart below to determine if you qualify for this coverage exemption. The amounts listed in the chart represent 138% of the poverty level amount for 2020.

Use Coverage Exemption Code "G2" for you and your household members for the entire year if you are eligible for this coverage exemption.

Federal Poverty Level	
Number of Household	138% of Poverty Level
1	\$17,609
2	\$23,791
3	\$29,974
4	\$36,156
5	\$42,338
6	\$48,521
7	\$54,703
8	\$60,886
Add \$6,182 for each person over 8 household members	

### **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 don't need to file Form IND-HEALTH solely to report that fact.

For example, if all members of your tax household have minimum essential coverage for every month they are part of your tax household, check the "Full-year health care coverage or exempt" box on Form RI-1040, line 12b or Form RI-1040NR, line 15b. You don't need to file Form IND-HEALTH.

However, if you had or adopted a child during 2020 and you are claiming a

# Individual Healthcare Mandate for Rhode Island Residents

## Individual Healthcare Form and Shared Responsibility Worksheet

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 preceeding 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 2020. 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 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 don't need to file Form IND-HEALTH solely to report that fact. For example, if all members of your tax household have minimum essential coverage for every month they are part of your tax household, check the "Full-year health care coverage" box on Form RI-1040, line 12b or Form RI-1040NR, line 15b. You don't need to file Form IND-HEALTH.

However, if a member of your tax household died during 2020 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 passes and the months passes away along with the months through the end of the year.

For example, Nick did not have minimum essential coverage from January through May. Nick had coverage starting in June and until he passed 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 the 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 as a Rhode Island resident.

A part year resident should enter Coverage Exemption Code "N" for those months during which he or she 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.

For example, a member of your tax household moves to the state of Alaska in September of 2020. 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" below for the time period when the household member had minimum essential coverage prior to moving out of state.

### **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 I-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.

If your gross income or the income of your household is less than the minimum threshold required for filing a tax return for tax year 2020, 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 2020, 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.

If, at some point during tax year 2020, 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.

### **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:

- 1) You are a member of a recognized religious sect with religious objections to insurance, including Social Security and Medicare;
- 2) You are a member of a religious sect or division who relies solely on a religious method of healing, and for whom the acceptance of medical health services would be inconsistent with the religious beliefs of the individual;
- 3) You've experienced a hardship that has prevented you from being able to purchase health coverage; or
- 4) The lowest-priced health coverage available to you for the 2020 plan year is more than 8.24% of projected household income.

### **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. A recognized religious sect is a religious sect in existence since December 31, 1950, that is recognized by the Social Security Administration as conscientiously opposed to accepting any insurance benefits, including Medicare and social security.

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

You can claim a coverage exemption for yourself or another member of your tax household for 2020 if you experienced a hardship that prevented

# Individual Healthcare Mandate for Rhode Island Residents

## Individual Healthcare Form and Shared Responsibility Worksheet

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.**

### Code "19" = COVID-19 Hardship

The State of Rhode Island realizes that the Coronavirus Disease 2019 (COVID-19) brought about unusual and unanticipated circumstances for many individuals.

Because of this, if you or a member of your tax household did not have minimum essential health coverage or another exemption for any month(s) during tax year 2020, you may apply to HealthSource RI for a COVID-19 exemption.

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

### 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.

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.	

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 2020.

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 2020 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.

## Types of Coverage Exemptions

This chart shows all of the coverage exemptions available for 2020, including information about where each can be obtained 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	Extra for now	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 8.16% 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: <ul style="list-style-type: none"> <li>- 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.</li> <li>- 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.</li> <li>- A bona fide resident of a U.S. territory.</li> <li>- 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;</li> <li>- Not lawfully present in the U.S. and not a U.S. citizen or U.S. national.</li> <li>- 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.</li> </ul>		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 8.16% of household income, as was the cost of any available employer-sponsored coverage for the entire family.		G1
<b>Resident of a State that Didn't Expand Medicaid:</b> Your household income was below 138% of the federal poverty line for your family size and at any time in 2020 you resided in a state that did not participate in the Medicaid expansion under the Affordable Care Act.		G2
<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. You should claim this exemption only if you are also claiming another exemption 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 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.		N
<b>Minimum Essential Health Coverage:</b> You had minimum essential health coverage for part of 2020. 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>COVID-19 Hardship:</b> If you or a member of your tax household did not have minimum essential health coverage due to the unusual and unanticipated circumstances of COVID-19, you may apply to HealthSource RI for an Exemption Certificate Number.		19

# Individual Healthcare Mandate for Rhode Island Residents

## Individual Healthcare Form and Shared Responsibility Worksheet

### 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 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, 2020, 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 2 for each corresponding month in which the household member had minimum essential health coverage or an exemption or if an exemption did not apply, leave the corresponding months blank.

Enter the total amount of blank months on lines 1 thru 5.

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													
Social Security Number:	123-45-6789	Check <input checked="" type="checkbox"/> if under 18 years of age as of 01/01/2020												
Exemption Number:														

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
N	N	N					X	X	X	X	X

Number of months for which an exemption did not apply. 4

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, 2020) members of your tax household did not have minimum essential health coverage or an 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 an 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.

# Individual Healthcare Mandate for Rhode Island Residents

## Individual Healthcare Form and 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.

**Flat Dollar Amount Penalty** - maximum penalty is 300% of the flat dollar amount penalty.

**Average Bronze Plan amount as determined by HealthSource RI.** For calendar year 2020, the Average Bronze Plan amount is \$280 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 2020, 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 \$2,085.00, whichever is less.

#### STEP 2: PERCENTAGE OF INCOME METHOD

#### Line 4 - Modified Adjusted Gross Income

Using the chart on page I-6 of the 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.

#### Line 5 - Federal Standard Deduction

Using the chart on the top of the next column enter your Federal Standard Deduction from Federal Form 1040.

Federal Standard Deduction for tax year 2020:

Married Filing Jointly \$24,800

Married Filing Separately \$12,400

Head of Household \$18,650

Single \$12,400

Qualifying Widow(er) \$24,800

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 2020, 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.

# Individual Healthcare Mandate for Rhode Island Residents

## Individual Healthcare Form and Shared Responsibility Worksheet

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### 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 \$280 and enter the total here.

**Note:** For tax year 2020, the monthly bronze plan amount was \$280.

#### **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	\$3,360
2	\$6,720
3	\$10,080
4	\$13,440
5 or More	\$16,800

**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.

DRAFT  
10/08/2020