Health Insurance & foreign accounts

The IRS has new requirements, and this means we’ll need documents and information we have never needed in the past. Here is a list of new information we will need from you when we prepare your taxes.

**Health insurance:** Everyone must have health insurance in 2014 and everyone required to file a tax return must report their health insurance.

You will need proof of your insurance. You may receive a government form such as Form 1095-A, Health Insurance Marketplace Statement, or you may receive a certificate from your health insurance company. If you don’t, you may need to show us a copy of your policy.

If you purchased or will purchase health insurance through the exchange (or “marketplace”), you may receive tax credits. If you received advance credits you must file a tax return to report them. To properly claim your credits, you must provide us with Form 1095-A.

If you were not covered at any time during the year, you may have to pay a penalty unless you’re entitled to an exemption. Some exemptions are claimed on the tax return and others require a certificate from the exchange. We cannot claim an exchange exemption without that certificate.

To obtain the exemption, individuals must first submit an application to the exchange along with the necessary documentation. The process takes at least two weeks, and may take considerably longer if you wait and the process gets crowded.

To avoid delay of your refunds and to avoid complications in preparing your returns, we encourage you to obtain your exemption now.

The full list of exemptions can be found at:

<www.healthcare.gov/fees-exemptions/hardship-exemptions/>

The application for exemption can be found at:

<http://marketplace.cms.gov/applications-and-forms/hardship-exemption.pdf>

**Foreign accounts:** The reporting requirements for assets held overseas are increasing and the penalties for failure to report them are becoming increasingly harsh. Not all foreign holdings must be reported. If, for example, you hold stock in a foreign company through a U.S. broker, those holdings do not have to be separately reported. However, if you hold any other types of foreign assets, including bank accounts and securities accounts, please let us know. If you have any doubt as to whether any of your assets are foreign, please discuss those assets with us.

Please take extra care in preparing your organizer and documentation so we can do the best possible job to find new tax benefits that are hidden in the law and protect you from more aggressive audit programs and larger penalties.