

**DEPARTMENT OF THE TREASURY**

**Internal Revenue Service**

**26 CFR Part 1**

[TD 9632]

RIN 1545-BL36

**Shared Responsibility Payment for Not Maintaining Minimum Essential Coverage; Correction**

**AGENCY:** Internal Revenue Service (IRS), Treasury.

**ACTION:** Correcting amendment.

**SUMMARY:** This document contains corrections to final regulations (TD 9632) that were published in the **Federal Register** on Friday, August 30, 2013. The final regulations provide guidance to individual taxpayers on the liability under section 5000A of the Internal Revenue Code for the shared responsibility payment for not maintaining minimum essential coverage.

**DATES:** This correction is effective December 26, 2013 and applicable beginning August 30, 2013.

**FOR FURTHER INFORMATION CONTACT:** John Lovelace, at (202) 622-4960 (not a toll free number).

**SUPPLEMENTARY INFORMATION:**

**Background**

The final regulations (TD 9632) that are the subject of this correction is under section 5000A of the Internal Revenue Code.

**Need for Correction**

As published, the final regulations (TD 9632), August 30, 2013 (78 FR 53646), contain errors that may prove to be misleading and are in need of clarification.

**List of Subjects in 26 CFR Part 1**

Income taxes, Reporting and recordkeeping requirements.

**Correction of Publication**

Accordingly, 26 CFR part 1 is corrected by making the following correcting amendments:

**PART 1—INCOME TAXES**

■ **Paragraph 1.** The authority citation for part 1 is amended by correcting the sectional authority for § 1.5000A-4 to read in part as follows:

**Authority:** 26 U.S.C. 7805 \* \* \* Section 1.5000A-3 also issued under 26 U.S.C. 5000A(e)(4).

■ **Par. 2.** Section 1.5000A-0 is amended by revising the entry in the table of contents for § 1.5000A-2 (b)(2)(iii) to read as follows:

**§ 1.5000A-0 Table of Contents.**

\* \* \* \* \*

**§ 1.5000A 2 Minimum essential coverage.**

- (a) \* \* \*
- (b) \* \* \*
- (2) \* \* \*
- (iii) Limited-benefit TRICARE programs.

■ **Par. 3.** Section 1.5000A-1 is amended by revising paragraphs (d)(6) and (7) to read as follows:

**§ 1.5000A-1 Maintenance of minimum essential coverage and liability for the shared responsibility payment.**

\* \* \* \* \*

- (d) \* \* \*
- (6) *Group health insurance coverage.* *Group health insurance coverage* has the same meaning as in section 2791(b)(4) of the Public Health Service Act (42 U.S.C. 300gg-91(b)(4)).
- (7) *Group health plan.* *Group health plan* has the same meaning as in section 2791(a)(1) of the Public Health Service Act (42 U.S.C. 300gg-91(a)(1)).

■ **Par. 4.** Section 1.5000A-2 is amended by revising paragraphs (b)(1)(iv), (b)(2)(iii), (c)(1)(i)(B), (c)(2), and the last sentence of paragraph (d)(2) to read as follows:

**§ 1.5000A-2 Minimum essential coverage.**

\* \* \* \* \*

- (b) \* \* \*
- (1) \* \* \*
- (iv) *TRICARE.* Medical coverage under chapter 55 of Title 10, U.S.C., including coverage under the TRICARE program;
- \* \* \* \* \*
- (2) \* \* \*
- (iii) *Limited-benefit TRICARE programs.* [Reserved]
- (c) \* \* \*
- (1) \* \* \*
- (i) \* \* \*
- (B) Any other plan or coverage offered in the small or large group market within a State; or
- \* \* \* \* \*

- (2) *Government-sponsored program generally not an eligible employer-sponsored plan.* Except for the program identified in paragraph (b)(1)(vii) of this section, a government-sponsored program described in paragraph (b) of this section is not an eligible employer-sponsored plan.
- (d) \* \* \*

(2) *Qualified health plan offered by an exchange.* \* \* \* If a territory of the United States elects to establish an Exchange under section 1323(a)(1) and (b) of the Affordable Care Act (42 U.S.C. 18043(a)(1), (b)), a qualified health plan offered by that Exchange is a plan in the individual market.

\* \* \* \* \*

■ **Par. 5.** Section 1.5000A-3 is amended by revising the first sentence of paragraph (e)(4)(ii)(D), the last sentence of paragraph (e)(4)(iii), and the heading of (e)(4)(iii) *Example 1* to read as follows:

**§ 1.5000A-3 Exempt individuals.**

\* \* \* \* \*

- (e) \* \* \*
- (4) \* \* \*
- (ii) \* \* \*

(D) \* \* \* For each individual, affordability under paragraph (e)(4) of this section is determined separately for each period described in paragraph (e)(4)(ii)(E) of this section that is less than a 12-month period. \* \* \*

(iii) \* \* \* Unless stated otherwise, in each example the taxpayer's taxable year is a calendar year, the rate of premium growth has not exceeded the rate of income growth since 2013, and the taxpayer is ineligible for any of the exemptions described in paragraphs (a) through (d) and (f) through (j) of this section for a month.

*Example 1. Unmarried individual with no dependents.* \* \* \*

\* \* \* \* \*

■ **Par. 6.** Section 1.5000A-4 is amended by revising the second sentence of paragraphs (d) *Example 1*(ii), (d) *Example 5*(iii), and the third sentence of (d) *Example 5*(iv) to read as follows:

**§ 1.5000A-4 Computation of shared responsibility payment.**

\* \* \* \* \*

- (d) \* \* \*

*Example 1.* \* \* \*

(ii) \* \* \* Under paragraph (b)(2)(i) of this section, G's flat dollar amount is \$695 (the lesser of \$695 and \$2,085 (\$695 × 3)). \* \* \*

*Example 5.* \* \* \*

(iii) \* \* \* Under paragraph (b)(2)(i) of this section, the flat dollar amount is \$2,085 (the lesser of \$2,085 or \$2,085 (\$695 × 3)). \* \* \*

(iv) \* \* \* Therefore, under paragraph (a) of this section, the shared responsibility payment imposed on S

and T for 2016 is \$1,911.24 (the lesser of \$1,911.24 or \$11,000).

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## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

#### 26 CFR Parts 1 and 602

[TD 9632]

RIN 1545-BL36

#### Shared Responsibility Payment for Not Maintaining Minimum Essential Coverage; Correction

**AGENCY:** Internal Revenue Service (IRS), Treasury.

**ACTION:** Final regulations; correction.

**SUMMARY:** This document contains corrections to final regulations (TD 9632) that were published in the **Federal Register** on Friday, August 30, 2013. The final regulations provide guidance to individual taxpayers on the liability under section 5000A of the Internal Revenue Code for the shared responsibility payment for not maintaining minimum essential coverage.

**DATES:** This correction is effective December 26, 2013 and applicable beginning August 30, 2013.

**FOR FURTHER INFORMATION CONTACT:** John Lovelace, at (202) 622-4960 (not a toll free number).

#### SUPPLEMENTARY INFORMATION:

##### Background

The final regulations (TD 9632) that are the subject of this correction is under section 5000A of the Internal Revenue Code.

##### Need for Correction

As published, the final regulations (TD 9632), published August 30, 2013 (78 FR 53646), contain errors that may prove to be misleading and are in need of clarification.

##### Correction of Publication

Accordingly, the final regulations (TD 9632), that are the subject of FR Doc. 2013-21157, are corrected as follows:

1. On page 53646, first column, in the preamble, under the paragraph heading “Paperwork Reduction Act”, third line from the bottom of the column, the language “with the Paperwork and

Reduction Act” is corrected to read “with the Paperwork Reduction Act”.

2. On page 53646, second column, in the preamble, seventh line from the top of the page, the language “the amount of the penalty. The likely” is corrected to read “the amount of the payment. The likely”.

3. On page 53647, first column, in the preamble, fifth line of the first full paragraph, the language “approval for enrollment have minimum” is corrected to read “approval for enrollment has minimum”.

4. On page 53647, second column, in the preamble, twenty-fourth line from the top of the page, the language “qualifying relative, would prevent them” is corrected to read “qualifying relative, would prevent a taxpayer”.

5. On page 53647, third column, in the preamble, under the paragraph heading “2. Special Rule for Adopted Children”, fourth line of the second paragraph, the language “for shared responsibility payment for an” is corrected to read “for the shared responsibility payment for an”.

6. On page 53648, first column, in the preamble, under the paragraph heading “1. Insurance-related Terms”, the last sentence of the first paragraph, “The additional terms defined include health insurance coverage, individual health insurance coverage, individual market, and state.” is corrected to read “The additional terms defined include health insurance coverage, individual market, and state.”.

7. On page 53648, first column, in the preamble, under the paragraph heading “2. Household Income”, fifteenth line of the first paragraph, the language “income, the gross income of his or her” is corrected to read “income the gross income of his or her”.

8. On page 53648, third column, in the preamble, twelfth line of the second full paragraph, the language “will be effective starting January 1, 2014” is corrected to read “will be effective starting January 1, 2014,”.

9. On page 53649, second column, in the preamble, fourth line of the first full paragraph, the language “and 1902(cc) of the Social Security Act,” is corrected to read “and 1902(cc) of the Social Security Act (42 U.S.C. 1396a(a)(10)(A)(ii)(XIX) and (cc))”.

10. On page 53649, third column, in the preamble, under the paragraph heading “4. Medicaid for the Medically Needy”, tenth line of the first paragraph, the language “and following (Subpart D). Over half of” is corrected to read “and following sections. Over half of”.

11. On page 53649, third column, in the preamble, under the paragraph heading “4. Medicaid for the Medically

Needy”, last line of the column, the language “coverage by the HHS Secretary, in” is corrected to read “coverage by the Secretary of HHS, in”.

12. On page 53650, first column, in the preamble, first and second lines from the top of the page, the language “consultation with the Treasury Secretary, under section 5000A(f)(1)(E).” is corrected to read “consultation with the Secretary of the Treasury, under section 5000A(f)(1)(E).”.

13. On page 53650, first column, in the preamble, under the paragraph heading “5. TRICARE”, the seventh and the twelfth lines of the second paragraph, the language “limited benefit” is corrected to read “limited-benefit”.

14. On page 53651, second column, in the preamble, first line from the top of the page, the language “responsibility penalty even if the” is corrected to read “responsibility payment even if the”.

15. On page 53652, first column, in the preamble, under the paragraph heading “C. Exempt Noncitizens”, twelfth and thirteenth line of the first paragraph, the language “taxable year if the individual is either (1) a nonresident alien as defined in” is corrected to read “taxable year if the individual either (1) is a nonresident alien as defined in”.

16. On page 53652, second column, in the preamble, under the paragraph heading “D. Incarcerated Individuals”, second and third lines of the first paragraph, the language “individual is exempt for a month for which the individual is incarcerated” is corrected to read “individual is exempt for a month when the individual is incarcerated”.

17. On page 53652, second column, in the preamble, under the paragraph heading “D. Incarcerated Individuals”, tenth line of the third paragraph, the language “receive benefits for healthcare provided” is corrected to read “receive benefits for health care provided”.

18. On page 53652, third column, in the preamble, fourteenth line of the second full paragraph, the language “that are excluded from the individual’s” is corrected to read “that are excluded from the employee’s”.

19. On page 53653, third column, in the preamble, fourth through the sixth line from the top of the page, the language “applicable plan, when a plan is not offered that covers members of the entire tax household, be revocable. The” is corrected to read “applicable plan when a plan is not offered that covers members of the entire non-exempt family, be revocable. The”.

20. On page 53653, third column, in the preamble, the third full paragraph,