

Shared Responsibility Payment (SRP)

Let's look at the Meadows again

Married filing Jointly w/ dependent son Warren

This time the Meadows have **NO** insurance

AGI \$46,748

Calculation of SRP is done on Shared Responsibility Payment Worksheet

HANDOUT

For SRP calculation, we use MAGI not AGI

This MAGI includes tax-exempt interest and foreign income only

The Meadows have neither, their MAGI is their AGI, \$46,748

See Resource Guide 4012 pf H-22

After 2016 2.5% of household income above filing threshold

Or \$695 per adult and 50% for dependents under age 18

So, What's the Meadow's household income above the filing threshold?

Use "Percentage Income Amount" part of Worksheet

MAGI is \$46,748

4012 pg A-1 say filing threshold for MFJ is \$24,000

The Meadows' income above the filing threshold is \$22,748

Multiply the household income above filing threshold by .0025

SRP amount is \$569

OR \$695 for Albert, plus \$695 for Lois, plus 50% (\$348) for Warren equals \$1738

The SRP Worksheet A Flat Dollar Amount will give this amount

The SRP for the Meadows is the **larger of the two** calculations, the Meadows owe \$1,738

Warren is 15, did the Meadows sign Warren up for CHIPS?? What then??

The Meadows find out about CHIPS when Warren goes back to school in August

Did the Meadows qualify for CHIPS for Warren?

How do we know?

Idaho Health Care for Children says the Meadows must have income less than 185% of Federal Poverty level

How do we figure this out?

We've already done it on Form 8962, look at Line 5, the Meadow's income is 265%

The Meadows make too much money to sign Warren up for CHIPS for the rest of the year

If the Meadows made less than the \$39,492, then:

Use SRP Worksheet B to calculate a new Shared Responsibility Payment

Column A gets \$1738 January through August, only \$1390 September through December

Column B gets \$649 for January through December, the Meadow's MAGI didn't change

Column C get the larger of Column A or B, Column A is larger in all cases

Total Column C in Line 13

Line 14 is Line 13 divided by 12, equals \$1,622, less than the \$1,738

With Warren on CHIPS the last three months, the Meadows only owe \$1622 and save \$116 SRP