



[[4830-01-P]

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 **INSERT DATE OF PUBLICATION OF THIS DOCUMENT IN THE FEDERAL REGISTER** 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 x 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 x 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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[FR Doc. 2013-30742 Filed 12/24/2013 at 8:45 am; Publication Date: 12/26/2013]