

2016 INDIVIDUAL INCOME TAX WORKSHOP



John B. Goldhamer, an Authored Tax Law Expert, reviews the 2016 U.S. Individual Income Tax Forms published by the Internal Revenue Service (IRS) and makes suggestions; including explaining the “Affordable Care Act” requirements. He humorously says,

"I can Hammer out any Tax Problem!"

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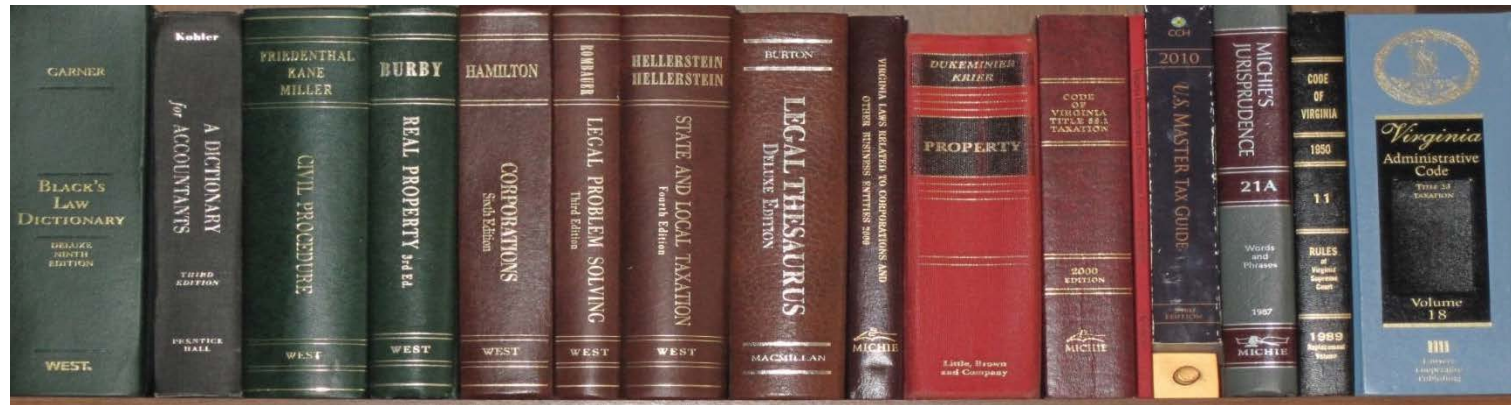
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Why should you listen to John B. Goldhamer?

John B. Goldhamer is an Authored Tax Expert with Education and Experience in all Business Disciplines, including:

J.D. Equivalent Legal Education, Finance, Marketing, MBA, Accounting, and Information Systems.

He has been essentially a *Tax Attorney* for organizations for numerous years; researching, composing and presenting over 400-pages of *Impact Statements, Position Papers, and Tax Appeals* to Jurisdictions and Management.

John compiled “*Thirty Tax Tools*” to assist with *Business, Legal, and Tax Research*, which are on his website.

2016 INDIVIDUAL INCOME TAX WORKSHOP



John B. Goldhamer

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www.JohnGoldhamer.com

JOB SEEKER TIPS, TOPICS & TOOLS

John B. Goldhamer is the author of *Job Seeker Tips, Topics & Tools*, which has *Everything a Job Seeker Needs to Get a Job from Beginning to End!*

It contains *Comprehensive Documents* that assist Job Seekers with *Composing: Cover Letters, Resumes, Marketing Plans, Researching Companies and People, as well as Presenting an Image and More!*

At one time, John taught classes on *LinkedIn, Résumé Writing, and Researching the Internet* at the Employment Transition Center and Network Groups. He is also on the speaker circuit to organizations and small groups.

2016 INDIVIDUAL INCOME TAX WORKSHOP

John B. Goldhamer's Website: www.JohnGoldhamer.com



Resources

Job Seeker Tips, Topics & Tools

- Navigating
- Summary
- Tips For Those in Transition
- Metro Richmond, VA Largest Corporate Employers
- One Stop Websites for Researching Business, People, Facts, & Beyond
- Access Reference USA - Procedures
- Repertoire of Successful Business Sentences That Get Good Results
- Santa's Cover Letter, Resume, & Marketing Plan- Examples
- Checklist of 35 Things to do Before an Interview, in Rhyme
- List of 35 Questions to Ask an Interviewer
- Job Offer Comparison Worksheet

Thirty Tax Tools

Individual Income Tax Workshops

- 2016 Individual Income Tax Return Workshop
- The 1099 Independent Contractor Requirements
- Starting a Business Requirements
- IRS Required Minimum Distributions (RMD) Starting at Age 70.5, for Tax Deferred Retirement Plans
- IRS Required Minimum Distributions (RMD)- Table III (Uniform Lifetime)- Spreadsheet

Unemployment

- Why Unemployment Benefit Payments Are Taxable for Individual Income Tax
- 12 Good Causes for Leaving a Job and Receiving Virginia Unemployment
- Why Lack of Performance is not Misconduct for Unemployment Benefits

Tips for the Overseas Traveler



John B. Goldhamer is an Authored Tax Expert with Education and Experience in all Business Disciplines, including J.D. Equivalent Legal Education, Finance, Marketing, MBA, Accounting, and Information Systems.

John wrote "Five Job Seeker Tools" that are Comprehensive Documents to assist Job Seekers with Composing Cover Letters, Resumes, Marketing Plans, Researching Companies and People, as well as Presenting an Image and more!

He has taught classes on LinkedIn, Résumé Writing, and Researching the Internet at the Employment Transition Center and Network Groups. He is also on the speaker circuit to small groups.

John has the unusual ability to see connections to things that others do not recognize. As a "Trained Observer" combined with a "Legal Logic Approach," John has been conducting One-on-One Career Counseling for many years. With these skills and abilities, John has personally helped hundreds of people with Career Counseling and other problems.

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TAX ENVELOPE TO KEEP TAX INFORMATION Large Open-End Kraft (Brown) 9" x 12" Envelope



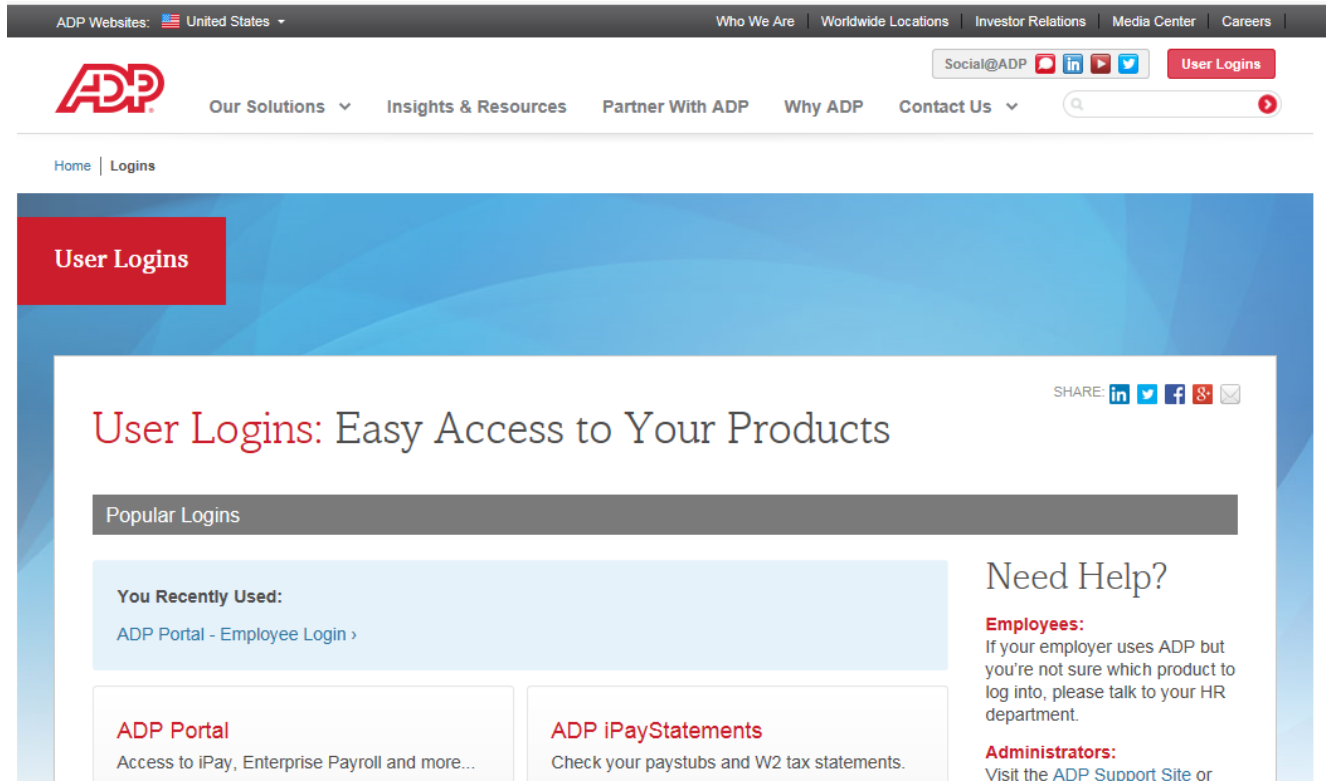
Suggestions:

- In the beginning of each year get a Large Open-End Kraft (Brown) 9" x 12" Envelope.
- Mark it in large letters the Tax Year, such as 2016.
- During the year, as you receive Deductible Expenses like Donations, Summary of Medical Expenses, Real Estate Taxes, Personal Property Tax, and Income Information; W-2, 1099, Bank Statements, place all of these Important Tax information in the Envelope.
- Keep the Envelope some place where you can always find it.
- When W-2's, 1099's, and other important Tax Documents come in the mail around the end of January, put those items in the Envelope too.

Then everything is in one place ready for you to file your Tax Returns.

2016 INDIVIDUAL INCOME TAX WORKSHOP

PAYCHECK STUB MATCHED WITH W-2



The screenshot shows the ADP website's 'User Logins' section. At the top, there's a navigation bar with links for 'ADP Websites: United States', 'Who We Are', 'Worldwide Locations', 'Investor Relations', 'Media Center', and 'Careers'. Below this is a secondary navigation bar with the ADP logo, 'Our Solutions', 'Insights & Resources', 'Partner With ADP', 'Why ADP', 'Contact Us', and a search bar. A red 'User Logins' button is prominent. The main content area has a blue header with 'User Logins' in white. Below this, the heading 'User Logins: Easy Access to Your Products' is displayed, followed by social media share icons. A 'Popular Logins' section lists 'ADP Portal - Employee Login'. A 'You Recently Used' section shows 'ADP Portal - Employee Login'. Two large buttons are present: 'ADP Portal' (Access to iPay, Enterprise Payroll and more...) and 'ADP iPayStatements' (Check your paystubs and W2 tax statements.). A 'Need Help?' section provides instructions for employees and administrators.

ADP Websites: United States ▾

Who We Are | Worldwide Locations | Investor Relations | Media Center | Careers

Social@ADP **User Logins**

Our Solutions ▾ | Insights & Resources | Partner With ADP | Why ADP | Contact Us ▾

Home | Logins

User Logins

SHARE:

User Logins: Easy Access to Your Products

Popular Logins

You Recently Used:
ADP Portal - Employee Login ›

ADP Portal
Access to iPay, Enterprise Payroll and more...

ADP iPayStatements
Check your paystubs and W2 tax statements.

Need Help?
Employees:
If your employer uses ADP but you're not sure which product to log into, please talk to your HR department.
Administrators:
Visit the [ADP Support Site](#) or

Suggestion:

At the end of the year, printout and save your last Paycheck Stub listing your entire year's Income, Deductions and Taxes. When you receive your W-2 around the end of January, make sure the numbers match.

2016 INDIVIDUAL INCOME TAX WORKSHOP

THREE TYPES OF U.S. INDIVIDUAL INCOME TAX RETURNS

1040EZ (Easy), 1040 A (Short Form), or 1040 (Long Form)?

The IRS (Internal Revenue Service) provides a choice of three Individual Income Tax Returns to file your federal income tax; 1040EZ, 1040A, or 1040.

- 1040EZ (Easy) – Use if you are filing a “*Less complicated*” Tax Return such as no dependents, *under* 65-years-old, and want to take the *Standard Deduction*.
- 1040A (Short Form) – Use if you are filing a “*A little more complicated*” Tax Return with dependents, over 65-years-old, Capital Gains, and want to take the *Standard Deduction*.
- 1040 (Long Form) – Use if you are filing a “*More complicated*” Tax Return and want to *Itemized Deductions on Schedule A*, have Capital Gains from the Sale of Property, or Self Employment.

For the 1040EZ (Easy) and 1040A (Short Form) you do not need to purchase Tax Software. Free Software may be helpful, but *make sure that it will print a copy for your records*.

Personally, I always recommend using Turbo Tax or another Tax Software, which *will stay up to date* and know more specific rules than a Tax Attorney or CPA, who also use a Tax Software to file their client’s returns.

2016 INDIVIDUAL INCOME TAX WORKSHOP

IRS - Choose the Simplest Tax Form for Your Situation

<https://www.irs.gov/uac/choose-the-simplest-tax-form-for-your-situation/>

IRS Tax Tip 2011-03, Last Reviewed or Updated: 23-Oct-2014

To file your ~~2010~~ individual tax return, you'll have to decide which form to use...unless you e-file. This year, choosing which form to file will be even more important since the IRS will no longer be mailing paper tax packages. The IRS is taking this step because of the continued growth in electronic filing, the availability of free options to taxpayers and to help reduce costs. Taxpayers can still get forms and instructions online at <http://www.irs.gov>, at local IRS offices or from participating community outlets like many libraries and post offices.

If you file your return using IRS e-file, the system will automatically decide which form you need.

Here are some general rules to consider when deciding which paper tax form to file.

Use the **1040EZ** if:

- Your taxable income is below \$100,000
- Your filing status is Single or Married Filing Jointly
- You and your spouse – if married -- are under age 65 and not blind
- You are not claiming any dependents
- Your interest income is \$1,500 or less

Use the **1040A** if:

- Your taxable income is below \$100,000
- You have capital gain distributions
- You claim certain tax credits
- You claim adjustments to income for IRA contributions and student loan interest

If you cannot use the 1040EZ or the 1040A, you'll probably need to file using the **1040**. Among the reasons you must use the 1040 are:

- Your taxable income is \$100,000 or more
- You claim itemized deductions
- You are reporting self-employment income
- You are reporting income from sale of property

You can gain quick and easy access to IRS forms and instructions or find out more about e-file by visiting <http://www.irs.gov>. Tax products are available 24 hours a day, seven days a week and often appear online well before they are available on paper. To view and download tax products, visit the IRS website and select Forms and Publications.

2016 INDIVIDUAL INCOME TAX WORKSHOP

CAVEAT – EARLY RELEASE OF IRS TAX FORMS

The 114th Congress has until December 16, 2016 to pass any changes

Caution: *DRAFT—NOT FOR FILING*

This is an early release draft of an IRS tax form, instructions, or publication, which the IRS is providing for your information as a courtesy. **Do not file draft forms.** Also, do not rely on draft instructions and publications for filing. We generally do not release drafts of forms until we believe we have incorporated all changes. However, unexpected issues sometimes arise, or legislation is passed, necessitating a change to a draft form. In addition, forms generally are subject to OMB approval before they can be officially released. Drafts of instructions and publications usually have at least some changes before being officially released.

Early releases of draft forms and instructions are at IRS.gov/draftforms. Please note that drafts may remain on IRS.gov even after the final release is posted at IRS.gov/downloadforms, and thus may not be removed until there is a new draft for the subsequent revision. All information about all revisions of all forms, instructions, and publications is at IRS.gov/formspubs.

Almost every form and publication also has its own easily accessible information page on IRS.gov. For example, the Form 1040 page is at IRS.gov/form1040; the Form W-2 page is at IRS.gov/w2; the Publication 17 page is at IRS.gov/pub17; the Form W-4 page is at IRS.gov/w4; the Form 8863 page is at IRS.gov/form8863; and the Schedule A (Form 1040) page is at IRS.gov/schedulea. If typing in the links above instead of clicking on them: type the link into the address bar of your browser, not in a Search box; the text after the slash must be lowercase; and your browser may require the link to begin with “www.”. Note that these are shortcut links that will automatically go to the actual link for the page.

If you wish, you can submit comments about draft or final forms, instructions, or publications on the [Comment on Tax Forms and Publications](#) page on IRS.gov. We cannot respond to all comments due to the high volume we receive, but we will carefully consider each one. Please note that we may not be able to consider many suggestions until the subsequent revision of the product.

2016 INDIVIDUAL INCOME TAX WORKSHOP

1040EZ (Easy) U.S. Individual Income Tax Return

Form 1040EZ Your first name and initial		Last name		Your social security number	
OMB No. 1545-0074		OMB No. 1545-0074		OMB No. 1545-0074	
If a joint return, spouse's first name and initial		Last name		Spouse's social security number	
Home address (number and street). If you have a P.O. box, see instructions.				Apt. no.	
City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions).				Presidential Election Campaign Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund. <input type="checkbox"/> You <input type="checkbox"/> Spouse	
Foreign country name		Foreign province/state/country		Foreign postal code	
Income Attach Form(s) W-2 here. Enclose, but do not attach, any payment.					
1 Wages, salaries, and tips. This should be shown in box 1 of your Form(s) W-2. Attach your Form(s) W-2. 1					
2 Taxable interest. If the total is over \$1,500, you cannot use Form 1040EZ. 2					
3 Unemployment compensation and Alaska Permanent Fund dividends (see instructions). 3					
4 Add lines 1, 2, and 3. This is your adjusted gross income . 4					
5 If someone can claim you (or your spouse if a joint return) as a dependent, check the applicable box(es) below and enter the amount from the worksheet on back. <input type="checkbox"/> You <input type="checkbox"/> Spouse If no one can claim you (or your spouse if a joint return), enter \$10,350 if single; \$20,700 if married filing jointly. See back for explanation. 5					
6 Subtract line 5 from line 4. If line 5 is larger than line 4, enter -0-. This is your taxable income . 6					
Payments, Credits, and Tax					
7 Federal income tax withheld from Form(s) W-2 and 1099. 7					
8a Earned income credit (EIC) (see instructions) 8a					
b Nontaxable combat pay election. 8b					
9 Add lines 7 and 8a. These are your total payments and credits . 9					
10 Tax. Use the amount on line 6 above to find your tax in the tax table in the instructions. Then, enter the tax from the table on this line. 10					
11 Health care: individual responsibility (see instructions) Full-year coverage <input type="checkbox"/> 11					
12 Add lines 10 and 11. This is your total tax . 12					
Refund					
13a If line 9 is larger than line 12, subtract line 12 from line 9. This is your refund . If Form 8888 is attached, check here <input type="checkbox"/> 13a					
Have it directly deposited? See instructions and fill in 13b, 13c, and 13d, or Form 8888. ▶ b Routing number <input type="text"/> ▶ c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings ▶ d Account number <input type="text"/>					
Amount You Owe					
14 If line 12 is larger than line 9, subtract line 9 from line 12. This is the amount you owe . For details on how to pay, see instructions. 14					
Do you want to allow another person to discuss this return with the IRS (see instructions)? <input type="checkbox"/> Yes. Complete below. <input type="checkbox"/> No					
Third Party Designee					
Designee's name ▶		Phone no. ▶		Personal identification number (PIN) ▶ <input type="text"/>	
Sign Here					
Under penalties of perjury, I declare that I have examined this return and, to the best of my knowledge and belief, it is true, correct, and accurately lists all amounts and sources of income I received during the tax year. Declaration of preparer (other than the taxpayer) is based on all information of which the preparer has any knowledge.					
Your signature		Date		Your occupation	
Spouse's signature. If a joint return, both must sign.		Date		Spouse's occupation	
Joint return? See instructions.		Daytime phone number		If the IRS sent you an Identity Protection PIN, enter it here (see instructions) <input type="text"/>	
Keep a copy for your records.		Check <input type="checkbox"/> if self-employed		PTIN <input type="text"/>	
Paid Preparer Use Only					
Print/Type preparer's name		Preparer's signature		Date	
Firm's name ▶		Firm's EIN ▶		Phone no.	
Firm's address ▶					

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see instructions.

Cat. No. 11329W

Form **1040EZ** (2016)

If you did not check any boxes on line 5, enter on line 5 the amount shown below that applies to you.

- Single, enter \$10,350. This is the total of your standard deduction (\$6,300) and your exemption (\$4,050).
- Married filing jointly, enter \$20,700. This is the total of your standard deduction (\$12,600), your exemption (\$4,050), and your spouse's exemption (\$4,050).

2016 INDIVIDUAL INCOME TAX WORKSHOP

1040A (Short Form) U.S. Individual Income Tax Return

Form 1040A Department of the Treasury—Internal Revenue Service U.S. Individual Income Tax Return (99) 2016 IRS Use Only—Do not write or staple in this space.

Your social security number

OMB No. 1545-0074

Spouse's social security number

Make sure the SSN(s) above and on line 6c are correct.

Presidential Election Campaign

Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund.

☐ You ☐ Spouse

Filing status

Check only one box.

1 ☐ Single

2 ☐ Married filing jointly (even if only one had income)

3 ☐ Married filing separately. Enter spouse's SSN above and full name here.

4 ☐ Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here.

5 ☐ Qualifying widow(er) with dependent child (see instructions)

Exemptions

6a ☐ Yourself. If someone can claim you as a dependent, do not check box 6a.

b ☐ Spouse

c Dependents:

(1) First name Last name (2) Dependent's social security number (3) Dependent's relationship to you (4) ☒ If child under age 17 qualifying for child tax credit (see instructions)

Boxes checked on 6a and 6b

No. of children on 6c who:

☐ lived with you

☐ did not live with you due to divorce or separation (see instructions)

Dependents on 6c not entered above

Add numbers on lines above

d Total number of exemptions claimed.

Income

7 Wages, salaries, tips, etc. Attach Form(s) W-2. 7

8a Taxable interest. Attach Schedule B if required. 8a

b Tax-exempt interest. Do not include on line 8a. 8b

9a Ordinary dividends. Attach Schedule B if required. 9a

b Qualified dividends (see instructions). 9b

10 Capital gain distributions (see instructions). 10

11a IRA distributions. 11a 11b Taxable amount (see instructions). 11b

12a Pensions and annuities. 12a 12b Taxable amount (see instructions). 12b

13 Unemployment compensation and Alaska Permanent Fund dividends. 13

14a Social security benefits. 14a 14b Taxable amount (see instructions). 14b

15 Add lines 7 through 14b (far right column). This is your total income. 15

Adjusted gross income

16 Educator expenses (see instructions). 16

17 IRA deduction (see instructions). 17

18 Student loan interest deduction (see instructions). 18

19 Tuition and fees. Attach Form 8917. 19

20 Add lines 16 through 19. These are your total adjustments. 20

21 Subtract line 20 from line 15. This is your adjusted gross income. 21

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 11327A Form 1040A (2016)

Form 1040A (2016) Page 2

Tax, credits, and payments

22 Enter the amount from line 21 (adjusted gross income). 22

23a Check ☐ You were born before January 2, 1952, ☐ Blind ☒ Total boxes checked 23a

If: ☐ Spouse was born before January 2, 1952, ☐ Blind ☒ 23a

b If you are married filing separately and your spouse itemizes deductions, check here 23b ☐

24 Enter your standard deduction. 24

25 Subtract line 24 from line 22. If line 24 is more than line 22, enter -0-. 25

26 Exemptions. Multiply \$4,050 by the number on line 6d. 26

27 Subtract line 26 from line 25. If line 26 is more than line 25, enter -0-. 27

This is your taxable income.

28 Tax, including any alternative minimum tax (see instructions). 28

29 Excess advance premium tax credit repayment. Attach Form 8962. 29

30 Add lines 28 and 29. 30

31 Credit for child and dependent care expenses. Attach Form 2441. 31

32 Credit for the elderly or the disabled. Attach Schedule R. 32

33 Education credits from Form 8863, line 19. 33

34 Retirement savings contributions credit. Attach Form 8880. 34

35 Child tax credit. Attach Schedule 8812, if required. 35

36 Add lines 31 through 35. These are your total credits. 36

37 Subtract line 36 from line 30. If line 36 is more than line 30, enter -0-. 37

38 Health care: individual responsibility (see instructions). Full-year coverage ☐ 38

39 Add line 37 and line 38. This is your total tax. 39

40 Federal income tax withheld from Forms W-2 and 1099. 40

41 2016 estimated tax payments and amount applied from 2015 return. 41

42a Earned income credit (EIC). 42a

b Nontaxable combat pay election. 42b

43 Additional child tax credit. Attach Schedule 8812. 43

44 American opportunity credit from Form 8863, line 8. 44

45 Net premium tax credit. Attach Form 8962. 45

46 Add lines 40, 41, 42a, 43, 44, and 45. These are your total payments. 46

47 If line 46 is more than line 39, subtract line 39 from line 46. This is the amount you overpaid. 47

48a Amount of line 47 you want refunded to you. If Form 8888 is attached, check here ☐ 48a

b Routing number c Type: ☐ Checking ☐ Savings

d Account number

49 Amount of line 47 you want applied to your 2017 estimated tax. 49

Amount you owe

50 Amount you owe. Subtract line 46 from line 39. For details on how to pay, see instructions. 50

51 Estimated tax penalty (see instructions). 51

Third party designee

Do you want to allow another person to discuss this return with the IRS (see instructions)? ☐ Yes. Complete the following. ☐ No

Designee's name Phone no. Personal identification number (PIN)

Sign here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and accurately list all amounts and sources of income I received during the tax year. Declaration of preparer (other than the taxpayer) is based on all information of which the preparer has any knowledge.

Your signature Date Your occupation Daytime phone number

Spouse's signature. If a joint return, both must sign. Date Spouse's occupation If the IRS sent you an Identity Protection PIN, enter it here (see instructions)

Print/type preparer's name Preparer's signature Date Check ☐ if self-employed ☐ PIN

Firm's name Firm's EIN

Firm's address Phone no.

Form 1040A (2016)

2016 INDIVIDUAL INCOME TAX WORKSHOP

1040 (Long Form) U.S. Individual Income Tax Return

Form 1040 Department of the Treasury—Internal Revenue Service (99) **2016** U.S. Individual Income Tax Return OMB No. 1545-0074 IRS Use Only—Do not write or staple in this space.

For the year Jan. 1–Dec. 31, 2016, or other tax year beginning _____, 2016, ending _____, 20

Your first name and initial _____ Last name _____ See separate instructions.

If a joint return, spouse's first name and initial _____ Last name _____ Spouse's social security number _____

Home address (number and street). If you have a P.O. box, see instructions. _____ Apt. no. _____

City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions).

Foreign country name _____ Foreign province/state/county _____ Foreign postal code _____

Filing Status

1 ☐ Single 4 ☐ Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here. _____

2 ☐ Married filing jointly (even if only one had income) 5 ☐ Qualifying widow(er) with dependent child

3 ☐ Married filing separately. Enter spouse's SSN above and full name here. _____

Exemptions

6a ☐ Yourself. If someone can claim you as a dependent, do not check box 6a. **Boxes checked on 6a and 6b:**

6b ☐ Spouse **No. of children on 6c who:**

6c **Dependents:** (1) First name _____ Last name _____ (2) Dependent's social security number _____ (3) Dependent's relationship to you _____ (4) ☐ If child under age 17 qualifying for child tax credit (see instructions)

If more than four dependents, see instructions and check here ☐

d Total number of exemptions claimed _____ Add numbers on lines above ☐

Income

7 Wages, salaries, tips, etc. Attach Form(s) W-2 _____ 7a

8 Taxable interest. Attach Schedule B if required _____ 8a

9a Ordinary dividends. Attach Schedule B if required _____ 9a

10 Qualified dividends _____ 9b

11 Taxable refunds, credits, or offsets of state and local income taxes _____ 10

12 Alimony received _____ 11

13 Business income or (loss). Attach Schedule C or C-EZ _____ 12

14 Capital gain or (loss). Attach Schedule D if required. If not required, check here ☐ _____ 13

15 Other gains or (losses). Attach Form 4797 _____ 14

15a IRA distributions _____ 15a b Taxable amount _____ 15b

16a Pensions and annuities _____ 16a b Taxable amount _____ 16b

17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E _____ 17

18 ~~Form income or (loss)~~ Attach Schedule F _____ 18

19 **Unemployment compensation** _____ 19

20a Social security benefits _____ 20a b Taxable amount _____ 20b

21 Other income. List type and amount _____ 21

22 Combine the amounts in the far right column for lines 7 through 21. This is your **total income** _____ 22

Adjusted Gross Income

23 Educator expenses _____ 23

24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ _____ 24

25 Health savings account deduction. Attach Form 8889 _____ 25

26 Moving expenses. Attach Form 3903 _____ 26

27 Deductible part of self-employment tax. Attach Schedule SE _____ 27

28 Self-employed SEP, SIMPLE, and qualified plans _____ 28

29 Self-employed health insurance deduction _____ 29

30 Penalty on early withdrawal of savings _____ 30

31a Alimony paid b Recipient's SSN _____ 31a

32 IRA deduction _____ 32

33 Student loan interest deduction _____ 33

34 Tuition and fees. Attach Form 8917 _____ 34

35 Domestic production activities deduction. Attach Form 8903 _____ 35

36 Add lines 23 through 35 _____ 36

37 Subtract line 36 from line 22. This is your **adjusted gross income** _____ 37

Form 1040 (2016) **Page 2**

Tax and Credits

38 Amount from line 37 (adjusted gross income) _____ 38

39a Check ☐ You were born before January 2, 1952, ☐ Blind. Total boxes _____ 39a

b If your spouse itemizes on a separate return or you were a dual-status alien, check here ☐ 39b

40 **Itemized deductions** from Schedule A) or your **standard deduction** (see left margin) _____ 40

41 Subtract line 40 from line 38 _____ 41

42 Exemptions. If line 38 is \$155,000 or less, multiply \$4,050 by the number on line 6d. Otherwise, see instructions _____ 42

43 Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0- _____ 43

44 Tax (see instructions). Check if any from: a ☐ Form(s) 8814 b ☐ Form 4972 c ☐ _____ 44

45 Alternative minimum tax (see instructions). Attach Form 6251 _____ 45

46 Excess advance premium tax credit repayment. Attach Form 8962 _____ 46

47 Add lines 44, 45, and 46 _____ 47

48 Foreign tax credit. Attach Form 1116 if required _____ 48

49 Credit for child and dependent care expenses. Attach Form 2441 _____ 49

50 Education credits from Form 8863, line 19 _____ 50

51 Retirement savings contributions credit. Attach Form 8880 _____ 51

52 Child tax credit. Attach Schedule 8812, if required _____ 52

53 Residential energy credits. Attach Form 5695 _____ 53

54 Other credits from Form: a ☐ 3800 b ☐ 8801 c ☐ _____ 54

55 Add lines 48 through 54. These are your **total credits** _____ 55

56 Subtract line 55 from line 47. If line 55 is more than line 47, enter -0- _____ 56

Other Taxes

57 Self-employment tax. Attach Schedule SE _____ 57

58 Unreported social security and Medicare tax from Form: a ☐ 4137 b ☐ 8919 _____ 58

59 Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required _____ 59

60a Household employment taxes from Schedule H _____ 60a

b First-time homebuyer credit repayment. Attach Form 5405 if required _____ 60b

61 Health care: individual responsibility (see instructions) Full-year coverage ☐ _____ 61

62 Taxes from: a ☐ Form 8950 b ☐ Form 8960 c ☐ Instructions; enter code(s) _____ 62

63 Add lines 56 through 62. This is your **total tax** _____ 63

Payments

64 Federal income tax withheld from Forms W-2 and 1099 _____ 64

65 2016 estimated tax payments and amount applied from 2015 return _____ 65

66a Earned income credit (EIC) _____ 66a

b Nontaxable combat pay election **66b** _____ 66b

67 Additional child tax credit. Attach Schedule 8812 _____ 67

68 American opportunity credit from Form 8863, line 6 _____ 68

69 Net premium tax credit. Attach Form 8962 _____ 69

70 Amount paid with request for extension to file _____ 70

71 Excess social security and tier 1 RRTA tax withheld _____ 71

72 Credit for federal tax on fuels. Attach Form 4136 _____ 72

73 Credits from Form: a ☐ 2439 b ☐ 8885 c ☐ 8885 d ☐ _____ 73

74 Add lines 64, 65, 66a, and 67 through 73. These are your **total payments** _____ 74

Refund

75 If line 74 is more than line 63, subtract line 63 from line 74. This is the amount you **overpaid** _____ 75

76a Amount of line 75 you want refunded to you. If Form 8888 is attached, check here ☐ 76a

b Routing number _____ c Type: ☐ Checking ☐ Savings _____ 76b

d Account number _____ 76c

77 Amount of line 75 you want applied to your 2017 estimated tax _____ 77

78 Amount you owe. Subtract line 74 from line 63. For details on how to pay, see instructions _____ 78

79 Estimated tax penalty (see instructions) _____ 79

Third Party Designee

Do you want to allow another person to discuss this return with the IRS (see instructions)? ☐ Yes. Complete below. ☐ No

Designee's name _____ Phone no. _____ Personal identification number (PIN) _____

Sign Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and accurate (if all amounts and sources of income received during the tax year, including those of a spouse (other than taxpayer) is based on all information of which taxpayer has any knowledge).

Signature _____ Date _____ Your occupation _____ Daytime phone number _____

Spouse's signature. If a joint return, both must sign. _____ Date _____ Spouse's occupation _____

Paid Preparer Use Only

Print/Type preparer's name _____ Preparer's signature _____ Date _____

Firm's name _____ Check ☐ if self-employed _____

Firm's address _____ Firm's EIN _____

Phone no. _____

2016 INDIVIDUAL INCOME TAX WORKSHOP

Standard Deduction Amounts

For 2016, the Standard Deduction is as follows:

Filing Status	Standard	Over 65 / Blind
• Single	\$6,300	\$7,850
• Married Filing Jointly or Qualifying Widow(er)	\$12,600	\$13,850
• Married Filing Separately	\$6,300	\$7,550
• Head of Household	\$9,300	\$10,850

<http://www.irs.com/articles/2016-federal-tax-rates-personal-exemptions-and-standard-deductions>

*When the Standard Deduction is used,
there are not any additional Deductions such as Charities.*

2016 INDIVIDUAL INCOME TAX WORKSHOP

Itemized Deductions, Schedule A. has 7 *Sections*

SCHEDULE A

(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Name(s) shown on Form 1040

Itemized Deductions

▶ Information about Schedule A and its separate instructions is at www.irs.gov/schedulea.
▶ Attach to Form 1040.

OMB No. 1545-0074

2016

Attachment
Sequence No. 07

			Your social security number	
<p>Caution: Do not include expenses reimbursed or paid by others.</p>				
Medical and Dental Expenses	1 Medical and dental expenses (see instructions)	1		
	2 Enter amount from Form 1040, line 38 2			
	3 Multiply line 2 by 10% (0.10). But if either you or your spouse was born before January 2, 1952, multiply line 2 by 7.5% (0.075) instead	3		
	4 Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-		4	
Taxes You Paid	5 State and local (check only one box):	5		
	a <input type="checkbox"/> Income taxes, or			
	b <input type="checkbox"/> General sales taxes			
	6 Real estate taxes (see instructions)	6		
	7 Personal property taxes	7		
	8 Other taxes. List type and amount ▶	8		
	9 Add lines 5 through 8		9	
	Interest You Paid	10 Home mortgage interest and points reported to you on Form 1098	10	
11 Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see instructions and show that person's name, identifying no., and address ▶		11		
Note: Your mortgage interest deduction may be limited (see instructions).				
12 Points not reported to you on Form 1098. See instructions for special rules		12		
13 Mortgage insurance premiums (see instructions)		13		
14 Investment interest. Attach Form 4952 if required. (See instructions.)		14		
15 Add lines 10 through 14		15		
Gifts to Charity		16 Gifts by cash or check. If you made any gift of \$250 or more, see instructions.	16	
	17 Other than by cash or check. If any gift of \$250 or more, see instructions. You must attach Form 8283 if over \$500	17		
	18 Carryover from prior year	18		
	19 Add lines 16 through 18		19	
Casualty and Theft Losses	20 Casualty or theft loss(es). Attach Form 4684. (See instructions.)		20	
Job Expenses and Certain Miscellaneous Deductions	21 Unreimbursed employee expenses—job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See instructions.) ▶	21		
	22 Tax preparation fees	22		
	23 Other expenses—investment, safe deposit box, etc. List type and amount ▶	23		
	24 Add lines 21 through 23	24		
	25 Enter amount from Form 1040, line 38 25			
	26 Multiply line 25 by 2% (0.02)	26		
Other Miscellaneous Deductions	27 Subtract line 26 from line 24. If line 26 is more than line 24, enter -0-		27	
	28 Other—from list in instructions. List type and amount ▶		28	
Total Itemized Deductions	29 Is Form 1040, line 38, over \$15,650?		29	
	<input type="checkbox"/> No. Your deduction is not limited. Add the amounts in the far right column for lines 4 through 28. Also, enter this amount on Form 1040, line 40.			
	<input type="checkbox"/> Yes. Your deduction may be limited. See the Itemized Deductions Worksheet in the instructions to figure the amount to enter.			
	30 If you elect to itemize deductions even though they are less than your standard deduction, check here <input type="checkbox"/>			

For Paperwork Reduction Act Notice, see Form 1040 instructions.

Cat. No. 17145C

Schedule A (Form 1040) 2016

2016 INDIVIDUAL INCOME TAX WORKSHOP

Medical and Dental Expenses

	Caution: Do not include expenses reimbursed or paid by others.			
Medical and Dental Expenses	1 Medical and dental expenses (see instructions)	1		
	2 Enter amount from Form 1040, line 38 2	2		
	3 Multiply line 2 by 10% (0.10). But if either you or your spouse was born before January 2, 1952, multiply line 2 by 7.5% (0.075) instead	3		
	4 Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-	4		

Medical and Dental Insurance Premiums, COBRA, Medical, Dental and Prescriptions Co-payments and Deductibles, are Out of Pocket Payments that you paid that are deductible.

However the deduction is limited to amounts above 10% of your "Adjusted Gross Income," but if a *Senior, 65 or older, it is limited only to 7.5% of your "Adjusted Gross Income."*

Suggestions:

- Before the end of the year, ask your Insurer and Pharmacist to print out all Medical visits and Prescriptions to determine if you are close to or are above 10% of your "Adjusted Gross Income."
- *If you are close to or over, consider seeing your Doctor, Dentist, or fill prescriptions before the end of the year so that you can deduct the expense.*

2016 INDIVIDUAL INCOME TAX WORKSHOP

STATE INCOME TAX, PERSONAL PROPERTY TAX, & REAL ESTATE TAXES ARE ALL DEDUCTIBLE

Taxes You Paid	5 State and local (check only one box):			
	a <input type="checkbox"/> Income taxes, or	}		
	b <input type="checkbox"/> General sales taxes			
	6 Real estate taxes (see instructions)			
	7 Personal property taxes			
	8 Other taxes. List type and amount ►			
9 Add lines 5 through 8				9

Suggestions:

- Generally, your State Income Taxes will be listed on your W-2, but do not forget to include any *voluntary Quarterly State Tax Payments*.
- If when you filed your State Income Taxes you paid additional taxes in the current year, your *Total State Income Taxes* paid is that additional State Taxes you paid when you filed your State Tax return, *plus* State Income Taxes listed on your W-2, which may be deducted on your Federal 1040, Schedule A, Itemized Deductions. For example, if when you filed your 2015 Virginia Income Tax Return in 2016, paying an additional \$200 Income Tax, then your total State Income Taxes paid would be the additional \$200 State Income Tax paid, plus \$10,000 State Income Taxes listed on your W-2 for a total of \$10,200. Interest and penalty are not included.
- If you itemized your deductions the previous year and included a deduction for State Income Taxes, but received a State Refund, do not *forget to add the refund amount listed on the card* from the Virginia Department of Taxation on Line 10 of the Federal 1040. *If you did not receive a State Refund, there is nothing to list.*
- Include each Vehicles Personal Property Tax *Paid, plus* the Personal Property Tax Vehicle Registration, which was called the “*Sticker*” and is \$20 for each vehicle.

2016 INDIVIDUAL INCOME TAX WORKSHOP

Interest on Home Mortgages and Equity Lines

Interest You Paid Note: Your mortgage interest deduction may be limited (see instructions).	10	Home mortgage interest and points reported to you on Form 1098	10			
	11	Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see instructions and show that person's name, identifying no., and address ► ----- -----				
	12	Points not reported to you on Form 1098. See instructions for special rules	11			
	13	Mortgage insurance premiums (see instructions)	12			
	14	Investment interest. Attach Form 4952 if required. (See instructions.)	13			
	15	Add lines 10 through 14	14			
				15		

Only Mortgage or Equity Line Interest are Deductible.

Personal Interest paid to Credit Cards are not Deductible.

Suggestions:

- If you have a "Little Extra Funds," think about making an extra payment on your Mortgage before the end of the year to increase your Mortgage Interest Deduction.
- If you have a "Larger Amount of Extra Funds," consider making a payment on your Mortgage "To Principle Only," which will eventually decrease the total Interest, the number of Mortgage payments, and you will pay off your Mortgage earlier.

2016 INDIVIDUAL INCOME TAX WORKSHOP

Charitable Contributions

Gifts to Charity	16	Gifts by cash or check. If you made any gift of \$250 or more, see instructions.				
If you made a gift and got a benefit for it, see instructions.	17	Other than by cash or check. If any gift of \$250 or more, see instructions. You must attach Form 8283 if over \$500				
	18	Carryover from prior year				
	19	Add lines 16 through 18				19

Generally, a deduction is valid if it is made to a Charitable Organization that is Tax-exempt by 26 U.S.C. § 501(c) of the Internal Revenue Code (IRC), whereby the organization is exempt from federal income tax if its activities have the purposes: charitable, religious, educational, scientific, literary, testing for public safety, fostering amateur sports, etc.

[https://www.irs.gov/Charities-&-Non-Profits/Charitable-Organizations/Exempt-Purposes-Internal-Revenue-Code-Section-501\(c\)\(3\)](https://www.irs.gov/Charities-&-Non-Profits/Charitable-Organizations/Exempt-Purposes-Internal-Revenue-Code-Section-501(c)(3))

Verify 501(c) Tax-exempt status at: <https://apps.irs.gov/app/eos/mainSearch.do?mainSearchChoice=pub78&dispatchMethod=selectSearch>

Suggestions:

- If you have a "Some Extra Funds," consider making an extra payment to your Church, Synagogue, Mosque or other charity *before the end of the year* to increase your Deduction. For 2016, using your *Vehicle for a Charity* is deductible at 14 cents per mile.
- Donations to Charities other than cash, such as Computers, Clothing, Housewares, TV's, etc. are also deductible.
- The question is their value. The Salvation Army provides a great "Donation Value Guide" <https://satruck.org/Home/DonationValueGuide> that provides 4 pages of items with high and low values.
- For an Automobile or Truck, the deduction is restricted to the *lower* of the *Fair Market Value* or the amount the charity actually *sold the vehicle*. If the Automobile or Truck Value is \$1000, but it sold for only \$500, then only \$500 is deductible.

2016 INDIVIDUAL INCOME TAX WORKSHOP

Casualty and Theft Losses of Property Not Used in a Trade or Business

Casualty and

Theft Losses

20 Casualty or theft loss(es). Attach Form 4684. (See instructions.)

20

Federal Form 4684 Casualty and Thefts, Limits the Deduction to any amount over 10% of "Adjusted Gross Income."

Form 4684 Department of the Treasury Internal Revenue Service		Casualties and Thefts ▶ Information about Form 4684 and its separate instructions is at www.irs.gov/form4684 . ▶ Attach to your tax return. ▶ Use a separate Form 4684 for each casualty or theft.				OMB No. 1545-0177 2016 Attachment Sequence No. 26																																																																																																																																																				
Name(s) shown on tax return						Identifying number																																																																																																																																																				
SECTION A—Personal Use Property (Use this section to report casualties and thefts of property not used in a trade or business or for income-producing purposes.)																																																																																																																																																										
1 Description of properties (show type, location, and date acquired for each property). Use a separate line for each property lost or damaged from the same casualty or theft.																																																																																																																																																										
Property A _____ Property B _____ Property C _____ Property D _____																																																																																																																																																										
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Add the amounts on line 9 in columns A through D</td> <td></td> <td></td> <td></td> <td></td> <td>10</td> </tr> <tr> <td>11</td> <td>Enter the smaller of line 10 or \$100</td> <td></td> <td></td> <td></td> <td></td> <td>11</td> </tr> <tr> <td>12</td> <td>Subtract line 11 from line 10</td> <td></td> <td></td> <td></td> <td></td> <td>12</td> </tr> <tr> <td colspan="7"> Caution: Use only one Form 4684 for lines 13 through 18. </td> </tr> <tr> <td>13</td> <td>Add the amounts on line 12 of all Forms 4684</td> <td></td> <td></td> <td></td> <td></td> <td>13</td> </tr> <tr> <td>14</td> <td>Add the amounts on line 4 of all Forms 4684</td> <td></td> <td></td> <td></td> <td></td> <td>14</td> </tr> <tr> <td>15</td> <td> • If line 14 is more than line 13, enter the difference here and on Schedule D. Do not complete the rest of this section (see instructions). • If line 14 is less than line 13, enter -0- here and go to line 16. • If line 14 is equal to line 13, enter -0- here. 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2016 INDIVIDUAL INCOME TAX WORKSHOP

Job Expenses and Miscellaneous Deductions

Job Expenses and Certain Miscellaneous Deductions	21	Unreimbursed employee expenses—job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See instructions.) ▶	21			
	22	Tax preparation fees	22			
	23	Other expenses—investment, safe deposit box, etc. List type and amount ▶	23			
	24	Add lines 21 through 23	24			
	25	Enter amount from Form 1040, line 38	25			
	26	Multiply line 25 by 2% (0.02)	26			
	27	Subtract line 26 from line 24. If line 26 is more than line 24, enter -0-	27			
Other Miscellaneous Deductions	28	Other—from list in instructions. List type and amount ▶	28			

LIMITED TO AMOUNTS OVER 2% OF “ADJUSTED GROSS INCOME.”

(If \$50,000 “Adjusted Gross Income” then only amounts over \$1,000 are deductible)

For Job Search Expenses to qualify for a deduction, the expenses must be spent on a job search in your current occupation (Not your Job, but your Field, or Profession), but not expenses incurred while looking for a job in a new occupation.

For example, a Plumber may deduct expenses looking for a new job as a Plumber, but not to make a career change to a Wedding Planner.

JOB SEARCH DEDUCTIBLE EXPENSES:

1. Employment and Outplacement Agency Fees paid while looking for a job *in your present occupation*.
2. Preparing and Mailing copies of your Cover Letter, Résumé, Marketing Plan, and Business Cards to give to prospective employers in your present occupation, as well as the costs for creating and maintaining Websites.
3. Round Trip Travel to look for a new job *in your present occupation*, in the city you want to work. For 2016, using a vehicle for Business or Job Search the Mileage Rate is 54 cents per mile. Similar to Employment and Outplacement Agency Fees, mileage for travel to and from Career Prospector, JAM, and Accountable Group Meetings may be deductible as long as you are being “Educated on how to get a job” in your current occupation and you must keep a “Log.”

Example 1000 miles x \$.54 per mile = \$540 + \$200 Résumés & Business Cards Printing = \$740. 22

2016 INDIVIDUAL INCOME TAX WORKSHOP

Standard Deduction this Year, but What About Next Year?

Question:

If I have to take the Standard Deduction this year, can I pay for some things the next year?

Suggestions:

- Yes, when you have to take the Standard Deduction because you do not have enough expenses to itemize in 2016, you can “*Defer*” or “*Put off*” paying some things to 2017; as long as the Bank does not charge any additional penalties or interest.
- For example, if your Mortgage is *better than up to date*, perhaps you could put off making that extra payment until the following year.

2016 INDIVIDUAL INCOME TAX WORKSHOP

Affordable Care Act (ACA) Requires Health Care Coverage

1040EZ **Joint Filers With No Dependents** (99) **2016** OMB No. 1545-0074

11 Health care: individual responsibility (see instructions) Full-year coverage ☐ 11

Form 1040A (2016) Page 2

38 Health care: individual responsibility (see instructions). Full-year coverage ☐ 38

39 Add line 37 and line 38. This is your **total tax**. 39

Form 1040 (2016) Page 2

Other Taxes

57	Self-employment tax. Attach Schedule SE	57	
58	Unreported social security and Medicare tax from Form: a <input type="checkbox"/> 4137 b <input type="checkbox"/> 8919	58	
59	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required	59	
60a	Household employment taxes from Schedule H	60a	
b	First-time homebuyer credit repayment. Attach Form 5405 if required	60b	
61	Health care: individual responsibility (see instructions) Full-year coverage <input type="checkbox"/>	61	
62	Taxes from: a <input type="checkbox"/> Form 8959 b <input type="checkbox"/> Form 8960 c <input type="checkbox"/> Instructions; enter code(s)	62	
63	Add lines 56 through 62. This is your total tax	63	

The Affordable Care Act (Obama Care) requires that there must be Qualifying Health Care Coverage (Medical Insurance) for yourself, your spouse (if filing jointly), and anyone you can or do claim as a dependent for every month of 2016.

If Health Care Coverage was for *all of 2016*, then on the Federal 1040EZ, line 11, 1040A (Short Form) line 38 or the Federal 1040 Line 61, simply *check the box for "Full-year Coverage."*

If a Shared Responsibility Payment (*Penalty for not having health care coverage*) is due, enter the amount on the Health Care line.²⁴

2016 INDIVIDUAL INCOME TAX WORKSHOP

Affordable Care Act (ACA) (Obama Care)

Shared Responsibility Payment or Individual Mandate Fee

(Tax Penalty for not having Health Care Coverage)

- The payment or fee for **2016** is **\$695** per adult and **\$347.50** per child (up to **\$2,085** for a family), or it's **2.5%** of your household income above the tax return filing threshold for your filing status – whichever is greater. You'll pay 1/12 of the total fee for each full month in which a family member went without coverage or an exemption. <http://obamacarefacts.com/obamacare-individual-mandate/>
- The payment or fee for 2017 is not published yet, but we can look at the 2016 fees to get a rough estimate of the penalty for not having health insurance in 2017. <http://obamacarefacts.com/obamacare-fee-2017/>

2016 INDIVIDUAL INCOME TAX WORKSHOP

Affordable Care Act (ACA) (Obama Care)

Shared Responsibility Payment Worksheet A.

(Penalty for not having Health Care Coverage)

<https://www.irs.gov/pub/irs-pdf/i8965.pdf> (Page 17)

Worksheet A

Use this worksheet if you were referred here from Step 1 under [Shared Responsibility Payment](#). After completing the worksheet, go to **Step 3** under [Shared Responsibility Payment](#). If everyone in your tax household had either minimum essential coverage or a coverage exemption for every month during 2016, stop here. You do not owe a shared responsibility payment.

Complete the monthly columns by placing "Xs" in each month in which you or another member of your tax household had neither minimum essential coverage nor a coverage exemption.

Name	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1. Add the total number of Xs in a month. If 5 or more, enter 5												
2. Add the total number of Xs in a month for individuals 18 or over*												
3. Enter one-half the number of Xs in a month for individuals under 18*												
4. Add lines 2 and 3 for each month												
5. Multiply line 4 by \$695 for each month. If \$2,085 or more, enter \$2,085												
6. Add the amounts for each month on line 5												
7. Divide line 6 by 12.0. This is your flat dollar amount. Enter this amount on line 1 of the Shared Responsibility Payment Worksheet												
8. Add the total number of Xs entered for each month on line 1. Go to Step 3												

*For purposes of figuring the shared responsibility payment, an individual is considered under 18 for an entire month if he or she didn't turn 18 before the first day of the month. An individual turns 18 on the anniversary of the day the individual was born. For example, someone born on March 1, 2001, is considered age 18 on March 1, 2019, and, therefore, isn't considered age 18 for purposes of the shared responsibility payment until April 2019.

2016 INDIVIDUAL INCOME TAX WORKSHOP

Affordable Care Act (ACA) (Obama Care)

Shared Responsibility Payment Worksheet B.

<https://www.irs.gov/pub/irs-pdf/i8965.pdf> (Page 18)

Worksheet B



Do not complete this worksheet unless you were directed here in Step 4 under [Shared Responsibility Payment](#).

	(a)	(b)	(c)
For each month, you must determine if the amount on line 5 of Worksheet A is less than the amount on line 7 of Step 4 under <i>Shared Responsibility Payment</i> *	Enter the amount from line 5 of Worksheet A	Enter the amount from Step 4, line 7	Enter the larger of column (a) or column (b)
1. January			
2. February			
3. March			
4. April			
5. May			
6. June			
7. July			
8. August			
9. September			
10. October			
11. November			
12. December			
13. Add the amounts in column (c)			
14. Divide line 13 by 12.0. Enter the result on lines 2 and 3 of the Shared Responsibility Payment Worksheet. Go to Step 5			

*If the amount on line 1 of Worksheet A is -0- for any month, leave all columns of this worksheet blank for that month.

2016 INDIVIDUAL INCOME TAX WORKSHOP

Affordable Care Act (ACA) (Obama Care)

Shared Responsibility Payment Enter on 1040EZ, 1040A, 1040

<https://www.irs.gov/pub/irs-pdf/i8965.pdf> (Page 17)

Shared Responsibility Payment Worksheet

Use this worksheet if you are referred here from the Shared Responsibility Payment flowchart or from Worksheet A or B. If everyone in your tax household had either minimum essential coverage or a coverage exemption for every month during 2016, stop here. You do not owe a shared responsibility payment.

Complete Step 1

1. Enter the flat dollar amount. (From Step 2, question 4 or Worksheet A, line 7) **1**

Complete Step 3

2. Enter the percentage income amount. (From Step 4, question 7 or Worksheet B, line 14) **2**

3. Enter the larger of line 1 or line 2 **3**

Complete Step 5

4. Enter the National Average Bronze Plan Premium. (From Step 5, question 2 or 3) **4**

5. Enter the smaller of line 3 or line 4 here and on **Form 1040, line 61; Form 1040A, line 38; or Form 1040EZ, line 11** **This is your shared responsibility payment** **5**

1095-C, EMPLOYER-PROVIDED HEALTH INSURANCE OFFER AND COVERAGE

1095-C

Form Department of the Treasury
Internal Revenue Service

Employer-Provided Health Insurance Offer and Coverage

▶ Do not attach to your tax return. Keep for your records.
▶ Information about Form 1095-C and its separate instructions is at www.irs.gov/form1095c

☐ VOID
 ☐ CORRECTED

OMB No. 1545-2251
2016

Part I Employee

1 Name of employee	2 Social security number (SSN)
3 Street address (including apartment no.)	
4 City or town	5 State or province
6 Country and ZIP or foreign postal code	

Part II Employee Offer of Coverage

All 12 Months	Jan	Feb	Mar	Apr	May
14 Offer of Coverage (enter required code)					
15 Employee Required Contribution (see instructions)					
\$	\$	\$	\$	\$	\$
16 Section 4980H Safe Harbor and Other Relief (enter code, if applicable)					

Applicable Large Employer Member (Employer)

7 Name of employer	8 Employer identification number (EIN)
9 Street address (including room or suite no.)	
11 City or town	12 State or province
13 Country and ZIP or foreign postal code	

Plan Start Month (Enter 2-digit number):

June	July	Aug	Sept	Oct	Nov	Dec

Part III Covered Individuals

If Employer provided self-insured coverage, check the box and enter the information for each individual enrolled in coverage, including the employee. ☐

(a) Name of covered individual(s)	(b) SSN or other TIN	(c) DOB (if SSN or other TIN is not available)	(d) Covered all 12 months	(e) Months of Coverage											
				Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
17			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 60705M

Form 1095-C (2016)

2016 INDIVIDUAL INCOME TAX WORKSHOP

1095-B, HEALTH COVERAGE

The Affordable Care Act (Obama Care) requires “*Health Insurance Providers*” and “*Self-insured Companies*,” where a company itself pays its employees' medical bills, rather than an insurance company, must file with the IRS Form 1095-B listing the cost and months the Employee / Insured and Dependents had Medical Coverage.

Form 1095-B		Health Coverage		<input type="checkbox"/> VOID	OMB No. 1545-2252										
Department of the Treasury Internal Revenue Service		Do not attach to your tax return. Keep for your records. Information about Form 1095-B and its separate instructions is at www.irs.gov/form1095b .		<input type="checkbox"/> CORRECTED	2016										
Part I Responsible Individual															
1 Name of responsible individual		2 Social security number (SSN or other TIN)		3 Date of birth (if SSN or other TIN is not available)											
4 Street address (including apartment no.)		5 City or town		6 State or province											
				7 Country and ZIP or foreign postal code											
8 Enter letter identifying Origin of the Health Coverage (see instructions for codes):		9 Reserved													
Part II Information about Certain Employer-Sponsored Coverage (see instructions)															
10 Employer name				11 Employer identification number (EIN)											
12 Street address (including room or suite no.)		13 City or town		14 State or province											
				15 Country and ZIP or foreign postal code											
Part III Issuer or Other Coverage Provider (see instructions)															
16 Name		17 Employer identification number (EIN)		18 Contact telephone number											
19 Street address (including room or suite no.)		20 City or town		21 State or province											
				22 Country and ZIP or foreign postal code											
Part IV Covered Individuals (Enter the information for each covered individual.)															
(a) Name of covered individual(s)	(b) SSN or other TIN	(c) DOE (if SSN or other TIN is not available)	(d) Covered all 12 months	(e) Months of coverage											
				Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
23			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
24			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
25			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
26			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
27			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
28			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2016 INDIVIDUAL INCOME TAX WORKSHOP

1095-A, Health Insurance Marketplace Statement

The Affordable Care Act (Obama Care) requires that if health insurance was purchased through a Health Care Exchange or Marketplace, Form 1095-A must be completed *by the Insurance Provider* listing the cost and months the Insured and Dependents had Medical Coverage and issued to the Insured for their records by January 31 of the following year with a copy filed with the IRS. Form 1095-A also provides information needed to complete Form 8962, Premium Tax Credit (PTC), which must be filed with your tax return if any amount other than zero is in Part III, Column C.

Form 1095-A		Health Insurance Marketplace Statement		<input type="checkbox"/> VOID	OMB No. 1545-0042
Department of the Treasury Internal Revenue Service		Do not attach to your tax return. Keep for your records. Information about Form 1095-A and its separate instructions is at www.irs.gov/form1095a .		<input type="checkbox"/> CORRECTED	2016
Part I Recipient Information					
1 Marketplace identifier		2 Marketplace assigned policy number		3 Policy issuer's name	
4 Recipient's name		5 Recipient's SSN		6 Recipient's date of birth	
7 Recipient's spouse's name		8 Recipient's spouse's SSN		9 Recipient's spouse's date of birth	
10 Policy start date		11 Policy termination date		12 Street address (including apartment no.)	
13 City or town		14 State or province		15 Country and ZIP or foreign postal code	
Part II Covered Individuals					
A. Covered individual name		B. Covered individual SSN	C. Covered individual date of birth	D. Coverage start date	E. Coverage termination date
16					
17					
18					
19					
20					
Part III Coverage Information					
Month	A. Monthly enrollment premiums	B. Monthly second lowest cost silver plan (SLCSP) premium	C. Monthly advance payment of premium tax credit		
21 January					
22 February					
23 March					
24 April					
25 May					
26 June					
27 July					
28 August					
29 September					
30 October					
31 November					
32 December					
33 Annual Totals					
For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.					

2016 INDIVIDUAL INCOME TAX WORKSHOP

8962, Premium Tax Credit (PTC)

https://www.irs.gov/pub/irs-access/f8962_accessible.pdf

If you or a member of your family are enrolled in health insurance coverage for 2016 through a Health Insurance Marketplace, use Form 8962 to figure the amount of your Premium Tax Credit (PTC) and reconcile it with Advance Payment of the premium Tax Credit (APTC) and attach 8962 to your tax return.

Form 8962		Premium Tax Credit (PTC)		OMB No. 1545-0074			
Department of the Treasury Internal Revenue Service		▶ Attach to Form 1040, 1040A, or 1040NR. ▶ Information about Form 8962 and its separate instructions is at www.irs.gov/form8962 .		2016 OMB Form Sequence No. 73			
Name shown on your return		Your social security number					
You cannot claim the PTC if your filing status is married filing separately unless you qualify for an exception (see instructions). If you qualify, check the box. <input type="checkbox"/>							
Part I Annual and Monthly Contribution Amount							
1 Tax family size. Enter the number of exemptions from Form 1040 or Form 1040A, line 6d, or Form 1040NR, line 7d				1			
2a Modified AGI. Enter your modified AGI (see instructions)				2a			
2b Enter the total of your dependents' modified AGI (see instructions)				2b			
3 Household income. Add the amounts on lines 2a and 2b (see instructions)				3			
4 Federal poverty line. Enter the federal poverty line amount from Table 1-1, 1-2, or 1-3 (see instructions). Check the appropriate box for the federal poverty table used. a <input type="checkbox"/> Alaska b <input type="checkbox"/> Hawaii c <input type="checkbox"/> Other 48 states and DC				4			
5 Household income as a percentage of federal poverty line (see instructions)				5 %			
6 Did you enter 401% on line 5? (See instructions if you entered less than 100%.) <input type="checkbox"/> No. Continue to line 7. <input type="checkbox"/> Yes. You are not eligible to take the PTC. If advance payment of the PTC was made, see the instructions for how to report your excess advance PTC repayment amount.							
7 Applicable Figure. Using your line 5 percentage, locate your "applicable figure" on the table in the instructions				7			
8a Annual contribution amount. Multiply line 3 by line 7. Round to nearest whole dollar amount				8a			
8b Monthly contribution amount. Divide line 8a by 12. Round to nearest whole dollar amount				8b			
Part II Premium Tax Credit Claim and Reconciliation of Advance Payment of Premium Tax Credit							
9 Are you allocating policy amounts with another taxpayer, or do you want to use the alternative calculation for year of marriage (see instructions)? <input type="checkbox"/> Yes. Skip to Part IV, Allocation of Policy Amounts, or Part V, Alternative Calculation for Year of Marriage. <input type="checkbox"/> No. Continue to line 10.							
10 See the instructions to determine if you can use line 11 or must complete lines 12 through 23. <input type="checkbox"/> Yes. Continue to line 11. Compute your annual PTC. Then skip lines 12-23. <input type="checkbox"/> No. Continue to lines 12-23. Compute your monthly PTC and continue to line 24.							
Annual Calculation		(a) Annual enrollment premium (Form 1095-A, line 32A)	(b) Annual applicable SLCSP premium (Form 1095-A, line 33S)	(c) Annual contribution amount (line 8b)	(d) Annual maximum premium assistance (subtract (c) from (b), if zero or less, enter -0-)	(e) Annual premium tax credit allowed (smaller of (d) or (c))	(f) Annual advance payment of PTC (Form 1095-A, line 35C)
11 Annual Totals							
Monthly Calculation		(a) Monthly enrollment premium (Form 1095-A, lines 21-32, column A)	(b) Monthly applicable SLCSP premium (Form 1095-A, lines 21-32, column E)	(c) Monthly contribution amount (amount from line 8b or alternative marriage monthly calculation)	(d) Monthly maximum premium assistance (subtract (c) from (b), if zero or less, enter -0-)	(e) Monthly premium tax credit allowed (smaller of (d) or (c))	(f) Monthly advance payment of PTC (Form 1095-A, lines 21-32, column C)
12 January							
13 February							
14 March							
15 April							
16 May							
17 June							
18 July							
19 August							
20 September							
21 October							
22 November							
23 December							
24 Total premium tax credit. Enter the amount from line 11(e) or add lines 12(e) through 23(e) and enter the total here						24	
25 Advance payment of PTC. Enter the amount from line 11(f) or add lines 12(f) through 23(f) and enter the total here						25	
26 Net premium tax credit. If line 24 is greater than line 25, subtract line 25 from line 24. Enter the difference here and on Form 1040, line 69; Form 1040A, line 45; or Form 1040NR, line 65. If line 24 equals line 25, enter zero. Stop here. If line 25 is greater than line 24, leave this line blank and continue to line 27						26	
Part III Repayment of Excess Advance Payment of the Premium Tax Credit							
27 Excess advance payment of PTC. If line 23 is greater than line 24, subtract line 24 from line 25. Enter the difference here						27	
28 Repayment limitation (see instructions)						28	
29 Excess advance premium tax credit repayment. Enter the smaller of line 27 or line 28 here and on Form 1040, line 46; Form 1040A, line 29; or Form 1040NR, line 44						29	

2016 INDIVIDUAL INCOME TAX WORKSHOP

8965, Health Coverage Exemptions

(Attach to Form 1040, Form 1040A, or Form 1040EZ)

To claim an exemption, enter the Code in Part III, Column (c), and identify the months the exemption applies. For *Short Coverage Gap* of less than 3 consecutive months, enter "B."

Form 8965		Health Coverage Exemptions		OMB No. 1545-0074												
Department of the Treasury Internal Revenue Service		▶ Attach to Form 1040, Form 1040A, or Form 1040EZ. ▶ Information about Form 8965 and its separate instructions is at www.irs.gov/form8965 .		2016 Attachment Sequence No. 75												
Name as shown on return		Your social security number														
Complete this form if you have a Marketplace-granted coverage exemption or you are claiming a coverage exemption on your return.																
Part I Marketplace-Granted Coverage Exemptions for Individuals. If you and/or a member of your tax household have an exemption granted by the Marketplace, complete Part I.																
	(a) Name of Individual	(b) SSN	(c) Exemption Certificate Number													
1																
2																
3																
4																
5																
6																
Part II Coverage Exemptions Claimed on Your Return for Your Household																
7 If you are claiming a coverage exemption because your household income or gross income is below the filing threshold, check here. <input type="checkbox"/>																
Part III Coverage Exemptions Claimed on Your Return for Individuals. If you and/or a member of your tax household are claiming an exemption on your return, complete Part III.																
	(a) Name of Individual	(b) SSN	(c) Exemption Type	(d) Full Year	(e) Jan	(f) Feb	(g) Mar	(h) Apr	(i) May	(j) June	(k) July	(l) Aug	(m) Sept	(n) Oct	(o) Nov	(p) Dec
8																
9																
10																
11																
12																
13																

For Privacy Act and Paperwork Reduction Act Notice, see your tax return instructions. Cat. No. 37787G Form **8965** (2016)

2016 INDIVIDUAL INCOME TAX WORKSHOP

Types of Coverage Exemptions (16) and Codes

<https://www.irs.gov/pub/irs-pdf/i8965.pdf> (Page 3)

This chart shows the [16] Coverage Exemptions and *code* for 2016, including information where each can be obtained and the code used on Form 8965 when you claim the exemption. If your coverage exemption was granted by the Marketplace, enter the Exemption Certificate Number (ECN) provided by the Marketplace.

Coverage Exemption	Granted by Marketplace	Claimed on Tax Return	Code for Exemption
Income below the filing threshold —Your gross income or your household income was less than your applicable minimum threshold for filing a tax return.		✓	No Code See Part II
Coverage considered unaffordable —The required contribution is more than 8.13% of your household income.		✓	A
Short coverage gap —You went without coverage for less than 3 consecutive months during the year.		✓	B
Citizens living abroad and certain noncitizens —You were: • 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; • 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; • A bona fide resident of a U.S. territory; • 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; • Not lawfully present in the U.S. and not a U.S. citizen or U.S. national. For more information about who is treated as lawfully present in the U.S. for purposes of this coverage exemption, visit www.healthcare.gov ; or • 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. This exemption doesn't apply if you are a nonresident alien for 2016, but met certain presence requirements and elected to be treated as a resident alien. For more information, see Pub. 519.		✓	C
Members of a health care sharing ministry —You were a member of a health care sharing ministry.	•	✓	D
Members of Indian tribes —You were either a member of a Federally-recognized Indian tribe, including an Alaska Native Claims Settlement Act (ANCSA) Corporation Shareholder (regional or village), or you were otherwise eligible for services through an Indian health care provider or the Indian Health Service.	•	✓	E
Incarceration —You were in a jail, prison, or similar penal institution or correctional facility after the disposition of charges.	•	✓	F
Aggregate self-only coverage considered unaffordable —Two or more family members' aggregate cost of self-only employer-sponsored coverage was more than 8.13% of household income, as was the cost of any available employer-sponsored coverage for the entire family.		✓	G
Resident of a state that did not expand Medicaid —Your household income was below 138% of the federal poverty line for your family size and at any time in 2016 you resided in a state that didn't participate in the Medicaid expansion under the Affordable Care Act.		✓	G
Eligible for health coverage tax credit (HCTC) —You were eligible for the health coverage tax credit in the month. (For this purpose, you are considered eligible for the HCTC if you would have been eligible had you enrolled in HCTC-qualifying coverage.) This exemption is available only for July through December of 2016.		✓	G
Member of tax household born or adopted during the year —The months before and including the month that an 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 your Form 8965.		✓	H
Member of tax household died during the year —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 your Form 8965.		✓	H
Members of certain religious sects —The Marketplace determined that you are a member of a recognized religious sect.	✓		Need ECN See Part I
Ineligible for Medicaid based on a state's decision not to expand Medicaid coverage —The Marketplace found that you would have been determined ineligible for Medicaid solely because the state in which you resided didn't participate in Medicaid expansion under the Affordable Care Act.	✓		Need ECN See Part I
General hardship —The Marketplace determined that you experienced a hardship that prevented you from obtaining coverage under a qualified health plan.	✓		Need ECN See Part I
Coverage considered unaffordable based on projected income —The Marketplace determined that you didn't have access to coverage that is considered affordable based on your projected household income.	✓		Need ECN See Part I
Unable to renew existing coverage —The Marketplace determined that you were notified that your health insurance policy was not renewable and you considered the other plans available to be unaffordable.	✓		Need ECN See Part I
Certain Medicaid programs that are not minimum essential coverage —The Marketplace determined that you were (1) enrolled in Medicaid coverage provided to a pregnant woman that is not recognized as minimum essential coverage; (2) enrolled in Medicaid coverage provided to a medically needy individual (also known as spend-down Medicaid or Share-of-Cost Medicaid) that is not recognized as minimum essential coverage; or (3) enrolled in Medicaid coverage provided to a medically needy individual and were without coverage for other months because the spend-down had not been met.	✓		Need ECN See Part I

* As of September 1, 2016, the coverage exemptions for members of health care sharing ministries, members of Indian tribes, and those who are incarcerated are no longer granted by the Marketplace, except in Connecticut. Taxpayers who have an ECN issued by the Marketplace for one or more of these three exemptions may report the ECN on a Form 8965 filed with their income tax return for 2016. Taxpayers who qualify for one or more of these exemptions but who do not have an ECN issued by the Marketplace may claim these exemptions on Part III of Form 8965.

2016 INDIVIDUAL INCOME TAX WORKSHOP

IMPORTANT DATES FOR 2017 AFFORDABLE CARE ACT ENROLLMENT

<https://www.healthcare.gov/quick-guide/dates-and-deadlines/>

If you don't have health insurance through a job, Medicare, Medicaid, the Children's Health Insurance Program (CHIP), or another source that provides qualifying coverage, the Health Insurance Marketplace can provide you with coverage.

If you don't enroll in a 2017 Health Insurance Marketplace Plan by January 31, 2017, you can't enroll in a health insurance plan for 2017 unless you qualify for a Special Enrollment Period.

Current Dates Unless Congress Changes the Laws:

- November 1, 2016: Open Enrollment started — first day to enroll, re-enroll, or change a 2017 insurance plan through the Health Insurance Marketplace.
- December 15, 2016: Last day to enroll in or change plans for coverage to start January 1, 2017.
- January 1, 2017: 2017 coverage started for those who enrolled or changed plans by December 15.
- January 31, 2017: Last day to enroll in or change a 2017 health plan. After this date, you can enroll or change plans only if you qualify for a Special Enrollment Period.

2016 INDIVIDUAL INCOME TAX WORKSHOP

SPECIAL ENROLLMENT PERIOD (SEP)

Special Enrollment Period is a time outside the yearly Open Enrollment Period when you can sign up for health insurance. You qualify for a Special Enrollment Period if you've had certain Life Events, including losing health coverage, moving, getting married, having a baby, or adopting a child. <https://www.healthcare.gov/glossary/special-enrollment-period/>

Generally, *Special Enrollment Periods* apply to all health insurance plans through a Job, Medicare, Medicaid, the Children's Health Insurance Program (CHIP), or another source that provides qualifying coverage, but paying too much for health care does not qualify for the enrollment.

The following are *Life Events or Qualifying Events* that would trigger a *Special Enrollment Period*, and the documentation needed for each:

Type of Event	Documentation Required
Birth of a child	Birth certificate or birth record
Adoption or placement for adoption	Adoption papers or court order with judge's signature
Marriage	Marriage certificate
Reached dependent age limit (age 26)	Certificate of Creditable Coverage and/or term letter with the date and reason coverage was lost
Permanent move that provides access to new Qualified Health Plan	Dated utility bill, bank statement, lease or other form with new address
Involuntary loss of Minimum Essential Coverage	Certificate of Creditable Coverage and/or term letter with the date and reason coverage was lost
COBRA expiration	Term letter with the reason the coverage was terminated
Exchange exemption	Letter/documentation from exchange stating that there was an error/exemption

2016 INDIVIDUAL INCOME TAX WORKSHOP

CAPITAL GAINS AND LOSSES

If you already have “*Taxable Capital Gains*” from selling stock or investment real estate, see if you have some unrealized “*Capital losses*” in other assets that you can sell before year-end to offset those gains and reduce your tax liability.

“You can deduct up to \$3,000 in “*Capital Losses each year*,” and if there are more losses, you can carry them forward” to the next year.

Suggestions:

If you’re thinking of selling stock, consider postponing the gain until after January to avoid the tax in the current year.

The experts say first make the right decision from an Economic or Investment standpoint then Taxes.

2016 INDIVIDUAL INCOME TAX WORKSHOP

FLEXIBLE SPENDING ACCOUNT (FSA) - DEFINITION

A Flexible Spending Account allows an employee to set aside a *portion of earnings to pay for qualified expenses* as established in the cafeteria plan, most commonly for *medical expenses*, but often for *dependent care* or other expenses. Money deducted from an employee's pay into an FSA is not subject to payroll taxes, resulting in substantial payroll tax savings.

Under the Affordable Care Act, a *plan may permit* an employee to carry over up to \$500 into the following year without losing the funds.

https://en.wikipedia.org/wiki/Flexible_spending_account

A Flexible Spending Account (FSA) is simply a savings account offered by an employer to help employees put away “*Tax-free money*” for “*Qualified Medical Expenses.*”

Generally, by paying medical expenses with “*Pre-Tax money*” or “*Tax-free money,*” then if your Tax rate is 25% *you are saving 25%; just like getting a discount!* Deductions are easy, they are taken out of your paycheck by your employer.

2016 INDIVIDUAL INCOME TAX WORKSHOP

FLEXIBLE SPENDING ACCOUNT (FSA) - SAVINGS

A Flexible Spending Account (FSA) is simply a savings account offered by an employer to help employees put away *“Tax-free money”* for *“Qualified Medical Expenses.”*

Generally, by paying medical expenses with *“Pre-Tax money”* or *“Tax-free money,”* then if your Tax rate is 25% you are saving 25%; just like getting a discount!

Deductions are easy, they are taken out of your paycheck by your employer.

However, the IRS is very strict as to what are considered *“Qualified Medical Expenses.”*

<http://www.hsacenter.com/what-is-an-hsa/qualified-medical-expenses/>

2016 INDIVIDUAL INCOME TAX WORKSHOP

FLEXIBLE SPENDING ACCOUNT (FSA) PLANS

Use It or Lose It Policy

Generally, some Flexible Spending Account Plans (FSA) still have a “Use It or Lose It Policy.” This means that amounts in the account at the end of the plan year cannot be carried over to the next year. If your plan follows this rule, you should make sure to use all of your funds by the end of the plan year, which generally is the end of the calendar year.

As part of the Affordable Care Act, the IRS has changed the rules so that Flexible Spending Account Plans *may permit* an employee to carry over up to \$500 into the following year without losing the funds, but it is not required.

Suggestions:

- Because of some FSA plans have the “Use It or Lose It Policy,” if you do not spend everything in your account, *legally the company is not responsible to pay you the balance.* Before the end of the year, spend your FSA on *Qualified Medical Expenses* to maximize your tax savings.
- Flexible Spending Accounts allows “Pre-funding,” which means you can spend the money in the account before it’s actually deposited. If you left a company where your Flexible Spending Account *paid all the Medical Expenses* during the year, *but your Payroll Deductions were less,* then you are not responsible to pay the company the difference. Although, the company may take it out of your final paycheck.

2016 INDIVIDUAL INCOME TAX WORKSHOP

WHY ARE UNEMPLOYMENT BENEFIT PAYMENTS TAXABLE?

Similar to Medical Insurance Benefits, Unemployment Benefits are just another *“Employee Benefit.”*

When you file for Unemployment Benefits, the state pays you from a *State Trust Fund*, which has *State Unemployment Taxes* plus *Federal Unemployment Taxes*; both paid by organizations.

Generally, most insurance proceeds or payments are not taxable. Although unemployment is an insurance paid by employers, to protect salaries, starting with the Tax Reform Act of 1986, unemployment insurance benefits became taxable as a *“Substitute for Wages.”*

According to The Tax Foundation, of the 41 states that tax wage income, 5 states completely exempt unemployment benefits from tax (California, New Jersey, Oregon, Pennsylvania, and Virginia). Two states (Indiana and Wisconsin) partially exempt a fixed dollar amount of unemployment benefits from state income tax but tax the rest, following federal practice from 1982 to 1986. The remaining states fully tax unemployment benefits.

After the end of the year, the Unemployment Benefits Beneficiary should receive Federal Form 1099-G, Certain Government Payments listing the Unemployment Compensation, Federal Income Tax Withheld, and any State Income Tax Withheld. Generally, *Severance and Vacation Pay* will be allocated to the employees last week at the organization and should be included in the W-2 issued by that organization.

2016 INDIVIDUAL INCOME TAX WORKSHOP

UNEMPLOYMENT BENEFITS FOR 501(C)(3) (NON-PROFIT) EMPLOYEES

An organization that is exempt from income tax under Section 501(c)(3) (Non-profit) of the Internal Revenue Code is also exempt from Federal Unemployment Taxes (FUTA).

<https://www.irs.gov/charities-non-profits/exempt-organizations-what-are-employment-taxes>

The Federal Unemployment Tax Act, Section 3309 enables 501(c)(3) (Non-profit) organizations to opt out of the tax system and to reimburse the state for unemployment claims the state has paid out to the non-profits' former employees.

<http://www.501ctrust.org/unemployment-tax-exemption-for-501c3s-explained>

In some states, non-profit reimbursing claims is voluntary.

VA Code Ann §60.2-213 (B)(1) *only exempts* organizations operating primarily for religious purposes from reimbursing claims to the state. Generally, since these groups are not required to reimburse the state, then their employees are not eligible for Unemployment.

<https://law.lis.virginia.gov/vacode/title60.2/chapter2/section60.2-213>

2016 INDIVIDUAL INCOME TAX WORKSHOP

401(k) FINANCIAL QUESTIONS

Question:

When I left my company, did the company stop matching funds paid into my 401(k)?

Answer:

Yes, generally you are not eligible to receive additional Company Matching Contributions in a 401(k) plan *30 days after the Separation Date*, but what was paid is yours and remains in the account.

Generally, you are also not eligible to Contribute additional amounts to the 401(k) plan *30 days after the Separation Date*.

Question:

Since I left my company, will my 401(k) investment fees be higher?

Answer:

No, all plans must charge each investor the same fees for the same investments.

Question:

If I leave my 401(k) with the company, will it still earn investment income?

Answer:

Yes, if you leave your 401(k) with the company, it will still earn investment income.

2016 INDIVIDUAL INCOME TAX WORKSHOP

CONCLUSION

“The hardest thing in the world to understand is the income tax.”

Albert Einstein, Physicist

<https://www.irs.gov/uac/Tax-Quotes>

Please let me know if you have any questions.

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I can *Hammer out* any Tax Problem!