

Line 52 – Shared Responsibility Payment

New for 2019 Beginning in 2019, New Jersey residents who are required to file a return (and all members of their tax household) **must** have minimum essential health coverage for the entire year unless they qualify for an exemption. Part-year residents must have coverage or qualify for an exemption for each month of their New Jersey residency. If you or anyone in your tax household did not have the required coverage and does not qualify for an exemption, you owe a shared responsibility payment.

If your income on line 29 is \$20,000 or less (\$10,000 if your filing status is single or married/CU partner filing separate return), you **do not owe** a shared responsibility payment. Do not complete line 52. Part-year residents, use income for the **entire** year, not just the period of New Jersey residency.

Tax Household. This includes you, your spouse (if filing a joint return), domestic partner claimed on your return, and any individuals you claim as dependents on your NJ-1040. It also includes any individuals you can, but do not, claim as dependents on your return.

Minimum Essential Health Coverage. This is the amount of coverage you need to satisfy the minimum essential health coverage requirement. It includes, but is not limited to:

- Any health plan bought through the Health Insurance Marketplace
- Individual health plans bought outside the Health Insurance Marketplace, if they meet the standards for qualified health plans
- Any “grandfathered” individual insurance plan you’ve had since March 23, 2010, or earlier
- Most job-based plans, including retiree plans and COBRA coverage
- Medicare Part A
- Most Medicaid coverage, except for limited coverage plans
- The Children’s Health Insurance Program (CHIP)
- Coverage under a parent’s plan
- Most student health plans (check with your school to see if the plan counts as qualifying health coverage)
- Health coverage for Peace Corps volunteers
- Certain types of veterans health coverage through the Department of Veterans Affairs
- Most TRICARE plans
- Department of Defense Nonappropriated Fund Health Benefits program
- Refugee Medical Assistance

For more information on whether your plan qualifies as minimum essential health coverage, see IRS Form 8965.

Exemptions. If at any time during the year (part-year residents consider only months as a New Jersey resident) you or anyone in your tax household did not have minimum essential health coverage, visit nj.gov/treasury/njhealthinsurancemandate/exemptions.shtml to determine if an exemption applies. Exemptions are available for income and healthcare related reasons, group membership, incarceration, living abroad, and various hardship reasons. If an exemption applies, complete the NJ Insurance Mandate Coverage Exemption Application to get an exemption number. You will need an exemption number for each person who meets the requirements for an exemption. An individual may have more than one exemption number if different exemptions applied to different parts of the year. Enter the exemption number(s) on Schedule NJ-HCC. (See “Completing Line 52” below.)

Note: If an individual had coverage for any part of a month, they are considered to be covered for the entire month. No exemption is needed for that month.

Completing Line 52

If your income on line 29 (part-year residents use income for the entire year) is at or below the filing threshold (see page 3), you do not owe a shared responsibility payment. Make no entry on line 52 and continue with line 53.

Dependent on Another Person’s Return. If someone can claim you as a dependent on their return, you do not owe a shared responsibility payment. Complete **only** Part I of Schedule NJ-HCC, filling in the “Yes” oval. Fill in the oval at line 52, NJ-1040, and enclose Schedule NJ-HCC with your return. If you are filing a joint return but one of you can be claimed as a dependent on another person’s return, do not include information for that spouse on schedule NJ-HCC.

Full-Year Coverage. If you and everyone in your tax household had minimum essential health coverage for the entire year (part-year residents consider only months as a New Jersey resident), you do not owe a shared responsibility payment. Complete **only** Part I of Schedule NJ-HCC. Fill in the oval at line 52, NJ-1040, and enclose Schedule NJ-HCC with your return.

Part-Year Coverage OR No Coverage. If at any time during the year (part-year residents consider only months as a New Jersey resident) you or anyone in your tax household did not have minimum essential health coverage, you may owe a shared responsibility payment. Complete Schedule NJ-HCC. If you had coverage for any part of a month, you are considered covered for the entire month. When completing Part II, check the box for every month each individual had minimum essential coverage (part-year residents include only months as a New Jersey resident). If an exemption applies for any member(s) of your tax household (see “Exemptions” on page 37), check the box for each month to which an exemption applies, and enter the exemption number(s). If any individual has more than one exemption number, enter only one of the numbers for that person and check the box. If there are any

months without coverage that are not covered by an exemption (part-year residents consider only months as a New Jersey resident), use Worksheet L on page 39 or the online calculator at njtaxation.org to calculate the amount of shared responsibility payment you owe. Fill in the oval at line 52 and enter the amount due. If no amount is due, fill in the oval and leave the line blank. Enclose Schedule NJ-HCC with your return.

Worksheet L

Complete this worksheet to calculate the amount of your shared responsibility payment, or use the online calculator at njtaxation.org. Do not complete this worksheet if everyone in your tax household had minimum essential health coverage for the entire year.

Part I

You will need to determine your household income for purposes of calculating your shared responsibility payment. This includes your total income (line 27), your tax-exempt interest (line 16), and the total income and tax-exempt interest of your dependents. Include estimated income for any dependents who do not file a New Jersey tax return. Do not use amounts from your federal return.

Parts II and III

Complete Part II if no one in your tax household had minimum essential coverage or qualified for an exemption for any part of the year.

Complete Part III if anyone in your tax household had minimum essential coverage or qualified for an exemption for any part of the year.

For purposes of calculating the shared responsibility payment, an individual who is under age 18 on January 1 is considered to be under 18 for the entire year.

Enter your shared responsibility payment (Part II, line 8 or Part III, line 13) on line 52, NJ-1040, fill in the oval, and enclose Schedule NJ-HCC with your return.

Part-Year Residents

Make the following adjustments to Schedule L to calculate your shared responsibility payment for the period of your New Jersey residency:

Part I, Lines 1–3. Enter income for the entire year, not just for the period of New Jersey residency.

Part I, Line 7. Calculate your income percentage amount as indicated, and prorate the result based on the number of months you were a New Jersey resident. For this calculation, 15 days or more is considered a month.

$$\text{Calculation: Part I, line 7} \times \frac{\text{Months NJ resident}}{12} = \text{Prorated amount for Part I, line 7}$$

Part I, Line 8. When answering the question at line 8, consider only the part of the year you were a New Jersey resident, not the entire year.

Part II, Line 3. Add lines 1 and 2 as indicated, and prorate the total based on the number of months you were a New Jersey resident.

$$\text{Calculation: Part II, line 3} \times \frac{\text{Months NJ resident}}{12} = \text{Prorated amount for Part II, line 3}$$

Part III, Lines 1a, 2a, and 6. Multiply the number of individuals by the number of months you were a New Jersey resident. Do not multiply by 12.

Worksheet L

Shared Responsibility Payment Calculation

Do not complete if everyone in your tax household had minimum essential health coverage or qualified for an exemption for the entire year.

Part-year residents see instructions on page 38 before completing this worksheet.

Part I

- 1. Enter the amount from line 27 (Total Income) of your NJ-1040. **Do not** use income from your federal income tax return. 1. _____
- 2. Enter the amount from line 16b (Tax-Exempt Interest) of your NJ-1040. 2. _____
- 3. Enter income of any dependents you claim on your return. Also include any individual(s) you can, but do not, claim as a dependent(s) on your return.*

	Enter amount from Line 27, NJ-1040	Enter amount from Line 16b, NJ-1040
Dependent name _____	_____	_____
Dependent name _____	_____	_____
Dependent name _____	_____	_____
Dependent name _____	_____	_____
Dependent name _____	_____	_____

Total dependent income.
Add the amounts in each column
and enter the total on line 3. _____ + _____ = 3. _____

If more than five dependents have income, include any additional dependents' income in the total on line 3.

*List estimated income, if any, of dependents who will not file a 2019 New Jersey Income Tax return. Do not include any dependent's income that is included on your own 2019 NJ-1040.

- 4. Total household income. Add lines 1 through 3 4. _____
- 5. Enter the amount listed for your filing status:
 \$10,000 – Single
 Married/CU partner filing separate return
 \$20,000 – Married/CU couple filing joint return
 Head of Household
 Qualifying widow(er)/surviving CU partner 5. _____
- 6. Subtract line 5 from line 4 6. _____
- 7. **Income Percentage Amount.** Multiply the amount on line 6 by 2.5% (0.025) 7. _____

- 8. **Did you or anyone in your tax household have minimum essential health coverage or qualify for an exemption for part, but not all of the year?**
 Yes. Complete Part III on page 40.
 No. Complete Part II on page 40.

(Keep for your records)

Part II – Complete if no one in your tax household had minimum essential health coverage or qualified for an exemption for any part of the year.

- 1. Number of individuals in your tax household who were **18 or older** (see instructions) _____ x \$695.00 = 1. _____
- 2. Number of individuals in your tax household who were **under age 18** (see instructions) _____ x \$347.50 = 2. _____
- 3. Add line 1 and line 2 3. _____
- 4. Flat Rate Amount. Enter the lesser of line 3 or \$2,085 4. _____
- 5. Income Percentage Amount. Enter the income percentage amount from Part I, line 7 5. _____
- 6. Enter the greater of line 4 or line 5 6. _____
- 7. Enter the amount listed for the size of your tax household:
 1 person – \$3,012 3 people – \$9,036 5+ people – \$15,060
 2 people – \$6,024 4 people – \$12,048 7. _____
- 8. **Shared Responsibility Payment.** Enter the lesser of line 6 or line 7. Also enter on line 52, NJ-1040 8. _____

Part III – Complete if any member of your tax household had minimum essential health coverage or qualified for an exemption during any part, but not all, of the year.

Section A

- 1a. Number of individuals listed in Part II of Schedule NJ-HCC who were **18 or older** (see instr.) _____ x 12 = _____
- b. Number of boxes checked on Schedule NJ-HCC for individuals included in line 1a _____
- c. Months without minimum essential health coverage. Subtract line 1b from line 1a _____
- d. Multiply line 1c by \$57.92 1d. _____
- 2a. Number of individuals listed in Part II of Schedule NJ-HCC who were **under age 18** (see instr.) _____ x 12 = _____
- b. Number of boxes checked on Schedule NJ-HCC for individuals included in line 2a _____
- c. Months without minimum essential health coverage. Subtract line 2b from line 2a _____
- d. Multiply line 2c by \$28.96 2d. _____
- 3. Add lines 1d and 2d 3. _____
- 4. Flat Rate Amount. Enter the lesser of line 3 or \$2,085 4. _____

Section B

- 5. Enter the income percentage amount from Part I, line 7 5. _____
- 6. Number of individuals listed in Part II of Schedule NJ-HCC _____ x 12 = 6. _____
- 7. Number of boxes checked in Part II of Schedule NJ-HCC 7. _____
- 8. Months without minimum essential health coverage. Subtract line 7 from line 6 8. _____
- 9. Divide line 8 by line 6 (Enter as a percentage) 9. _____ %
- 10. Income Percentage Amount. Multiply the amount on line 5 by the percentage on line 9 10. _____

Section C

- 11. Enter the greater of line 4 or line 10 11. _____
- 12. Enter the amount listed for the size of your tax household :
 1 person – \$3,012 3 people – \$9,036 5+ people – \$15,060
 2 people – \$6,024 4 people – \$12,048 12. _____
- 13. **Shared Responsibility Payment.** Enter the lesser of line 11 or line 12. Also enter on line 52, NJ-1040 13. _____

(Keep for your records)