

What to expect if you filed a “hardship appeal” to avoid tax penalties for being uninsured in 2008

If you were subject to a state tax penalty for being uninsured in tax year 2008, you had the option of filing a hardship appeal. To appeal, you just had to check a box on the Massachusetts state tax form Schedule HC, and no penalty was added to your tax bill *for the moment*. *But if you do nothing more, you will be assessed a penalty*. In tax year 2007, two-thirds of people filing an appeal had their appeals dismissed just for not following through on the process. Don't let this happen to you. The purpose of this flyer is to let you know what to expect after you file your appeal, and how to make sure your appeal is reviewed based on whether or not you had a hardship, not dismissed for not sending back a form.

Did you appeal?

If your tax preparer has given you this flyer, it probably means you filed a hardship appeal. Not sure? Look on your copy of Schedule HC and see if the appeal box on p.3 is checked off or ask your tax preparer.

Expect a letter in the mail

If you filed an appeal, you'll be sent a letter from the Department of Revenue about your appeal. It will include a form called “Statement of Grounds for the Appeal of the Individual Health Insurance Mandate” for you to fill out and return to explain why you couldn't afford to buy health insurance in 2008.

Fill out the form

The form lists examples of different hardship situations. If one of them applies to you, check it off. If none apply, check the box for “other.” But, just checking one of the boxes is not enough.

Gather documents that back up what you said on the form

You also have to send in enough information to explain the hardship and documents backing up that what you say is true. If you checked off one of the examples on the form, it may also give examples of the kinds of documents to send in. For example, if the hardship you experienced was foreclosure or eviction, it suggests you send in a copy of the foreclosure notice or eviction notice. If you check “other,” you need to explain the hardship and figure out for yourself what documents to send. Try asking your tax preparer to help you figure this out.

Send in enough information to explain the hardship

The agency that will decide whether to grant your appeal is the Health Insurance Connector Authority. It does not have a copy of your tax return so you should include information about your financial situation when you send back the form. Write enough on the form (or on a separate sheet of paper) to explain why you couldn't afford to purchase insurance in 2008. Send in documents that back up your explanation, such as notices, receipts, proof of your expenses, a copy of your tax return, etc. Remember the documents should be about your situation in 2008.

Return the form and the back-up documents by the deadline

You must return the form, along with copies of your documents, by the 30-day deadline or your appeal will be dismissed. Be sure to keep a copy for your records. If your appeal is dismissed, you will get a bill in the mail charging you the penalty.

What happens next?

The information you sent in may be enough for the agency handling hardship appeals, the Health Insurance Connector Authority, to decide that you had a hardship, and your appeal may be granted without your having to do anything more. If this happens, you will get a notice from the Connector Authority telling you that your appeal has been granted. You will not owe a penalty for 2008. In tax year 2007, 72% of all appeals that made it to review were decided favorably without the need for a hearing.

The Connector may ask you to submit additional information. You should send in the information by any deadline you are given or your appeal may be dismissed.

The Connector may schedule your appeal for a hearing in front of a hearing officer. Hearings are informal. Most of the hearings are by telephone. If you need an interpreter or special accommodation for a disability, you should let the Connector know before the date of the hearing. You will get a written decision in the mail several weeks after the hearing. If you cannot afford legal advice or assistance with an appeal, free legal assistance may be available, for more information about free legal assistance (income limits apply) call or visit the websites of the Massachusetts legal aid programs: 617-603-1700; 800-342-5297 (LARC); www.masslegalhelp.org and of Health Law Advocates: 617-338-5241; www.healthlawadvocates.org

Still uninsured in 2009?

For information on affordable insurance options in 2009, call or visit:

Health Insurance Connector: 1-877-623-6765; www.mahealthconnector.org

MassHealth: 1-800-841-2900; www.mass.gov/masshealth

Health insurance for unemployment compensation recipients: www.mass.gov/dua

Health Care for All Help Line: Tel.617-350-7279 or 800-272-4232

Mayor's Health Line: Tel.617-534-5050 or 800-847-0710

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