



## ACA/FAMILY MEDICAID 200-1 ACA Filing Unit

**Supersedes:** New

**Reference:** 42 CFR 435.603(f)

**Overview:** ACA filing units are based on IRS tax code, and must be created for each applicant. Filing units are determined by answering the following questions.

### Step 1:

1. Does the individual plan to file current calendar year taxes?
  - a. If not, continue to Step 2
  - b. If yes, do they expect someone to claim them as a tax dependent?
    - i. If no, filing unit is based on taxpayer's household, including their spouse (if living with them) and everyone they plan to claim as a dependent.
    - ii. If yes, continue to Step 2

### Step 2:

1. Does the individual expect to be claimed as a tax dependent?
  - a. If no – continue to step 3
  - b. If yes, do they meet one of the following exceptions?
    - i. They expect to be claimed as a tax dependent by someone other than their biological, adoptive or step-parent.
      1. If yes, continue to step 3.
      2. If no, continue to ii.
    - ii. They are a child under age 19 and:
      1. are living with both parents, but parents don't plan to file jointly; OR
      2. expect their non-custodial parent to claim them as a dependent.
        - a. If no to both, base the filing unit on the household of the taxpayer who is claiming them as a dependent.
          - i. Are they married? If yes, include their spouse in the filing unit.
        - b. If yes to either, continue to Step 3
  - c. If the dependent is over the age of 19 (month after 19<sup>th</sup> birthday), continue to Step 3.

### Step 3:

For those who:

- don't plan to file a tax return (non-filer) and don't expect to be claimed as a dependent; or
- are tax dependents who meet an exemption in Step 2. b., or

- are a tax dependent over the age of 19.

The filing unit consists of the individual, and the following, if living in the same home:

- a) their spouse;
- b) their natural, adoptive and step-children under age 19; and
- c) For those under age 19 their natural, adoptive and step:
  - a. parents and
  - b. siblings under age 19.
- d) For those over age 19:
  - a. The individual and,
  - b. The taxpayer(s) claiming them as a dependent (only if the taxpayer is a natural/adoptive or step-parent) and,
  - c. The tax dependent's spouse if they live together.

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