



# Affordable Care: Penalties and Exemptions

## What is the Penalty?

- ⦿ The penalty is sometimes called an “individual mandate,” or “individual responsibility.”
- ⦿ Beginning January 2014, every individual is responsible for having health insurance coverage unless you cannot afford a plan or your income places you under the Federal Poverty Level (FPL).
- ⦿ Individuals without health insurance will be required to pay a penalty when filing their taxes. To avoid a penalty, individuals may apply for an exemption by calling the marketplace at 1-800-318-2596. See eligibility requirements for exemptions below.
- ⦿ Income-based exemptions may be filed at the same time as taxes.

## How Much Would the Penalty Cost?

- ⦿ The penalty for 2014 is calculated in one of two ways:
  - \$95 per person for the year (\$47.50 per child under 18).

**OR**

  - \$1% of your yearly household income.  
The maximum penalty per family using this method is \$285.
- ⦿ The fee increases each year:
  - 2015:
    - ❖ 2% of income or \$325 per adult person. (\$162.50 per child)
  - 2016 (and later years):
    - ❖ 2.5% of income or \$695 per person. (\$347.50 per child)

## Do I Have to Pay a Penalty?

**You may qualify for exemption from the penalty if any of the following are true:**

- ⦿ You experience a hardship (e.g. natural disaster, divorce, death of family member, etc.)
- ⦿ You are uninsured for less than 3 months of the year
- ⦿ The lowest-priced coverage available to you would cost more than 8% of your household income
- ⦿ You fall in the GAP (i.e. income is below the FPL but higher than Medicaid standards)
- ⦿ You do not have to file a tax return because your income is too low
- ⦿ You are a member of a federally recognized tribe
- ⦿ You are a member of a recognized health care sharing ministry
- ⦿ You are a member of a recognized religious sect with religious objections to insurance
- ⦿ You are incarcerated
- ⦿ You are not lawfully present in the U.S.

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