

# The Requirement to Get Health Insurance under the Law



**Under the Affordable Care Act, most people are required to get healthcare coverage.** Otherwise, you may owe tax penalties. However, there are exceptions. Some people are “exempt” from the mandate and do not have to get health insurance.

**What is the penalty for being uninsured?** If you do not have health insurance, you will have to pay a tax penalty for each month you are uninsured. In 2015, the penalty for being uninsured for the whole year will be \$325 for each uninsured adult in the household and \$162.50 for each child (up to \$9755 per family), or 2% of the portion of household income that is over the tax filing threshold, whichever is more. In 2016, the penalty rises to \$695 for each adult and \$347.50 per child (up to \$2,085 maximum per family), or 2.5% of the portion of household income over the tax filing threshold, whichever is more.

**What kind of healthcare coverage do you need?** You are covered if you have:

- A health insurance plan through the Exchange
- A health insurance plan purchased outside the Exchange that meets the law’s requirements
- Job-based coverage (including COBRA and retiree plans)
- Medicare, Medicaid or CHIP
- Veterans programs or Tricare (military)
- Certain other coverage

**Who is exempt from paying penalties?** Some people do not have to pay tax penalties for being uninsured. **However, you must apply for an exemption in order to avoid these penalties** – Depending on the exemption, you may have to apply through the Exchange (and you will get a “Certificate of Exemption”) or through the IRS when you file your taxes:

Who Does Not Pay Tax Penalties?	Where Do You Apply?
<b>Under tax filing threshold:</b> Low-income people who do not file taxes (income under \$10,300/year for a single person or \$20,600/year for married couples if under the age of 65)	No action required
<b>Native Americans:</b> Members of federally recognized tribes, and anyone who has access to healthcare services from IHS	IRS or Exchange
<b>Short coverage gap:</b> Anyone who is only uninsured for less than 3 months	IRS only (when you file taxes)
<b>No affordable plan:</b> The premiums for an employer plan or the Exchange plans (after applying tax credits) cost more than 8% of the household’s income	IRS only (when you file taxes)
<b>Hardship:</b> The person experiences a “hardship” - for example, the cost of insurance would cause serious deprivation of food, shelter, clothing or other necessities, an unexpected event has led to an increase in expenses, or the person’s health plan was cancelled due to the law’s new requirements and other available plans are not affordable. <b>There are many hardship categories.</b>	Exchange only (apply within 3 years after the time of exemption)
<b>Certain Immigrants:</b> Certain lawfully present immigrants who are considered “nonresident aliens” such as some temporary workers with visas and short-term visitors; youth with deferred action status; undocumented immigrants.	IRS only (when you file taxes)
<b>Incarcerated:</b> People in prison or jail after being convicted	IRS (when you file taxes) or Exchange (by Dec 31 <sup>st</sup> of year you were exempt)
<b>Religious Objection:</b> People who are members of a religious faith that is “conscientiously opposed” to insurance (mostly Amish or Mennonite)	Exchange only
<b>Health care sharing ministry members</b> – an alternative to insurance	IRS (when you file taxes) or Exchange (by Dec 31 <sup>st</sup> of year you were exempt)