

Exemptions from the Health Insurance Marketplace Fee

If you don't already have health coverage, the Health Insurance Marketplace offers a way to find and buy health coverage. Starting in 2014, every person in the United States must have minimum health coverage or must pay a fee on their federal tax return. This fee is sometimes called the "individual shared responsibility payment." In some cases, you may be able to get an exemption from the fee. An exemption means you wouldn't have to pay the fee.

How much is the fee?

In 2014, the yearly fee is 1% of your income for the year or \$95 per person in your household, whichever is higher. The payment for uninsured children under 18 is \$47.50 per child. Regardless of the number of people in your household, the most a family would have to pay in 2014 is \$285. You make the payment when you file your 2014 taxes, which are due in April 2015.

The fee increases every year. In 2015, it will be 2% of income or \$325 per person in your household, whichever is higher. The payment for uninsured children under 18 will be \$162.50 per child. In 2016, it will be 2.5% of income or \$695 per person, whichever is higher.

Who can get an exemption?

You may not have to pay the fee (qualify for an exemption) if:

- You're 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 don't have to file a tax return because your income is too low.
- You're a member of a federally recognized American Indian tribe or eligible for services through an Indian Health Services provider.
- You're a member of a recognized health care sharing ministry.
- You're a member of a recognized religious sect with religious objections to insurance, including Social Security and Medicare.
- You're incarcerated, and not awaiting the disposition of charges against you.
- You're not lawfully present in the U.S.

Who can get an exemption? (continued)

You may qualify for a “hardship” exemption if:

- You were homeless.
- You were evicted in the past 6 months or were facing eviction or foreclosure.
- You received a shut-off notice from a utility company.
- You recently experienced domestic violence.
- You recently experienced the death of a close family member.
- You experienced a fire, flood, or other natural or human-caused disaster that caused substantial damage to your property.
- You filed for bankruptcy in the last 6 months.
- You had medical expenses you couldn’t pay in the last 24 months.
- You experienced unexpected increases in necessary expenses due to caring for an ill, disabled, or aging family member.
- You expect to claim a child as a tax dependent who’s been denied coverage in Medicaid and the Children’s Health Insurance Program (CHIP), and another person is required by court order to give medical support to the child. In this case, you don’t have to pay the penalty for the child.
- As a result of an eligibility appeals decision, you’re eligible for enrollment in a qualified health plan (QHP) through the Marketplace, or lower costs on your monthly premiums, or cost-sharing reductions, for a time period when you weren’t enrolled in a QHP through the Marketplace.
- You were found not to be eligible for Medicaid because your state didn’t expand its Medicaid program.

How do I apply for an exemption?

How you apply—and even if you need to apply—depends on which exemption fits your situation.

For an exemption based on coverage being unaffordable, membership in a health care sharing ministry, membership in a federally-recognized tribe, or being incarcerated, you have 2 options to apply:

- Claim these exemptions when you fill out your 2014 federal tax return, which is due by April 15, 2015
- Fill out an exemption application in the Health Insurance Marketplace

Note: If you get an exemption because coverage is unaffordable based on your expected income, you also may qualify to buy catastrophic coverage through the Marketplace. This may be more affordable than your other options.

How do I apply for an exemption? (continued)

For an exemption based on membership in a recognized religious sect whose members object to insurance, eligibility for services through an Indian health care provider, or one of the “hardship” exemptions:

- Fill out an exemption application in the Health Insurance Marketplace

For an exemption if your income will be low enough that you won’t be required to file taxes:

- You don’t need to apply for an exemption. This is true even if you file a federal tax return to get a refund of money withheld from your paycheck. You won’t have to pay this fee.

For an exemption if you have a gap in coverage of less than 3 months, or if you’re not lawfully present in the U.S.:

- You don’t need to apply for an exemption. The Internal Revenue Service will handle this when you file your taxes.

Where can I get more information?

Visit HealthCare.gov, or call the Health Insurance Marketplace call center at 1-800-318-2596 for more information. TTY users should call 1-855-889-4325.

