



How does the ACA mandate work?

By M.J. Ellington, health policy analyst

The Affordable Care Act (ACA) requires almost everyone in the United States to have health insurance. Many people who have not begun to apply by March 31, 2014, will face a tax penalty, starting with 2014 income taxes they'll pay in 2015. But some people will be exempt from the penalty, including people in poverty who do not qualify for Medicaid because their state has not expanded Medicaid eligibility.

Uninsured Alabamians in the following situations may request an exemption:

- Yearly income below the federal poverty level (FPL) (\$11,670 for an individual or \$23,850 for a family of four in 2014);
- The lowest cost for a quality plan is more than 8 percent of household income;
- A coverage gap of no more than three consecutive months in a year;
- Membership in a recognized health sharing ministry or a religious sect opposed to health insurance;
- Membership in a federally recognized Indian tribe;
- Imprisonment;
- Unlawful presence in the United States; or
- Certain financial or personal hardships listed at healthcare.gov/exemptions.

What is the penalty for not having coverage in 2014?

- A single adult with yearly income between the FPL and \$19,650 will pay \$95.
- A single adult with income higher than \$19,650 will pay 1 percent of yearly income.
- The penalty for a family of four is the higher of (a) 1 percent of income or (b) \$285.
- No penalty may exceed the national average premium for a bronze-level plan.

How will the penalty change after 2014?

- In 2015, the penalty will be the higher of (a) 2 percent of yearly income or (b) \$325 per person or up to \$975 for a family of four.
- In 2016, those numbers will increase to the higher of (a) 2.5 percent of income or (b) \$695 per person or up to \$2,085 for a family of four.
- After 2016, amounts will be adjusted for inflation. The penalty cap will remain tied to the national average premium for a bronze-level plan.

Sign up for a plan by March 31 to get covered and avoid a penalty!

- Visit healthcare.gov or call 800-318-2596 to learn more.
- Find enrollment assistance near you at bamaguide.bamacovered.org.