

Individual Penalties

Buy health insurance, or pay a penalty - Starting in 2014, the government is requiring all citizens (with a few exceptions) to have insurance coverage. If you don't, you'll pay an additional tax when you file your 2014 tax return. Of course there are some exceptions.....



The Annual Penalty

Beginning in 2014, most people without medical coverage will need to pay a penalty to the Federal government. The penalty, which is really a tax, would be paid when you file your 2014 taxes in early 2015. And it'll increase every year.

As shown in the chart below, there are two ways to calculate it, and you'll pay the higher amount. There is an additional cap on this tax; it cannot be more than the National average premium for Bronze coverage. Since rates have not been set nationally for 2014 yet, we are awaiting these figures.

Calendar Year	Per Person & Family Maximum	% of Taxable Household Income
2014	\$95 per adult \$47.50 per child \$285 family max	1%
2015	\$325 per adult \$162.50 per child \$975 family max	2%
2016	\$695 per adult \$347.50 per child \$2085 family max	2.5%

The penalties above represent the annual tax. If you go without coverage during part of the year, you will only need to pay a portion of the penalty.

More Options

Part of the new healthcare law requires insurance companies, as of January 1, 2014, to offer medical coverage to more people. They cannot deny you coverage even if you have pre-existing conditions, and they'll need to cover those conditions as soon as your coverage begins – no waiting periods.

Medical Coverage

As long as you and your dependents have a medical plan through one of the following sources, you will be considered "covered" and won't need to pay the individual penalty.

- Medicare
- Medicaid
- Children's Health Insurance Program
- Tricare or other Veterans coverage
- A plan through your employer
- Individual coverage you buy for yourself

Those Exempt from the Tax Penalty

The government will waive the penalty for the following people:

- Those who cannot afford coverage (if it would cost more than 8% of your household income)
- Those with religious objections
- American Indians covered by Indian Health Services
- Undocumented immigrants
- Anyone in prison
- Those who make too little to file a tax return
- Anyone who goes without coverage for less than three months during the calendar year

A Common Question

If I am employed, will my employer have to offer me medical insurance?

No. The new law does not require employers to provide medical coverage. It only requires you as an individual to have medical coverage for you and your family.



Albers & Company specializes in employee benefits, financial planning and benefits communications, serving employers based in the Pacific Northwest. A&C has partnered with GHB Insurance, which houses a team of experts in individual medical and dental coverage. GHB provides assistance with plans both inside and outside the Washington State Exchange.



**Information about individual plans can be obtained by calling
Karla Stevens at GHB at 800.789.5011.**