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Health Care Reform and You: What insurance coverage do you have?



BlueCross BlueShield
of Illinois

Beginning on Jan. 1, 2014, most of us will be required to have health insurance for ourselves and our dependents, or face financial penalties. Below is a quick look at what it could mean for you.

Do any of the following apply to you?

- Health insurance coverage would cost more than 8 percent of your income
- Income is below the tax filing threshold¹
- Member of an Indian tribe
- Have suffered a hardship²
- Undocumented immigrant
- Have health care coverage gaps of less than three months in a year
- Meet religious objection requirements
- Member of a health care sharing ministry

YES

You may not be required to have coverage and may not have to pay a tax penalty.

NO

Do you *currently* have health care coverage — or *expect to have* it by Jan. 1, 2014 — through one of the following?

- Employer-sponsored health care (including COBRA and retiree coverage)
- Coverage purchased in the individual market
- Medicare
- Medicaid
- Children's Health Insurance Program (CHIP)
- Certain types of veterans health care
- TRICARE

YES

You likely have adequate health care coverage. You will probably not pay a tax penalty. However, you may be able to get help paying for health care coverage. Please visit [Blue Cross and Blue Shield of Illinois at ReformAndYouLL.com](http://BlueCrossandBlueShieldofIllinois.com) for more information.

NO

You may have to pay a tax penalty for not having health insurance.

The individual shared responsibility tax penalty **is the lesser of—**

1. The sum of the monthly penalty amounts for each individual in the shared responsibility family; or
 2. The sum of the monthly national average Bronze plan premiums for the shared responsibility family.
- In 2014, the penalty is \$95 per adult and \$47.50 per child (with the penalty for a family capping at \$285) or 1 percent of income, whichever is greater.

- In 2015, the penalty is \$325 per adult and \$162.50 per child (with the penalty for a family capping at \$975) or 2 percent of income, whichever is greater.
- In 2016, the penalty is \$695 per adult and \$347.50 per child (with the penalty for a family capping at \$2,085) or 2.5 percent of income, whichever is greater.³

For each of these years, neither of these penalties may exceed the cost of the national average of the lowest Bronze metallic plan on Get Covered Illinois, the Official Health Marketplace of Illinois.

This tax penalty will be applied to your income tax return.



¹ For 2013, the threshold requiring you to file a tax return was \$10,000 for an individual, \$12,850 for a head of household, or \$20,000 for married filing jointly.

² This includes: a) individuals who are projected to have no offer of affordable coverage; b) individuals who are not required to file an income tax return but who technically fall outside the filing threshold statutory exemption; c) individuals who would be eligible for Medicaid but for a state's choice not to expand Medicaid eligibility; and d) individuals who are not members of a federally recognized tribe, and are Indians eligible for services through an Indian health care provider. The hardship exemption will be available on a case-by-case basis for individuals who face other unexpected personal or financial circumstances that prevent them from obtaining coverage.

³ The penalty is prorated by the number of months without coverage, though there is no penalty for a single gap in coverage of less than three months in a year. The penalty cannot be greater than the national average premium for Bronze-level coverage on the Marketplace.

This information is a high-level summary and for general informational purposes only. The information is not comprehensive and does not constitute legal, tax, compliance or other advice or guidance.

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