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5 Facts for Consumers about the Fee for Not Having Health Coverage

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By Kevin Counihan

One of the best parts of my job is the time I spend during Open Enrollment out on the road, talking with people who are looking to sign up for coverage at HealthCare.gov. The people I meet often ask questions about my role as CEO of HealthCare.gov and why I'm visiting their community. My answer is always the same. I believe all families deserve the peace of mind and financial security that comes with access to quality and affordable health care coverage, and I want to do everything I can to help them get enrolled.

No family should live in fear that one unexpected illness or an accident could throw them into financial turmoil. All people deserve the relief that comes with knowing you can fill your prescriptions, take your children to the doctor, and get care to stay healthy when you need it. The good news is, affordable coverage through HealthCare.gov is available. After financial assistance, 7 out of 10 people can find plans with premiums of less than \$75 dollars per month.

As I talk with people, my priority is to make sure they are informed about the options available to their families. Part of that means making sure people know that having health insurance when you can afford it is now the law. If you can afford health insurance, but you choose to not enroll in coverage for 2016, you may be required to [pay a fee](#) when you file your 2016 federal income taxes. Sometimes people also refer to the fee as a penalty, fine, or individual shared responsibility payment.

I believe your best option is to learn about the tax credits that are available and to visit HealthCare.gov to enroll in a plan that meets their needs, rather than taking the risk of going without insurance and paying a fee.

Here are 5 facts you should know about the fee for not having health coverage when you can afford it:

- The fee is calculated one of two different ways, depending on your situation.** The fee for not having health insurance if you can afford it is calculated either as a percentage of your annual household income or a set amount for each person in your household who does not have coverage. **When you file your federal income taxes, if you are uninsured for more than three months despite having access to affordable coverage, you'll be required to pay whichever amount is higher. Resources on HealthCare.gov will help you [estimate the fee you'll have to pay](#) if you don't have health insurance based on your own situation.**
- The fee is increasing for 2016.** For 2015, the fee for not having health insurance if affordable insurance is available to you and you don't qualify for an exemption is \$325 per person or 2 percent of your annual household income – whichever is higher. For 2016, the fee you'll have to pay if you choose to go without health insurance will increase to \$695 or 2.5 percent of your income – whichever is higher. For many people, that's more than the yearly cost of affordable plans they can find on the Marketplace. Generally, the higher your income, the higher the fee you will have to pay.
- Every month without coverage counts.** The fee is calculated based on the number of months you, your spouse,

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- or your tax dependents went without [qualifying coverage](#), such as an employer-sponsored health plan, Medicare, Medicaid or coverage through HealthCare.gov. The more months you go without health coverage, the higher the fee you will have to pay, up to the maximum.
4. **For some people, exemptions from the fee are available.** People with very low incomes and individuals who meet other specific conditions can receive an exemption from the requirement to have health insurance and will not have to pay the fee. Additional information about exemptions and a [tool that helps you determine if you qualify for an exemption](#) is available on HealthCare.gov.
5. **If you need health coverage and want to avoid the fee for 2016, enroll in a plan by January 31.** It's important to remember that the final deadline to sign up for 2016 coverage through HealthCare.gov is January 31. [A Special Enrollment Period around the April 15 tax filing deadline will not be offered this year.](#) If you don't enroll by then, you could have to wait another year to get coverage and may have to pay the fee when you file your 2016 income taxes.

If you have questions or want to learn more about either the fee or how to sign up for coverage through HealthCare.gov, there are a number of ways to find free, personal help. Enrollment specialists are available 24 hours a day, every day at 1-800-318-2596. Free, confidential, in-person assistance is also available at enrollment sites and events in communities across the nation. Visit [LocalHelp.HealthCare.gov](#) to find local help in your neighborhood.

Remember that the final deadline to sign up for 2016 coverage through HealthCare.gov is January 31. However, **if you need coverage and want it to begin as soon as January 1, 2016, you need to sign up by December 15.**

Don't miss your chance to get covered, visit HealthCare.gov today.

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