

What happened if I do not pay health insurance?

In **2014** the tax penalty for not having health insurance was considerable small. However in **2015** and in **2016** the tax penalty will be increasing more substantially.

- **2015:** The annual individual responsibility payment is the greater of
 - 2% of the taxpayer's household income that is above the tax return filing threshold for the taxpayer's filing status, or
 - The taxpayer's flat dollar amount, which is \$325 per adult and \$162.50 per child, limited to a family maximum of \$975.
- However the total payment amount is capped at the cost of the national average premium for a Bronze level health plan available through the Marketplaces in 2015.

The calculations above represent the amount of the payment for not having health insurance coverage for the entire year. Individuals will owe 1/12th of the annual payment for each month they (or their dependents) do not have coverage and are not exempt. Individuals without coverage for less than three consecutive months during the year may qualify for the short coverage gap exemption and will not have to make a payment for those months. The short coverage gap exemption only applies to the first coverage gap during a year.

The same method of calculation is used in 2016 and later years.

- **2016 tax penalty:** the annual individual responsibility payment is the greater of
 - **2.5%** of the taxpayer's household income that is above the tax return filing threshold for the taxpayer's filing status, or
 - The taxpayer's flat dollar amount, which is **\$ 695** per adult and **\$347.50** per child, limited to a family maximum of **\$2085**.
- However the total payment amount is capped at the cost of the national average premium for a Bronze level hath plan available through the Marketplaces in 2016

After 2016, the payment is adjusted for inflation.

For more information, please visit the [Internal Revenue Service \(IRS\) website](#).

[use this handy tax penalty calculator:](#)

<http://taxpolicycenter.org/taxfacts/acacalculator.cfm>

To see if you qualify for the Federal Subsidy to pay portion of your health insurance premium for 2016 use this helpful tool .

You need to know your [annual modified gross income](#) of your 1040 tax form of 2012. (ine item 37 and 38 please check with your tax advisor)

<http://healthreform.kff.org/subsidycalculator.aspx?source=QL>

