How much is my tax penalty?}

Starting in 2014, having just one uninsured member of your tax household can cost you. All nonexempt members must have health insurance to prevent a penalty. If the penalty applies to you, your tax liability could increase, or the IRS could take money out of your refund!

Follow these steps to calculate the annual penalty for your situation:

**STEP 1**
How many adult members of your tax household are uninsured (out of the adults listed on your federal income tax return)? __________

Multiply your answer by $103

\[ \text{Multiply your answer by } \$103 = \text{STEP 1} \]

**STEP 2**
How many children under the age of 18 in your tax household are uninsured (out of the children listed on your federal tax return)? __________

Multiply your answer by $/40.50

\[ \text{Multiply your answer by } \$/40.50 = \text{STEP 2} \]

**STEP 3**
Total the amounts from Step 1 and Step 2

\[ \text{Total the amounts from Step 1 and Step 2 } = \text{STEP 3} \]

(Note: This amount is capped at $975 in 2015.)

**STEP 4**
Enter your Modified Adjusted Gross Income (MAGI):

(The amount from Line 37 of your Form 1040, plus any tax-free interest and foreign earnings, if applicable)

\[ \text{Enter your Modified Adjusted Gross Income (MAGI): } = \text{STEP 4} \]

Enter your applicable Filing Threshold (see the chart in the upper right):

\[ \text{Enter your applicable Filing Threshold (see the chart in the upper right): } = \text{STEP 4} \]

Subtract your applicable Filing Threshold (see the chart in the upper right):

\[ \text{Subtract your applicable Filing Threshold (see the chart in the upper right): } = \text{STEP 4} \]

\[ \text{Subtract this amount in Step 4: } \]

If your Filing Status is:

<table>
<thead>
<tr>
<th>Filing Status</th>
<th>Subtract this amount in Step 4:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single or Married Filing Separately (MFS)</td>
<td>$10,150</td>
</tr>
<tr>
<td>Head of Household (HOH)</td>
<td>$13,050</td>
</tr>
<tr>
<td>Married Filing Jointly (MFJ)</td>
<td>$20,300</td>
</tr>
<tr>
<td>Qualifying Widow (QW)</td>
<td>$16,350</td>
</tr>
</tbody>
</table>

(Note: The filing threshold amounts will be higher in 2015.)

**Click on “Find Free Help” for local assistance signing up for an affordable health plan, so you can avoid any tax penalty!**

enroll207.com

The annual maximum penalty for a tax household is the sum of the monthly average bronze plan premiums for the family. This limitation applies mainly to higher-income households subject to the penalty. This maximum is not reflected in the calculation steps on this document. Information about exemptions to the individual shared responsibility payment is available at [http://www.irs.gov/uac/Questions-and-Answers-on-the-Individual-Shared-Responsibility-Provision](http://www.irs.gov/uac/Questions-and-Answers-on-the-Individual-Shared-Responsibility-Provision) and at [https://healthcare.gov/exemptions/](https://healthcare.gov/exemptions/)

MAGI for the penalty purposes differs from the MAGI definition used to determine eligibility for the premium assistance tax credits. For the tax penalties, MAGI is AGI + tax exempt interest + foreign earnings. Nontaxable Social Security income is not included.

The flat dollar amount and the applicable percentage shown here apply only to the 2013 tax year. These amounts increase in future years.

*Affordable Care Act

Adapted from materials prepared by JACKSON HEWITT®
All about the tax penalty for not having health insurance—and how to avoid it!

Starting in 2014, most Mainers must have health insurance or pay a penalty. The GOOD NEWS is that you won’t have to pay any penalty if you have health insurance already, or sign up for an affordable health plan on the Health Insurance Marketplace by December.

How much is the penalty?

If you don’t have insurance in 2013, you may have to pay a penalty of 0% of your income OR $103 per adult and $40.50 per child—whichever is higher. A family’s penalty may be much higher than $103—and the amounts go up each year!

On the back is a tax penalty worksheet to help you figure out what your penalty could be. (At right is an example.) Some people may qualify for an exemption from buying health insurance.

Avoid the penalty: get covered on the Health Insurance Marketplace!

Most Mainers are eligible for an affordable health plan on the Health Insurance Marketplace. All Marketplace plans have to cover doctor visits, hospital stays, emergency room care, and prescriptions. And they can’t refuse to cover you or charge you more because of your medical history. If you sign up for a Marketplace plan by December, you will not have to pay the penalty.

Many Mainers can get an affordable health plan on the Health Insurance Marketplace.

You may be able to get financial help to pay for your health insurance depending on your household size and how much money you make. Some examples:

- A family of 4 in Bangor making $49,000 a year could get a plan for $97/month
- A married couple in Lewiston making $32,000 a year could get a plan for $60/month
- A 25 year old in Portland making $20,000 a year could get a plan for $38/month

Where do I start?

Find free, local help applying and enrolling at:

enroll207.com

Or call Consumers for Afforable Health Care at: 1-800-965-7476

Compare plans and sign up for coverage at:

HealthCare.gov

Or call the Health Insurance Marketplace at: 1-800-318-2596, 24/7/365

TTY users: 1-855-889-4325

STEP 1

How many adult members of your tax household are uninsured?

1

Multiply your answer by $103 = $103

STEP 2

How many children under the age of 18 in your tax household?

0

STEP 3

Total the amounts from STEPS 1 & 2

$105

STEP 4

Enter your Modified Adjusted Gross Income (MAGI) (Line 37 of your Form 1040, plus any tax-free interest and foreign earnings, if applicable)

$68,000

Subtract your applicable Filing Threshold:
(from chart on reverse, upper right)

- $20,300

= $47,700

x .00 (0%) = $0

Since this number is larger than the $103 total in STEP 3, $0 is your annual tax penalty!

This document is for illustrative purposes only, and users should discuss results with a trained tax preparer before drawing conclusions. Any person may use, reproduce, and/or distribute this document provided that they do so without modifying the content or format.