How does the fee work for people without health coverage?

Almost everyone is required to have health insurance. People who choose not to buy health insurance will have to pay a fee. Here's how it works in 2015. Keep in mind the fee for individuals who don’t have coverage is scheduled to go up each year.

You will fall into whichever scenario calculates the LARGER number, or fee.

**SCENARIO 1**

Fee based on 2% of your yearly income (minus your filing threshold)

Note: The filing threshold is the minimum amount of gross income an individual of your age and with your filing status (e.g., single, married filing jointly, head of household) must make to be required to file a tax return.

Single = $10,300
Married = $20,600

**Scenario 1 Example:**

Mr. and Mrs. Smith are a married family of two

Annual household income $80,000

‘Filing threshold’ for married $20,600

Fee based on 2% of $59,400 $1,188

2015 fee will be based on 2.5% of household income. The fee in this situation is capped at the national average premium for a Bronze plan.

**SCENARIO 2**

Fee based on $325 per adult in the family ($162.50 per child)

**Scenario 2 Example:**

Mr. and Mrs. Smith are a married family of two

Mr. Smith $325
Mrs. Smith + $325

Fee based $325 per adult $650

2016 fee will be $695 per adult and $347.5 per child under 18. The fee in this situation is capped at $975.

**FEE OWED TO THE GOVERNMENT:**

The Smith’s fee will be $1,188, since that is the GREATER amount.

The government recognizes there are ‘exceptions’ and ‘hardships’ which can prevent you from becoming insured.

Here’s a link where you can view a complete list. [https://www.healthcare.gov/exemptions/](https://www.healthcare.gov/exemptions/)

For more information on calculating the penalty visit [www.IRS.gov](http://www.IRS.gov) or a tax professional.