

# 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!**

## Filing Thresholds

If your filing status is:	Subtract this amount in Step 4:
Single or Married Filing Separately (MFS)**	\$10,150
Head of Household (HOH)	\$13,050
Married Filing Jointly (MFJ)	\$20,300
Qualifying Widow (QW)	\$16,350

2014

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 \$95:

$\times \$95 =$  **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 income tax return)? .....

Multiply your answer by \$47.50:

$\times \$47.50 =$  **STEP 2**

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

$=$  **STEP 3**  
(Note: This amount is capped at \$285 in 2014.)

**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) .....

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

$-$  \_\_\_\_\_

$=$  \_\_\_\_\_

$\times 1\%$

$=$  **STEP 4**

Which amount is larger?

Enter the *larger* of **Step 3** or **Step 4**

**This is your annual tax penalty!**



No matter where you live... No matter what you qualify for... You can trust us to do your taxes—and help you with the government paperwork for the ACA\*!

*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.*

The annual **maximum penalty** for a tax household is the sum of the monthly national 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> and at <https://www.healthcare.gov/exemptions/>. **MAGI for 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 2014 tax year. These amounts increase in future years.

\*Affordable Care Act

\*\*The filing threshold for MFS taxpayers may be as low as \$3,950.