

## Summary of Health Care Affordability Provisions of the ACA

### *Who is exempt from the requirement to purchase coverage?*

- Religious exemption (narrow application)
- Incarcerated individuals
- Individuals not lawfully present in the US
- Members of American Indian tribes
- Individuals with income below IRS filing threshold (\$9,500 in 2011)
- Individuals who cannot afford coverage

### *How do you decide if insurance is unaffordable?*

Insurance is considered to be unaffordable if the required contribution from the insured exceeds 8% of household income.

### *Who is eligible for premium subsidies that make insurance more affordable?*

Households with income between 100% and 400% of the federal poverty levels (FPL), enrolled in a qualified health plan through the Exchange and not eligible for other qualifying coverage (Medicare, Medicaid, or affordable employer sponsored insurance)

### *What is unaffordable employer sponsored coverage?*

Employer sponsored insurance is considered unaffordable if the self-only premium requirement exceeds 9.5% of household income or

The plan does not cover at least 60% of the total allowed costs in the plan.

People who have access to, but are not enrolled in, employer coverage that is unaffordable may be eligible for premium subsidies to purchase coverage in the Exchange.

### *What are the premium subsidies?*

Tax credits (refundable and advanceable) cover the difference between the amount of the premium for a silver level plan (plan covers 70 percent of allowable costs) and the required contribution amount from the enrollee. The required contribution amount varies by income.

Up to 133% FPL	2% of income
133 – 150% FPL	3 – 4% of income
150 – 200% FPL	4 – 6.3% of income
200 – 250% FPL	6.3 – 8.05% of income
250 – 300% FPL	8.05 – 9.5% of income
300 – 400% FPL	9.5% on income

### *What is the penalty for not purchasing insurance?*

The tax penalty is imposed on individuals that do not purchase insurance and are not exempt from the requirement to purchase insurance. The penalty is the greater of a flat dollar amount or a percentage of income that exceeds the tax filing threshold:

2014	\$ 95	1% of income above tax filing threshold (\$9,500 in 2011)
2015	\$325	2% of income above tax filing threshold
2016	\$695	2.5% of income above tax filing threshold