

## The ACA Penalty for not having Health Insurance.

If you cannot afford health you must pay a penalty called the individual shared responsibility payment. (The penalty is sometimes called the "fine," or "individual mandate.")

You owe the penalty for any month you, your spouse, or your tax dependents don't have health insurance that qualifies as [minimum essential coverage](#). [See all insurance types that qualify](#).

You pay the penalty when you file your federal tax return for the year you don't have coverage. In some cases, you may qualify for a health coverage exemption from the requirement to have insurance. If you qualify, you won't have to pay the penalty. [Learn about health coverage exemptions](#).

### The penalty for not having health insurance in 2016 is higher than 2015

The penalty is calculated 2 different ways – as a percentage of your household income, and per person. **You'll pay whichever is higher.**

Percentage of income: 2.5% of household income

**Maximum:** Total yearly premium for the national average price of a Bronze plan sold through the Marketplace

Per person: \$695 per adult  
\$347.50 per child under 18

**Maximum:** \$2,085

Paying the penalty

Using the percentage method, only the part of your household income that's above the yearly tax filing threshold (\$10,150 for individuals, \$20,300 for couples filing jointly in 2014, the most recent year available) is counted.

Using the per-person method, you pay only for people in your household who don't have insurance coverage.

If you have coverage for part of the year, the penalty is 1/12 of the annual amount for each month you (or your tax dependents) don't have coverage. If you're uncovered only 1 or 2 months, you don't have to pay the penalty at all. [Learn about the "short gap" exemption](#). You pay the penalty when you file your federal tax return for the year you don't have coverage.

### The penalty for not having coverage in 2015 is higher than 2014

The penalty for 2015 is the higher of these:

Percentage of income: 2% of household income

**Maximum:** Total yearly premium for the national average price of a Bronze plan sold through the Marketplace

OR

Per person: \$325 per adult  
\$162.50 per child under 18  
**Maximum:** \$975

**The penalty for not having coverage in 2014**

**The penalty for 2014 is the higher of these:**

Percentage of income: 1% of household income

**Maximum:** Total yearly premium for the national average price of a Bronze plan sold through the Marketplace

OR

Per person: \$95 per adult  
\$47.50 per child under 18  
**Maximum:** \$285

To learn more about the ACA please visit our website at [www.lennyletcher.com](http://www.lennyletcher.com)