

No Health Coverage? What That Means for Your Taxes

You'll answer a question about your 2014 health coverage when you file your federal income tax return. If you didn't have a minimum level of health coverage for all of 2014, your taxes could be affected. Here are a few things to know:

You may pay a fee as part of your taxes if you didn't have health coverage in 2014, and don't get an exemption.

If you could've afforded health coverage in 2014 but chose not to buy it and you don't qualify for an exemption, you may need to pay a fee with your federal tax return. The fee is based on your income, and how many months you didn't have health coverage. Generally, the higher your income and the more months you were without health coverage, the higher the fee.

If you didn't have health coverage for all of 2014, you'll pay the **higher** of:

- \$95 per person who was without coverage for the year (\$47.50 per child under 18). The maximum fee per family using this method is \$285.
- An amount that varies depending on your income (generally 1% of your yearly household income over a certain threshold).

The fee increases each year. In 2015, it's \$325 per person or 2% of your yearly household income over the threshold. In 2016, it's \$695 per person or 2.5% of your income over the threshold. After that it's adjusted for inflation.

You don't have to pay the fee if you get an exemption.

If you ask for and are approved for an exemption, you won't have to pay a fee for not having health coverage. You might be able to get an exemption because of a special situation, like not having any affordable health insurance plans available to you, having only a short gap in coverage, or being eligible for services through the Indian Health Service. In addition, if you had coverage starting in May 2014 or earlier, you qualify for an exemption for the months before your coverage started.



There are 2 types of exemptions:

1. **IRS exemptions** that you can get from the IRS when you file your tax return.
2. **Marketplace exemptions** that you'll need to request by completing a paper application and mailing it to the Health Insurance Marketplace.

For a complete list of exemptions and more information, visit HealthCare.gov or call the Marketplace Call Center at 1-800-318-2596. TTY users should call 1-855-889-4325.

If the Marketplace approves your exemption application, save the approval notice you get in the mail.

If you get an exemption from the Marketplace, you'll get a notice in the mail that includes a unique Exemption Certificate Number (ECN). Keep this notice with other important tax documents. You'll need to enter that ECN on your federal income tax return when you file your federal taxes for the year you didn't have health coverage. If the ECN isn't granted for the whole year, you may still have to pay a fee for some months. If you mailed an exemption application to the Marketplace and are still waiting for a decision when you file your tax return, follow the instructions with your tax return to enter "Pending" in the appropriate places. If you apply for the exemption directly from the IRS using Health Coverage Exemptions Form (**Form 8965**), you won't need an ECN.

Help is available.

- For more information about how health coverage will affect your taxes, visit HealthCare.gov/taxes/ or call the Marketplace Call Center at 1-800-318-2596.
- Many people who signed up for Marketplace coverage can get free assistance with filling out their taxes. This may include free access to tax software programs, or free in-person assistance. For more information, visit IRS.gov/freefile or IRS.gov/VITA.
- If you have general questions about your taxes, or want to learn more about the fee for not having health coverage, visit IRS.gov.

