Canâ€™t Afford Health Insurance? Request an Exemption From the Law!

February â€“ The Affordable Care Act (ACA or Obamacare) was supposed to mean that everyone could get health insurance. In fact, the law mandates it for individuals and it uses a carrot and stick mechanism to do it. The carrot is that lower income individuals are able to get government subsidies to help pay for insurance. The stick is that anyone who fails to get insurance will face a fine. Unfortunately, ACA has driven insurance costs through the roof for millions of middle class families that donâ€™t qualify for subsidies. The option open to them may be to get an exemption from the insurance requirement.

Tweet

(function() {
var s = document.createElement('SCRIPT'), s1 = document.getElementsByTagName('SCRIPT')[0];
s.type = 'text/javascript';
s.src = 'http://widgets.digg.com/buttons.js';
s1.parentNode.insertBefore(s, s1);
})();

(function() {
var po = document.createElement('script'); po.type = 'text/javascript'; po.async = true;
po.src = 'https://apis.google.com/js/plusone.js';
var s = document.getElementsByTagName('script')[0]; s.parentNode.insertBefore(po, s);
})();

Getting an exemption from the law will take a little work and not everyone will qualify. Additionally, it isnâ€™t an ideal solution because it means that you have no insurance. In the event of a major medical emergency youâ€™ll be on the hook for the entire bill. But for those with limited options, an exemption is a much better option than paying a fine.

Frankly, the fines associated with ACA for the 2015 tax year can be large. The smallest fine for not having insurance is $325 per adult, $162.50 per child. The largest fine you can receive is 2% of household income up to a maximum of the average priced Bronze health plan. For a family, that could easily amount to a fine of $10,000 or more. NOTE: If you didnâ€™t have an exemption for 2015 you can still apply for one at the time you file your taxes.

In the 2016 tax year, the minimum fines mentioned above more than double to $395 per adult and $347.50 per child. And the largest fine you can receive also increases to 2.5% of household income up to the average price of a Bronze health plan.

Itâ€™s easy to see why an exemption is far more attractive than paying the fine.

There are a wide variety of exemptions that you can claim. For instance, if you have an insurance policy that is cancelled and you donâ€™t believe that you can afford a new plan. Or if you have unpaid medical bills. These are just two of the possible reasons.

The governmentâ€™s healthcare marketplace provides a starting point for exemptions. The most common reason for exemption is some sort of hardship. Regardless of the reason, youâ€™ll need to download the appropriate form, fill it out and mail it to the Department of Health and Human Services. If you think you qualify for multiple exemptions, you can and should request an exemption for each. That way, if you are denied on one request you may be granted an exemption on

another. Note: Depending upon the type of exemption you are requesting, you may need to fill out multiple forms. Read the forms thoroughly to make sure you are submitting the correct forms.

After you mail your forms in, it will take two to three weeks to hear back from the government. If your exemption is granted, make sure you hold onto the form the government sends you. Youâ€™ll need it the next time you file your taxes.

byJim Malmberg

Note: When posting a comment, please sign-in first if you want a response. If you are not registered, click here. Registration is easy and free.

Follow me on Twitter:

Follow ACCESS