

Health Care Reform and You:

What insurance coverage do you have?



BlueCross BlueShield
of Illinois

Beginning on Jan. 1, 2014, most of us will be required to have health insurance for ourselves and our dependents, or face financial penalties. Below is a quick look at what it could mean for you.

Do any of the following apply to you?

- Health insurance coverage would cost more than 8 percent of your income
- Income is below the tax filing threshold¹
- Member of an Indian tribe
- Have suffered a hardship²
- Undocumented immigrant
- Have health care coverage gaps of less than three months in a year
- Meet religious objection requirements
- Member of a health care sharing ministry

YES

You may not be required to have coverage and may not have to pay a tax penalty.

NO

Do you *currently* have health care coverage — or expect to have it by Jan. 1, 2014 — through one of the following?

- Employer-sponsored health care (including COBRA and retiree coverage)
- Coverage purchased in the individual market
- Medicare Part A
- Medicaid
- Children's Health Insurance Program (CHIP)
- Certain types of veterans health care
- TRICARE

YES

You likely have adequate health care coverage. You will probably not pay a tax penalty. However, you may be able to get help paying for health care coverage. Please visit **Blue Cross and Blue Shield of Illinois at ReformAndYouLL.com** for more information.

NO

You may have to pay a tax penalty for not having health insurance.

- In 2014, the penalty is 1% of your yearly income or \$95 per person for the year (\$47.50 per child), whichever is higher. The most a family would have to pay in 2014 is \$285.
 - In 2015, the penalty is 2% of your yearly income or \$325 per person for the year (\$162.50 per child), whichever is higher. The most a family would have to pay in 2015 is \$975.
 - In 2016, the penalty is 2.5% of your yearly income or \$695 per person for the year (\$347.50 per child), whichever is higher. The most a family would have to pay in 2016 is \$2,085.³
- This tax penalty will be applied to your income tax return.



¹ For 2012, the threshold requiring you to file a tax return was \$9,750 for an individual, \$12,500 for a head of household, or \$19,500 for married filing jointly.

² This includes: a) individuals who are projected to have no offer of affordable coverage; b) individuals who are not required to file an income tax return but who technically fall outside the filing threshold statutory exemption; c) individuals who would be eligible for Medicaid but for a state's choice not to expand Medicaid eligibility; and d) individuals who are not members of a federally recognized tribe, and are Indians eligible for services through an Indian health care provider. The hardship exemption will be available on a case-by-case basis for individuals who face other unexpected personal or financial circumstances that prevent them from obtaining coverage.

³ The penalty is prorated by the number of months without coverage, though there is no penalty for a single gap in coverage of less than three months in a year. The penalty cannot be greater than the national average premium for Bronze-level coverage in a health insurance exchange.

This information is a high-level summary and for general informational purposes only. The information is not comprehensive and does not constitute legal, tax, compliance or other advice or guidance.