

# Health Care & Taxes



**Sign up by Feb. 15** Avoid the Penalty for Not Having Insurance

**It's never smart to avoid having health insurance** — one accident can lead to an emergency room visit and tens of thousands of dollars in bills, or learning you have cancer when it's too late to treat it. Now there's another reason to get insured — **taxes**.

The **"Shared Responsibility Payment"** is a new tax penalty that Americans have to pay this year if they can afford health insurance but choose not to buy it. It's called a shared responsibility payment because everyone in the United States is now required to be part of our health insurance system, buying health coverage for themselves and their families rather than relying on others to pay for their care. Starting for 2015, those who don't buy health insurance may be subject to the penalty which is \$325 per person in a household or 2% of their income, whichever is greater.

## It's Getting More Expensive to Go Without Insurance

PENALTIES* BY TAX YEAR	2014	2015	2016
 <b>Jim</b> earns \$40K/yr	\$299	<b>\$594</b>	\$736
 <b>Eduardo &amp; Julia</b> earn \$70K/yr	\$497	<b>\$988</b>	\$2,085

**The best way to avoid the penalty is to buy health insurance right now** during open enrollment, which continues to Feb. 15. Of those already enrolled, almost 90 percent got financial help to cover their premiums. For more information and to find local, no-cost assistance, go to **CoveredCA.com**. It makes far more sense than paying the penalty at tax time.

\* 2014 amounts based on IRS estimations, [www.irs.gov/Affordable-Care-Act/Individuals-and-Families/ACA-Individual-Shared-Responsibility-Provision-Calculating-the-Payment](http://www.irs.gov/Affordable-Care-Act/Individuals-and-Families/ACA-Individual-Shared-Responsibility-Provision-Calculating-the-Payment). 2015 and 2016 amounts estimated using ACA calculator – <http://taxpolicycenter.org/taxfacts/acacalculator.cfm>.

