



## 2010 FEDERAL HEALTH REFORM INDIVIDUAL MANDATE FACT SHEET

President Obama signed comprehensive health reform, the Patient Protection and Affordable Care Act on March 23, and the Health Care and Education Reconciliation Act of 2010, on March 30, 2010. This fact sheet summarizes the provisions related to the Individual Mandate.

### Individual Mandate

Effective January 1, 2014 U.S. citizens and legal residents will be required to have health coverage.

In order to allow individuals to obtain health coverage, the measures expand Medicaid up to 133 percent of federal poverty, creates exchanges for individuals and small business to purchase coverage, and changes private insurance to allow individuals with pre-existing medical conditions to obtain coverage starting in 2014.

### Exemptions:

- Financial hardship
- Religious objections
- American Indians
- Those without coverage for less than three months
- Undocumented immigrants
- Incarcerated individuals
- Individuals for whom the lowest cost plan option exceeds 8 percent of income
- Those with incomes below the tax filing threshold in 2009 (\$9,350 for an individual under age 65 and \$18,700 for couples)

### Enforcement

Individuals and families who do not purchase coverage will pay a tax penalty of either a flat fee or percent of taxable income, whichever is greater. The flat fee can be levied up to three times that amount depending on family size

The penalty will be phased in according to the following schedule:

Year	Flat Fee	Percent of Taxable Household Income
2014	\$95 - \$285	1.0 percent
2015	\$325 - \$975	2.0 percent
2016	\$695 - \$2,085	2.5 percent

Beginning after 2016, the penalty will be increased annually by the cost-of-living adjustment.