Legal Alternatives to Obamacare Enrollment

Not enrolling in the Obamacare Exchanges is perfectly legal.

The U.S. Supreme Court ruled that it is unconstitutional to force any citizen to be insured. You have a constitutional right to be uninsured and to refuse to enroll in Obamacare exchange coverage. The “uninsured tax” penalty will only apply to non-exempt individuals that do not have health insurance or government coverage of any kind. That coverage need not be acquired through the government exchanges.

There are three legal ways to comply with Obamacare without enrolling in an exchange:

one

Obtain private health insurance.

Find an insurance policy off the government exchange that meets the law’s “minimum essential coverage” mandate. This may include a private individual policy, non-exchange employer-sponsored coverage, a state high-risk pool for people with pre-existing conditions, a catastrophic policy if you meet ACA’s “affordability” exemption, or a policy bought using a private insurance exchange.

two

Claim one or more of the nine exemptions to Obamacare.

There are four exemptions from the individual mandate and five exemptions (including an additional list of 14 hardship waivers) from the “uninsured tax.” The exempt include:

- Members of health-sharing organizations, certain religious groups that receive no Social Security and Native American tribes.
- Undocumented immigrants, incarcerated individuals, people with insufficient income to pay taxes, and people for whom health insurance is considered unaffordable (premiums after subsidies/contributions exceed 8% of income).

Complete list at: https://www.healthcare.gov/exemptions/

three

Go uninsured and pay the “uninsured tax.”

Penalties for adults without required coverage begin at $695 or up to 2.5% of your 2016 household income above the yearly tax filing threshold, whichever is greater. Penalties for children under age 18 begin at $347.50. Maximum penalty/family: $2085.

NOTE:

If you were not exempt and did not have “minimum essential coverage” in 2015, you’ll pay the higher of the following penalty amounts when you file your taxes:

- 2% of your household income if your income was over $10,150.
- $325 per person ($162.50 per child). The maximum penalty per family is $975.