

## Obamacare Mandate – 9 Exemptions

Under Obamacare, citizens must purchase health insurance. However, the law exempts some citizens from paying the penalty even though they are required to buy health insurance and do not do so. Following are nine exemptions in Obamacare (see brackets), as stated in Section 1501. Citizens subject to the mandate but not the penalty are exemption numbers 5-9. Exemption seekers must provide "such information as the Secretary shall prescribe" which could be intrusive. Our information on *health sharing*: <http://bit.ly/QyqiFn>

(d) **APPLICABLE INDIVIDUAL.**—For purposes of this section—

(1) **IN GENERAL.**—The term ‘applicable individual’ means, with respect to any month, an individual other than an individual described in paragraph (2), (3), or (4).

(2) **RELIGIOUS EXEMPTIONS.** —

[1] **(A) RELIGIOUS CONSCIENCE EXEMPTION.**—Such term shall not include any individual for any month if such individual has in effect an exemption under section 1311(d)(4)(H) of the Patient Protection and Affordable Care Act which certifies that such individual is a member of a recognized religious sect or division thereof described in section 1402(g)(1) and an adherent of established tenets or teachings of such sect or division as described in such section.

[2] **(B) HEALTH CARE SHARING MINISTRY.**—

(i) **IN GENERAL.**—Such term shall not include any individual for any month if such individual is a member of a health care sharing ministry for the month.

(ii) **HEALTH CARE SHARING MINISTRY.**—The term ‘health care sharing ministry’ means an organization—

(I) which is described in section 501(c)(3) and is exempt from taxation under section 501(a),

(II) members of which share a common set of ethical or religious beliefs and share medical expenses among members in accordance with those beliefs and without regard to the State in which a member resides or is employed,

(III) members of which retain membership even after they develop a medical condition,

(IV) which (or a predecessor of which) has been in existence at all times since December 31, 1999, and medical expenses of its members have been shared continuously and without interruption since at least December 31, 1999, and

(V) which conducts an annual audit which is performed by an independent certified public accounting firm in accordance with generally accepted accounting principles and which is made available to the public upon request.

[3] **(3) INDIVIDUALS NOT LAWFULLY PRESENT.**—Such term shall not include an individual for any month if for the month the individual is not a citizen or national of the United States or an alien lawfully present in the United States.

[4] **(4) INCARCERATED INDIVIDUALS.**—Such term shall not include an individual for any month if for the month the individual is incarcerated, other than incarceration pending the disposition of charges.

(e) **EXEMPTIONS.**—No penalty shall be imposed under sub-section (a) with respect to—

[5] **(1) INDIVIDUALS WHO CANNOT AFFORD COVERAGE.**—H. R. 3590—129

(A) **IN GENERAL.**—Any applicable individual for any month if the applicable individual’s required

contribution (determined on an annual basis) for coverage for the month exceeds 8 percent of such individual's household income for the taxable year described in section 1412(b)(1)(B) of the Patient Protection and Affordable Care Act. For purposes of applying this subparagraph, the taxpayer's household income shall be increased by any exclusion from gross income for any portion of the required contribution made through a salary reduction arrangement.

(B) **REQUIRED CONTRIBUTION.**—For purposes of this paragraph, the term 'required contribution' means—

- (i) in the case of an individual eligible to purchase minimum essential coverage consisting of coverage through an eligible-employer-sponsored plan, the portion of the annual premium which would be paid by the individual (without regard to whether paid through salary reduction or otherwise) for self-only coverage, or
- (ii) in the case of an individual eligible only to purchase minimum essential coverage described in subsection (f)(1)(C), the annual premium for the lowest cost bronze plan available in the individual market through the Exchange in the State in the rating area in which the individual resides (without regard to whether the individual purchased a qualified health plan through the Exchange), reduced by the amount of the credit allowable under section 36B for the taxable year (determined as if the individual was covered by a qualified health plan offered through the Exchange for the entire taxable year).

(C) **SPECIAL RULES FOR INDIVIDUALS RELATED TO EMPLOYEES.**—For purposes of subparagraph (B)(i), if an applicable individual is eligible for minimum essential coverage through an employer by reason of a relationship to an employee, the determination shall be made by reference to the affordability of the coverage to the employee.

(D) **INDEXING.**—In the case of plan years beginning in any calendar year after 2014, subparagraph (A) shall be applied by substituting for '8 percent' the percentage the Secretary of Health and Human Services determines reflects the excess of the rate of premium growth between the preceding calendar year and 2013 over the rate of income growth for such period.

[6] **(2) TAXPAYERS WITH INCOME BELOW FILING THRESHOLD.**—Any applicable individual for any month during a calendar year if the individual's household income for the taxable year described in section 1412(b)(1)(B) of the Patient Protection and Affordable Care Act is less than 100 percent of the poverty line for the size of the family involved (determined in the same manner as under subsection (b)(4)).

[7] **(3) MEMBERS OF INDIAN TRIBES.**—Any applicable individual for any month during which the individual is a member of an Indian tribe (as defined in section 45A(c)(6)).

[8] **(4) MONTHS DURING SHORT COVERAGE GAPS.**—

(A) **IN GENERAL.**—Any month the last day of which occurred during a period in which the applicable individual H. R. 3590—130 was not covered by minimum essential coverage for a continuous period of less than 3 months.

(B) **SPECIAL RULES.**—For purposes of applying this paragraph—

- (i) the length of a continuous period shall be determined without regard to the calendar years in which months in such period occur,
- (ii) if a continuous period is greater than the period allowed under subparagraph (A), no exception shall be provided under this paragraph for any month in the period, and
- (iii) if there is more than 1 continuous period described in subparagraph (A) covering months in a calendar year, the exception provided by this paragraph shall only apply to months in the first of such periods.

The Secretary shall prescribe rules for the collection of the penalty imposed by this section in cases where continuous periods include months in more than 1 taxable year.

[9] **(5) HARDSHIPS.**—Any applicable individual who for any month is determined by the Secretary of Health and Human Services under section 1311(d)(4)(H) to have suffered a hardship with respect to the capability to obtain coverage under a qualified health plan. <http://bit.ly/hardshipexemptions>