
How do I qualify for an exemption from the fee for not having health coverage?

Most people must have health coverage or pay a fee (the “individual shared responsibility payment”). You can get an exemption in certain cases.

The individual shared responsibility payment

If you can afford health insurance but choose not to buy it, you must pay a fee known as the individual shared responsibility payment ([/what-if-someone-doesnt-have-health-coverage-in-2014](#)).

The fee in 2014 is 1% of your yearly income or \$95 per person for the year, whichever is higher. The fee increases every year. In 2016 it's 2.5% of income or \$695 per person, whichever is higher.

If you're paying under the \$95 per person method, in 2014 the payment for uninsured children is \$47.50 per child. The most a family would have to pay under this method in 2014 is \$285.

You make the payment when you file your 2014 taxes, which are due in April 2015.

Exemptions from the payment

Under certain circumstances, you won't have to make the individual responsibility payment. This is called an “exemption.”

You may qualify for an exemption if:

- You're uninsured for less than 3 months of the year
- The lowest-priced coverage available to you would cost more than 8% of your household income
- You don't have to file a tax return because your income is too low (Learn about the filing limit (<http://www.irs.gov/pub/irs-pdf/p501.pdf>).
- You're a member of a federally recognized tribe ([/glossary/federally-recognized-](#)

tribe) or eligible for services through an Indian Health Services provider

- You're a member of a recognized health care sharing ministry
- You're a member of a recognized religious sect with religious objections to insurance, including Social Security and Medicare
- You're incarcerated, and not awaiting the disposition of charges against you
- You're not lawfully present (/immigration-status-and-the-marketplace) in the U.S.

Hardship exemptions

If you have any of the circumstances below that affect your ability to purchase health insurance coverage, you may qualify for a "hardship" exemption:

1. You were homeless.
2. You were evicted in the past 6 months or were facing eviction or foreclosure.
3. You received a shut-off notice from a utility company.
4. You recently experienced domestic violence.
5. You recently experienced the death of a close family member.
6. You experienced a fire, flood, or other natural or human-caused disaster that caused substantial damage to your property.
7. You filed for bankruptcy in the last 6 months.
8. You had medical expenses you couldn't pay in the last 24 months.
9. You experienced unexpected increases in necessary expenses due to caring for an ill, disabled, or aging family member.
10. You expect to claim a child as a tax dependent who's been denied coverage in Medicaid and CHIP, and another person is required by court order to give medical support to the child. In this case, you do not have to pay the penalty for the child.
11. As a result of an eligibility appeals decision, you're eligible for enrollment in a qualified health plan (QHP) through the Marketplace, lower costs on your monthly premiums, or cost-sharing reductions for a time period when you weren't enrolled in a QHP through the Marketplace.
12. You were determined ineligible for Medicaid because your state didn't expand eligibility for Medicaid under the Affordable Care Act.

13. Your individual insurance plan was cancelled and you believe other Marketplace plans are unaffordable.

How to apply for an exemption

If you are applying for an exemption based on: coverage being unaffordable; membership in a health care sharing ministry; membership in a federally-recognized tribe; or being incarcerated:

You have two options--

- You can claim these exemptions when you fill out your 2014 federal tax return, which is due in April 2015
- You can apply for the exemptions using the appropriate form:
 - Form to apply for exemption based on coverage being unaffordable (if you live in a state using Healthcare.gov)
(<http://marketplace.cms.gov/getofficialresources/publications-and-articles/affordability-ffm-exemption.pdf>)
 - Form to apply for exemption based on coverage being unaffordable (if you live in a state using its own health exchange)
(<http://marketplace.cms.gov/getofficialresources/publications-and-articles/affordability-sbm-exemption.pdf>)
 - Form to apply for exemption based on membership in a health care sharing ministry (<http://marketplace.cms.gov/getofficialresources/publications-and-articles/sharing-ministry-exemption.pdf>)
 - Form to apply for exemption for American Indians and Alaska Natives and others who are eligible for services from an Indian health care provider (<http://marketplace.cms.gov/getofficialresources/publications-and-articles/tribal-exemption.pdf>)
 - Form to apply for exemption based on being incarcerated
(<http://marketplace.cms.gov/getofficialresources/publications-and-articles/incarceration-exemption.pdf>)

Note: If you get an exemption because coverage is unaffordable based on your expected income, you may also qualify to buy catastrophic coverage through the Marketplace (/can-i-buy-a-catastrophic-plan/). This may be more affordable than your other options.

If you're applying for an exemption based on: membership in a recognized religious sect whose members object to insurance; eligibility for services through an Indian health care provider; or one of the hardships described above:

- You fill out an exemption application using the appropriate form:
 - [Form to apply for exemption based on membership in a recognized religious sect whose members object to insurance](http://marketplace.cms.gov/getofficialresources/publications-and-articles/religious-sect-exemption.pdf)
(<http://marketplace.cms.gov/getofficialresources/publications-and-articles/religious-sect-exemption.pdf>)
 - [Form to apply for exemption based eligibility for services through an Indian health care provider](http://marketplace.cms.gov/getofficialresources/publications-and-articles/tribal-exemption.pdf) (<http://marketplace.cms.gov/getofficialresources/publications-and-articles/tribal-exemption.pdf>)
 - [Form to apply for exemption based on a hardship](http://marketplace.cms.gov/getofficialresources/publications-and-articles/hardship-exemption.pdf)
(<http://marketplace.cms.gov/getofficialresources/publications-and-articles/hardship-exemption.pdf>)

If your income will be low enough that you will not be required to file taxes:

- You don't need to apply for an exemption. This is true even if you file a return in order to get a refund of money withheld from your paycheck. You won't have to make the shared responsibility payment.

If you have a gap in coverage of less than 3 months, or you are not lawfully present in the U.S.:

- You don't need to apply for an exemption. This will be handled when you file your taxes.

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