

GET COVERED!

Starting in 2020, a new law requires all California residents to have health insurance or pay a penalty. You can avoid paying a penalty if you have health coverage that meets state requirements. And, with additional financial help now available through Covered California, you may find it easier to afford health insurance



STATE OF CALIFORNIA
Franchise Tax Board



Getting Health Coverage is Easier and More Affordable Than Ever With the New State Subsidy

If you are not covered by your employer's health plan, or have other qualified coverage, you can go to **CoveredCA.com** to see if you are eligible for financial help

Financial help may be available to lower your monthly cost for coverage

You can shop and compare qualified health insurance plans

Remember, you will want to select a plan that best suits your needs, and enroll during open enrollment which starts **October 15th** and ends **January 31st**



Paying the Penalty for Not Having Health Coverage

If you aren't covered for most of the year in 2020 you could face a penalty at tax time unless you qualify for an exemption.

The penalty for a family not having health insurance in 2020 could be \$2,000 or more.



Some Individuals May Not Have to Pay a Penalty if They Qualify for an Exemption

Exemptions through Covered California:

- **Affordability:** If the lowest cost Bronze plan or employer plan exceeds 8.24% of your household income
- **General Hardship:** Homelessness, eviction or foreclosure, domestic violence, death of a family member, natural disaster, bankruptcy, medical expenses and other conditions.
- **Religious Conscience:** A member of a recognized religious sect or division who is opposed to acceptance of the benefits of any private or public insurance.

Exemptions through Franchise Tax Board:

Most exemptions from the mandate will be claimed when filing 2020 state income tax returns in early 2021. A full listing of exemptions can be found on the FTB website: www.ftb.ca.gov

Estimates of the Penalty for Not Having Health Insurance*

Individual	Minimum \$750
Married Couple	Minimum \$1,500
Family of 4 (2 Children)	Minimum \$2,250

*Penalty rates are subject to change each year. See reverse for sample calculations for the 2020 calendar year.

How to estimate your penalty

The penalty will either be a flat amount based on the number of people in the household or a percentage of the household income.

Individuals will pay the higher amount of the two calculations:

FLAT AMOUNT

You pay \$750 per adult and \$375 per child.

PERCENTAGE OF HOUSEHOLD INCOME

You pay 2.5 percent of your gross income that is above the filing threshold based on your tax filing status and number of dependents.

For Example

A family of three, two parents and one child, with a gross household income of \$150,000.

FLAT AMOUNT

\$750 per adult, \$375 per child: $(2 \times \$750) + (1 \times \$375) = \mathbf{\$1,875}$

PERCENTAGE OF HOUSEHOLD INCOME

2.5% of Income over filing threshold: $(\$150,000 - \$49,085^*) \times .025 = \mathbf{\$2,522.88}$

Consumer pays the higher of the two calculations, in this case it would be **\$2,522.88**

