COVERED CALIFORNIA | For the love of Californians

Penalty Details and Exemptions for Lawfully Present Immigrants

IMPORTANT CHANGES BEGINNING IN 2027

What is Changing?

In 2025, President Trump signed H.R.1, often called the One Big Beautiful Bill Act, which removes federal financial help for people with certain immigration statuses.

Beginning in 2027, some lawfully present immigrants (LPIs) will no longer qualify for federal financial help through Covered California. LPI consumers can still sign up for Covered California coverage, but they will not be eligible for financial help, and their monthly costs will be higher.

The following groups will remain eligible for federal financial help, subject to other eligibility requirements:

- Lawful permanent residents (green card holders)
- Cuban and Haitian entrants
- Migrants from Compact of Free Association (COFA) countries

The change impacts consumers with:

- Pending or granted asylum
- Refugee status
- U or T visas
- Pending Violence Against Women Act petitions
- Temporary Protected Status (TPS)
- Work or student visas
- Other humanitarian or temporary lawful statuses.

Important for LPI Consumers

If you are a lawfully present immigrant who is **not eligible** for federal financial help in 2027, you are **still** subject to California's individual health care mandate. You will be subject to a tax penalty unless you have qualifying health coverage or an exemption.

What is the Penalty?

California residents must either:

- Have qualifying health insurance coverage,
- Pay a penalty when they file a state tax return, or
- Get an **exemption** from the requirement to have coverage **(CoveredCA.com/coverage-basics/tax-penalty-details-and-exemptions)**.

For 2025 state tax returns, the penalty for not having coverage for the entire year is at least:

- $950 for each adult
- $475 for each dependent child under 18

For example, a family of four without qualifying coverage for the entire year could owe a penalty of at least $2,850.

The California Franchise Tax Board applies the penalty. For information about the penalty, including the amount your family could owe for not having coverage, use the Franchise Tax Board's **Penalty Estimator Tool**: **ftb.ca.gov/file/personal/filing-situations/healthcare/estimator/.**

What Can You Do?

Enroll in Qualifying Health Coverage

If you are eligible, you can still enroll in Covered California coverage without federal financial help. You can also look for coverage through an employer, Medi-Cal, Medicare Parts A or C, or another source.

Apply for an Exemption

Some exemptions require an application through Covered California. Others can be claimed when you file your state tax return. Covered California processes general hardship, affordability hardship, and religious conscience exemption applications.

Beginning with plan year 2027, Covered California will offer the **LPI Financial Hardship exemption**, a type of general hardship exemption, to affected LPIs who lose federal financial help because of changes to federal immigration eligibility rules. There is no income requirement for this exemption.

How to Apply for an Exemption

1. Visit the **Covered California exemptions page** to learn about the available exemptions and requirements: **CoveredCA.com/coverage-basics/tax-penalty-details-and-exemptions**.
2. Complete the application that best fits your situation.
3. Provide required documents.
4. Submit your application online.

Receive Covered California's determination. If approved, save your exemption certificate information for your California state tax return.

Is an Exemption Required for a Minimum Coverage Plan?

If you are age 30 or older, you usually need an approved general hardship or affordability hardship exemption to enroll in a minimum coverage plan, also called catastrophic coverage. Minimum coverage plans are purchased directly from a health insurance plan, outside of Covered California. If you are under age 30, you may be able to enroll without an exemption.

Minimum coverage plans do not qualify for financial help and may have higher out-of-pocket costs when you get care. Consider a minimum coverage plan **only as a last resort**, after reviewing your other coverage options.

Learn more about **Minimum Coverage Plans**:
CoveredCA.com/coverage-basics/coverage-levels/minimum-coverage-plan.

HAVE QUESTIONS? WE CAN HELP.

For more information, contact: 800-300-1506| CoveredCA.com

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注意：如果您使用繁體中文，您可以免費獲得語言援助服務。請致電 1-800-300-1533 (TTY 1-888-889-4500).