



Individual Mandate Penalty Quick Guide Certified Enrollers

Overview

The Tax Cut and Jobs Act of 2017 (“Tax Act” or “Tax Reform Bill”) was signed into law on December 22, 2017. The provisions of the tax reform bill affect the health care coverage under the Affordable Care Act (ACA). The penalty associated with the ACA *Individual Mandate* — also known as the act’s *individual shared responsibility provision* — has been reduced to \$0 beginning January 1, 2019. Accordingly, beginning in 2019, the federal government will no longer attempt to collect the individual mandate penalties if an individual or family does not obtain healthcare coverage in 2019 and thereafter.

Understanding the Change

- Effective January 1, 2019, the individual mandate penalty is reduced to \$0 for the 2019 benefit year and thereafter
- There is still an individual mandate penalty being enforced for the 2018 plan benefit year (for taxes filed in 2019).
- Covered California wants consumers to be assured that the benefits related to Covered California enrollments are not impacted by reduction of the individual mandate penalty to \$0

Throughout 2019, consumers will still have access to:

- **The same quality, affordable health coverage** from Covered California that has been provided since our first Open Enrollment period in 2013
- **Quality Health Care**, such as health benefits for consumers with pre-existing conditions remains in place
- **Financial help** in the form of Advanced Premium Tax Credit (APTC) and Cost Sharing Reduction (CSR), to lower the cost of health coverage through Covered California remains in place for those who qualify.
 - **Please Note:** Consumers who receive financial assistance for a Covered California plan for a coverage year must file taxes for that coverage year – see [Welcome - APTC Flyer](#) or [Getting the Right Financial Help](#) for more information

Important Reminders

- The penalty remains in effect for 2018 coverage
- Certain people who do not buy insurance for 2018 do not have to pay the penalty because the cost of insurance would be “unaffordable” for them – please see the [tax penalty details and exemptions](#) for more information
- The tax penalty will no longer be in effect beginning in 2019

Coverage Year	A Penalty Amount Applies
2017 – filing taxes in 2017	Yes
2018 – filing taxes in 2019	Yes
2019 – filing taxes in 2020	No