

Claiming a Hardship Exemption Under the Affordable Care Act Just Got Easier

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On September 12, the Department of Health & Human Services, Centers for Medicare & Medicaid Services [published guidance](#) on claiming a hardship exemption for failing to secure health insurance for the 2018 tax year. The Affordable Care Act (ACA) required certain individuals to obtain health insurance, or incur a penalty for failing to do so (the individual mandate). The ACA also had guidelines for an individual to claim a hardship exemption from failing to obtain health insurance. This new guidance makes obtaining that exemption easier.

The ACA's individual mandate has been eliminated for the 2019 tax year and beyond based on the 2017 Tax Cut and Jobs Act. For those individuals who do not meet an exemption, and who fail to obtain health insurance in 2018, the penalty is \$695 per adult and \$347.50 per child under 18 up to a maximum of \$2,085 per family, or 2.5% of household income up to the national average cost of a bronze-level health plan.

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