

ACA Reference Guide

June 2014

The Individual Shared Responsibility Mandate: Focus on Exemptions

- The Individual Shared Responsibility Provision requires individuals to maintain [minimum essential coverage](#) or pay a [fee](#) for not meeting this requirement.
- [How is the fee calculated?](#) This resource link provides details on how the fee is calculated based on household income, how much the fee increases every year, and how to pay the fee.
- [Who is exempted from the Individual Mandate?](#) This resource link provides an explanation of the [nine statutory exemptions](#) under which individuals may be exempted from the requirement to obtain minimum essential coverage, which include 1) affordability (the lowest-priced coverage available to them would cost more than 8% of their household income), 2) [hardship](#) (which includes those residing in non-expansion states not able to purchase insurance because they were determined ineligible for Medicaid), 3) those not [lawfully present](#), 4) those with incomes below the income tax return filing requirement, and 5) those with a coverage gap of less than 3 months.
 - [Individuals eligible for a hardship exemption may qualify to buy “catastrophic health plans” in the Marketplace”](#)
- [How do eligible individuals obtain an exemption?](#) Some exemptions may be obtained only through the Marketplace, only by claiming the exemption on an income tax return filed with the IRS, or both. This resource link provides a detailed chart with each type of exemption and how to obtain them, with a focus on the categories under the hardship exemption.

Additional resources for more detailed information:

From the IRS:

- [Questions and Answers on the Individual Shared Responsibility Provision](#)

From CMS:

- [Shared Responsibility Provision Question and Answer](#)
- [Guidance on Hardship Exemption Criteria and Special Enrollment Periods](#)