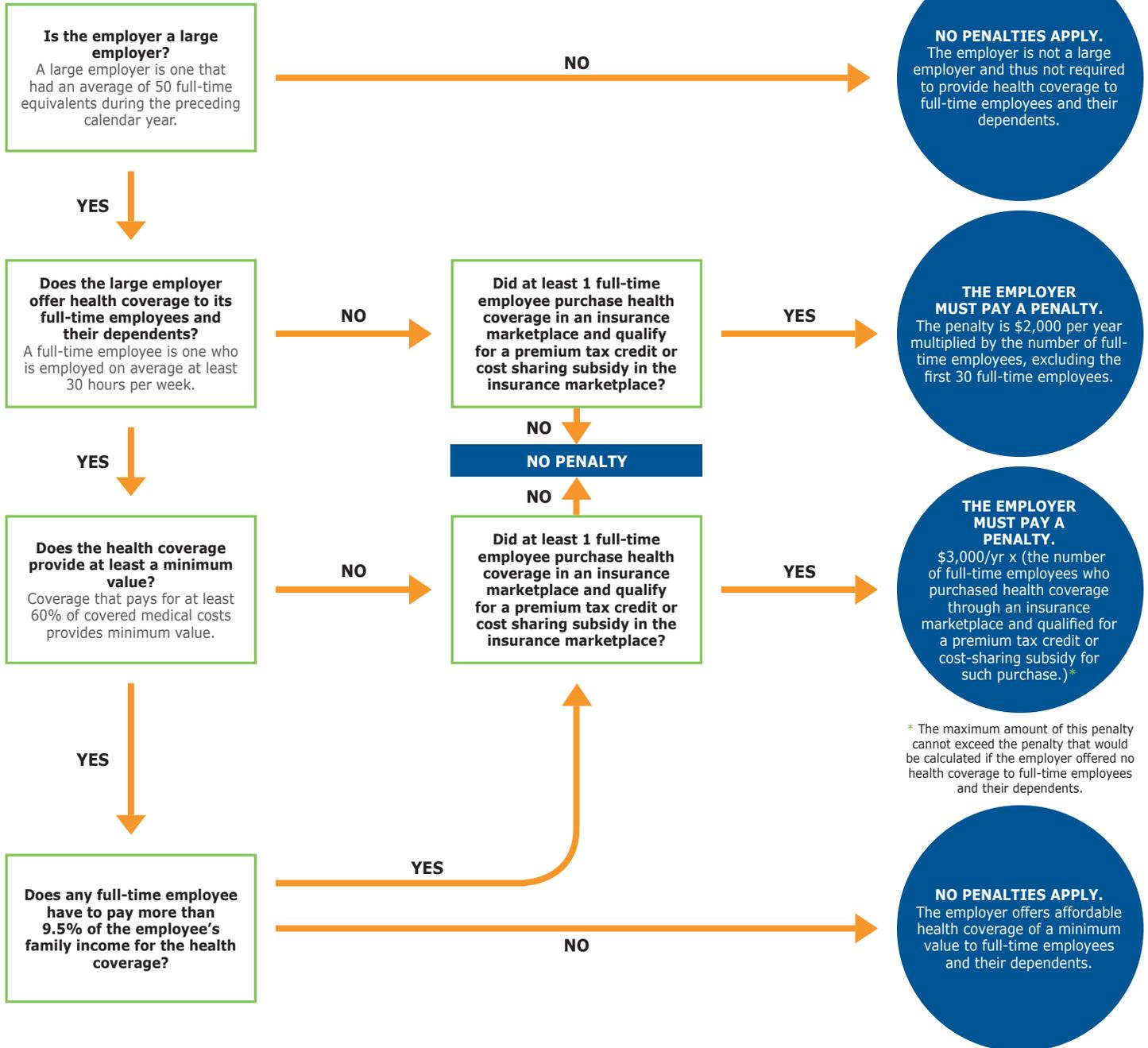


HEALTH CARE REFORM - EMPLOYER MANDATE

Effective January 1, 2015

The Employer Mandate requires large employers to offer affordable health coverage of a minimum value to full-time employees and their dependents or pay a penalty.

START



* The maximum amount of this penalty cannot exceed the penalty that would be calculated if the employer offered no health coverage to full-time employees and their dependents.

Foster, Swift, Collins & Smith, PC handouts are intended for our clients and friends. This communication is not legal advice. The reader should consult an attorney to determine how the information applies to any specific situation.

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HEALTH CARE REFORM - INDIVIDUAL MANDATE

Effective January 1, 2014

The Individual Mandate requires most individuals to maintain health insurance coverage or pay a penalty.

START

Are you:

- An individual with a religious conscience exemption (generally meaning you are opposed to accepting benefits from health coverage for religious reasons)
- A member of a health care sharing ministry
- Not a citizen or national of the United States
- Not lawfully present in the United States
- Incarcerated because you were convicted of a crime
- A member of an Indian tribe
- Unable to afford health coverage because you would have to pay more than 8% of family income to purchase such coverage
- Someone with household income below the income tax filing threshold (generally \$9,500 for an individual or \$19,000 for a married couple in 2011)
- Experiencing a gap in coverage of generally less than 3 months

YES

YOU DO NOT HAVE TO PAY A PENALTY FOR BEING WITHOUT HEALTH CARE COVERAGE.

NO

Did you have health coverage, during the entire year, through any of the following sources?

- Medicare
- Medicaid
- CHIP (Children's Health Insurance Program)
- TRICARE (for military service members, retirees and their families)
- Employer-provided health coverage
- Veteran's health coverage
- An individual health policy
- A grandfathered health plan
- Health care as a peace corps volunteer

YES

YOU DO NOT HAVE TO PAY A PENALTY.

NO

YOU HAVE TO PAY A PENALTY FOR BEING WITHOUT HEALTH CARE COVERAGE.

2014

The penalty is the greater of \$95 per adult and \$47.50 per child in your household (up to \$285) or 1% of your household income that exceeds your tax filing threshold.

2015

The penalty is the greater of \$325 per adult and \$162.50 per child in your household (up to \$975) or 2% of your household income that exceeds your tax filing threshold.

2016 and Beyond

The penalty is the greater of \$695 per adult and \$347.50 per child in your household (up to \$2,085) or 2.5% of your household income that exceeds your tax filing threshold.