

How the Affordable Care Act Affects You

Are you incarcerated, not legally present in the United States, a member of a religious sect, or an American Indian? You are exempt from the insurance mandate.

Are you already on Medicare or Medicaid, Children's Health Insurance, military coverage, veterans health care, or any other government insurance? You are already covered and do not need to use the exchange.

Were you unable to get affordable insurance in the past because of preexisting conditions? You are the big winner. The marketplace will provide you with an affordable plan.

Do you smoke? Prepare to pay more for insurance.

Are you young and healthy? If you are under age 30, you can buy a cheap catastrophic policy. Those over age 30 are more likely to pay a higher premium in order to provide insurance for all.

Does your employer already provide the minimum essential health insurance coverage? You will probably not see a lot of change.

Do you work for a large employer (100+ full time employees) who does not provide insurance? The employer mandate to provide affordable insurance was delayed until 2015 (or 2016 for companies with 50+ full time employees). Now in effect, employers may be penalized for not offering affordable insurance to 95% of their full time employees.

If you are an early retiree paying Cobra premiums? You may find that the marketplace will give you a cheaper rate (especially if you qualify for subsidies via the marketplace or via Medicaid).

Do you have your own previously purchased policy? If your income is under the 400% of the Federal Poverty level, you may get a subsidy if you purchase insurance on the federal/state run exchange. If you choose to keep your policy you should find out if it is "grandfathered". Plan administrators are required to disclose if a plan is grandfathered.

Is your income under 133% of the Federal Poverty level? You may qualify for Medicaid.

Is your income over \$200,000 (single) or \$250,000 (married/joint)? In order to fund the Affordable Health Care Act, you will be paying a surtax of 3.8% in additional tax to the extent your investment income exceeds the above threshold. You will also be paying a Medicare surtax of 0.9% on your earned income (from working) if it exceeds the above levels.

Do you usually deduct medical expenses on your tax return? The threshold for deducting medical expenses was raised from 7.5% to 10% for those under age 65 in order to fund the Affordable Care Act.

Do you have a flexible spending account for medical expenses at work? Pretax deposits are limited to \$2,550 for tax year 2015 and 2016.

