



Individual Mandate Penalty FAQ Certified Enrollers

Overview

Federal tax reform legislation was signed into law Friday, December 22 and contains a provision that eliminates the individual mandate penalty starting in 2019. Some may have questions about how elimination of the individual mandate penalty may impact their health coverage. Below is information that can assist you with questions you may receive from consumers about the elimination of the individual mandate penalty.

First and foremost, consumers should know that:

- **Their Covered California coverage, including financial assistance, will NOT change in 2018.**
- **The individual mandate penalty remains in effect for 2018 coverage.**
- **The only coverage-related change made by the new tax law is that the individual mandate tax penalty will no longer be in effect beginning in 2019.**
- **Throughout 2018 consumers will still have access to the same quality, affordable health coverage from Covered California that we have been providing since our first Open Enrollment period in 2013.**

Below is a set of common questions and answers that may assist in responding to consumers.

1. What does the elimination of the individual mandate tax penalty mean for consumers?

- For 2018, individuals who can afford health insurance but choose not to enroll for coverage will be [required to pay a penalty](#).
- Starting in 2019, the individual mandate tax penalty will not apply.
- [Financial Help](#), for those who qualify, to help lower the cost of health coverage through Covered California **REMAINS IN PLACE**.
- **Quality Health Care**, [health benefits](#) and consumer protections such as Pre-Existing Conditions **REMAIN IN PLACE**.
- For individuals who do not buy insurance because it would be “unaffordable” for them, in 2018 they may not be required to pay a penalty if they file for an exemption from the penalty. Please see [tax penalty and exemptions](#) for more information.



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Below is a table outlining the timeline for when the individual mandate penalty applies:

Coverage Year	Penalty Applies
2017 – filing taxes in 2018	YES
2018 – filing taxes in 2019	YES
2019 – filing taxes in 2020	NO

2. When is the last day to enroll in health care coverage for 2018?

- California’s open enrollment period runs through January 31, 2018. Consumers who do not enroll into coverage by this date will not be able to enroll into coverage unless they experience a [Qualifying Life Event](#) that qualifies them for special enrollment.
- The start date of a consumer’s coverage depends on when they enroll during the open enrollment period. Consumers who enroll after December 22 may have a February 1 or March 1, 2018 coverage start date depending on their enrollment date. Below is the schedule of the remaining application deadlines:

Enroll by	Coverage starts
December 22, 2017	January 1, 2018*
December 23, 2017 - January 15, 2018	February 1, 2018*
January 16 – 31, 2018*	March 1, 2018

*Changes made after January 15, 2018 to applications with a January 1 or February 1 coverage start date and with a **Pending** enrollment status will push the applicant’s coverage start date forward to March 1, 2018. After the close of Open Enrollment on January 31, 2018, consumers will need to experience a [Qualifying Life Event \(QLE\)](#) in order to apply for coverage.

3. Who should I call if I have questions or need help?

- There are numerous resources available to assist consumers with questions:
 - Covered California’s Consumer Service Center: 1-800-300-1506
 - Covered California’s website: www.coveredca.com