

Tax Credits and Penalties

If you underestimated your income

You will be responsible for paying back the difference in the premium assistance you received and you should have received, plus a penalty (see chart below) based on your income.

If you overestimated your income * to avoid being placed in MediCal

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You will not have to pay back the premium assistance you received but you will be liable for a penalty of \$300 for a single person or \$600 for a family. And you will have to declare the premium on your taxes as income.

Household income percentage of federal poverty level (FPL)	Limitation amount for taxpayers — single person	Limitation amount for a family
Less than 200% FPL	\$300	\$600
At least 200% FPL but less than 300% FPL	\$750	\$1,500
At least 300% FPL but less than 400% FPL	\$1,250	\$2,500

If a consumer receives advance Premium Assistance but later, due to a drop in income, the consumer becomes eligible for Medi-Cal; do they have to repay the Premium Assistance they received?

Generally, no. If your income is verified as eligible for premium assistance and then later you become Medi-Cal eligible, you do not have to repay the premium assistance you received as long as you report the income change within 30 days. It is your responsibility to report this change to Covered California so we can help you switch programs. On Covered California's online application, there is a button that allows you to 'Report a Change' and you can update your income. You can also call Covered California's call center ((800) 300-1506) and a service center representative can help you report your income change.

You will have to claim all premium tax credits on your taxes.

The fee you pay if you don't have health coverage

The fee for not having health coverage is calculated one of 2 ways. If you or your dependents

don't have insurance that qualifies as [minimum essential coverage](#) you'll pay either a percentage of your household income or a flat fee -- whichever is higher.

The fee in 2015

If you don't have coverage in 2015, you'll pay the **higher** of these two amounts:

- **2% of your yearly household income.** (Only the amount of income above the tax filing threshold, about \$10,000 for an individual, is used to calculate the penalty.) The maximum penalty is the national average premium for a bronze plan.
- **\$325 per person for the year (\$162.50 per child under 18).** The maximum penalty per family using this method is \$975.

[More info](#) & exemptions