



Information About Hardship Appeals and Exepmtions For The Individual Mandate Penalty

WHAT IF THE AFFORDABILITY SCHEDULE SAYS THAT I CAN AFFORD HEALTH INSURANCE, BUT I REALLY CAN'T BECAUSE I HAD A HARDSHIP IN 2007?

Massachusetts health reform law of 2006 requires anyone who can afford health insurance to have it by December 31, 2007, or pay a penalty (the individual mandate penalty). You use a table called an Affordability Schedule to determine how much you should be able to pay for health insurance, based on your income and family type. To see how the Affordability Schedule applies to you, go to our [Affordability Tool](#).

Even if the Affordability Schedule says that you can afford health insurance, you may believe that you cannot because you have experienced a hardship. If you experienced a hardship during 2007 you may qualify for a waiver of the penalty. The Health Connector Authority oversees the appeals and expemtions process for seeking a waiver of the penalty.

WHAT QUALIFIES AS A HARDSHIP?

A hardship means that, during 2007, you:

- Were homeless, or were more than 30 days overdue in rent or mortgage payments, or received an eviction or foreclosure notice.
- Received a shut-off notice, or were shut off, or were refused the delivery of essential utilities (gas, electric, oil, water, or telephone).
- Had non-cosmetic medical and/or dental out-of-pocket expenses (not including premium payments), totaling more that 7.5% of your household's adjusted gross income that were not subject to payment by a third-party.
- Incurred a significant, unexpected increase in basic living expenses resulting directly from the consequences of:
 - Domestic violence
 - The death of a spouse, family member, or partner with primary responsibility for child care.
 - The sudden responsibility for providing full care for an aging parent or other family member, including a major, extended illness of a child that requires a working parent to hire a full-time caretaker for the child.
 - A fire, flood, natural disaster, or other unexpected natural or human-caused event

causing substantial household or personal damage.

- Can establish that the expense of purchasing health insurance would have caused you to experience a serious deprivation of food, shelter, clothing or other necessities.

IS THERE ANYTHING ELSE THAT QUALIFIES AS A HARDSHIP?

In addition to the criteria listed above, the Connector Authority will also consider whether your family size was so large that reliance on the Affordability Schedule would result in a significant inequity. Finally, the Connector will consider any other grounds that you claim made you unable to afford to purchase health insurance in 2007.

IF I HAVE EXPERIENCED A HARDSHIP, WHAT SHOULD I DO TO AVOID THE PENALTY?

In most cases, the easiest option will be to seek a waiver of the penalty by filing an appeal when you file your 2007 Massachusetts income taxes (due April 15, 2008). The state tax return will include a form that will permit you to state the grounds for the appeal.

If you file an appeal, the Connector will review your request. We may ask for more information or give you a hearing. If your appeal is granted, we will notify you and the penalty will not be assessed. If your appeal is denied, you will be notified in writing and you will have the right to challenge that decision in court. If you appeal, you will not have to pay the penalty until we make a decision.

Another option is to apply for a Certificate of Exemption before December 1, 2007. To obtain a Certificate, you will be asked to submit a detailed application and provide proof of your financial situation. If the exemption is granted, it will be good only for the 2007 tax return. Learn how to apply for a **Certificate of Exemption**.

I WOULD LIKE TO GET HEALTH INSURANCE BUT I'M NOT SURE IF I CAN AFFORD IT. WHAT CAN I DO?

You can use our self-assessment tool to find out what you can afford. You may be eligible for government-subsidized insurance through the Commonwealth Care program, with premiums starting at \$0 depending on your income. For more information about what you can afford and what your options are, go to our Affordability Tool, visit www.macommonwealthcare.com or call 1-877-MA-ENROLL.

Or you can shop now to find a health insurance plan that you can afford. The Commonwealth Choice program offers a range of comprehensive, reasonably priced plans. Wherever you live in Massachusetts, there will be a choice of plans available. For more information about Commonwealth Choice, go to www.MAhealthconnector.org.

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