



Health Care Reform Resource Guide

Individual Coverage Mandate

Background

The Affordable Care Act (ACA) requires that beginning 1/1/2014 nearly all U.S. residents (including children) will be required to maintain “minimum essential coverage” each month or pay a penalty. Coverage that qualifies as minimum essential coverage includes Medicare, Medicaid, *most* employer-based coverage, and individual insurance purchased on the Marketplace. For 2014, the annual penalty for an adult is \$95 and for a family is \$285, or 1.0% of income (whichever is greater). The penalty amounts are scheduled to increase significantly in 2015 and 2016.

Application to WELS VEBA

WELS VEBA meets the definition of minimum essential coverage. Therefore, it is our interpretation that individuals covered under WELS VEBA would have the coverage necessary to avoid penalties imposed by the individual coverage mandate of the ACA.

Contact WELS Benefit Plans

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