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IRS: Cheapest Obamacare Plan Will Cost \$20,000 per Family by 2016

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The Internal Revenue Service issued a report Wednesday in which it estimated that under [Obamacare](#), the least expensive [health insurance plan available to a family in 2016 would cost \\$20,000](#) annually according to CNSNews.com.

Under the Patient Protection and Affordable Care Act all U.S. citizens are required to have health insurance, either through their employer or by purchasing it directly from the government. Individuals who don't have it by 2016 face a penalty amounting to either 2.5 percent of a person's taxable income or approximately \$2,000 per family, depending on their income.

The IRS's \$20,000 per family assumption applies to a family of four or five accepting the bronze plan, which of the four types of healthcare plans offered by the government is the most affordable and has the fewest benefits.

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The other three types of health insurance plans available under Obamacare are the silver, gold, and platinum plans.

In its Wednesday report, the IRS provided several hypothetical examples illustrating the "penalties" Americans would face if they did not have insurance. The report continues to use the term "penalty" as opposed to "tax" despite the U.S. Supreme Court's ruling last year that found those in violation of the Obamacare mandate were required to pay a "tax."

According to the IRS, a family earning \$120,000 annually would receive a "penalty" of \$2,400 in 2016.

In addition to imposing penalties or additional taxes on individuals who do not acquire healthcare for themselves or their family, Obamacare also penalizes most business which do not conform to the law.

Under the new healthcare law, businesses with 50 or more "full-time" employees must offer health benefits to their staffers working between 32 and 38 hours.

Employers that don't provide coverage must pay a \$2,000-per-worker penalty, excluding the first 30 employees.

Consequently, many [small businesses trying to skirt Obamacare rules have resorted to cutting the hours](#) of their employees in order to give them part time status, or have decided to stop hiring until they realize the impact the new healthcare law will have in their business.

In a late December piece in USA Today, chief economist of Moody's Analytics, Mark Zandi, warned that the Affordable Care Act "will have a negative impact on job creation."

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