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IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA

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JACQUELINE HALBIG, et al.,

Plaintiffs,

v.

Civ. No. 13-623

KATHLEEN SEBELIUS, et al.,

Judge Richard W. Roberts

Defendants.

DECLARATION OF DAVID KLEMENCIC

I, David Klemencic, do hereby declare:

1. I will be 54 years old on January 1, 2014.

2. I am not married and have no dependents.

3. I am a citizen of the United States and a resident of the State of West Virginia. I

live at 1780 Long Run Road, Cairo, West Virginia 26337.

4. I am self-employed as a flooring retailer by my sole proprietorship, Ellenboro Floors. My 2012 modified adjusted gross income was approximately \$11,000. That figure included \$8,000 in depreciation on gas leases I own. In 2014, I will take no further depreciation. I project that my modified adjusted gross income for 2014 will be \$20,000.

5. I am not eligible for health insurance from the government or any employer.

6. The annual premium for the lowest-cost bronze plan available to me in the individual market in the federally-established Exchange in West Virginia in 2014 will exceed eight percent of my projected household income in 2014. Accordingly, absent any eligibility for federal subsidies, I would be exempt in 2014 from the individual mandate penalty and I would

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be entitled to obtain, before January 1, 2014, a "certificate of exemption" so certifying. That certificate of exemption would entitle me to purchase catastrophic insurance coverage, or forgo all coverage without any fear of incurring a penalty under the Affordable Care Act.

7. However, if I am eligible for a federal subsidy in 2014, that would reduce my "required contribution" under the Affordable Care Act to the point that I will be disqualified from the unaffordability exemption to the individual mandate penalty and unable to obtain a certificate of exemption. Thus, if I am eligible for a federal subsidy in 2014, I will be forced either to pay a tax penalty or to buy comprehensive health coverage for 2014, and I will be prohibited from purchasing catastrophic coverage for 2014.

8. I do not want to purchase comprehensive health coverage in 2014. Even if the government would subsidize it or pay for it completely, I oppose government handouts and therefore do not want to buy that coverage.

9. Moreover, because eligibility for the subsidy obligates me to spend money in the near future (on either comprehensive coverage or a penalty), I am forced to immediately engage in financial planning to set aside funds sufficient for those purposes. My financial strength and fiscal planning are immediately and directly affected by this exposure to costs and/or liabilities.

I declare under penalty of perjury that the foregoing is true and correct. Executed on this day, August <u>5</u>, 2013.

David Klemencic