



Health Reform: **Beyond the Basics**

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Part II:

Premium Tax Credits

Coverage Year 2021

September 22, 2020

Presented by the Center on Budget and Policy Priorities
Tara Straw, Senior Policy Analyst

Part III: Immigrant Eligibility for Health Coverage Programs

- Thursday, September 24 | 2 pm ET (11 am PT)

Part IV: Preventing & Resolving Data-Matching Issues

- Tuesday, September 29 | 2 pm ET (11 am PT)

Part V: Plan Design

- Thursday, October 1 | 2 pm ET (11 am PT)

Part VI: Plan Selection Strategies

- Tuesday, October 6 | 2 pm ET (11 am PT)

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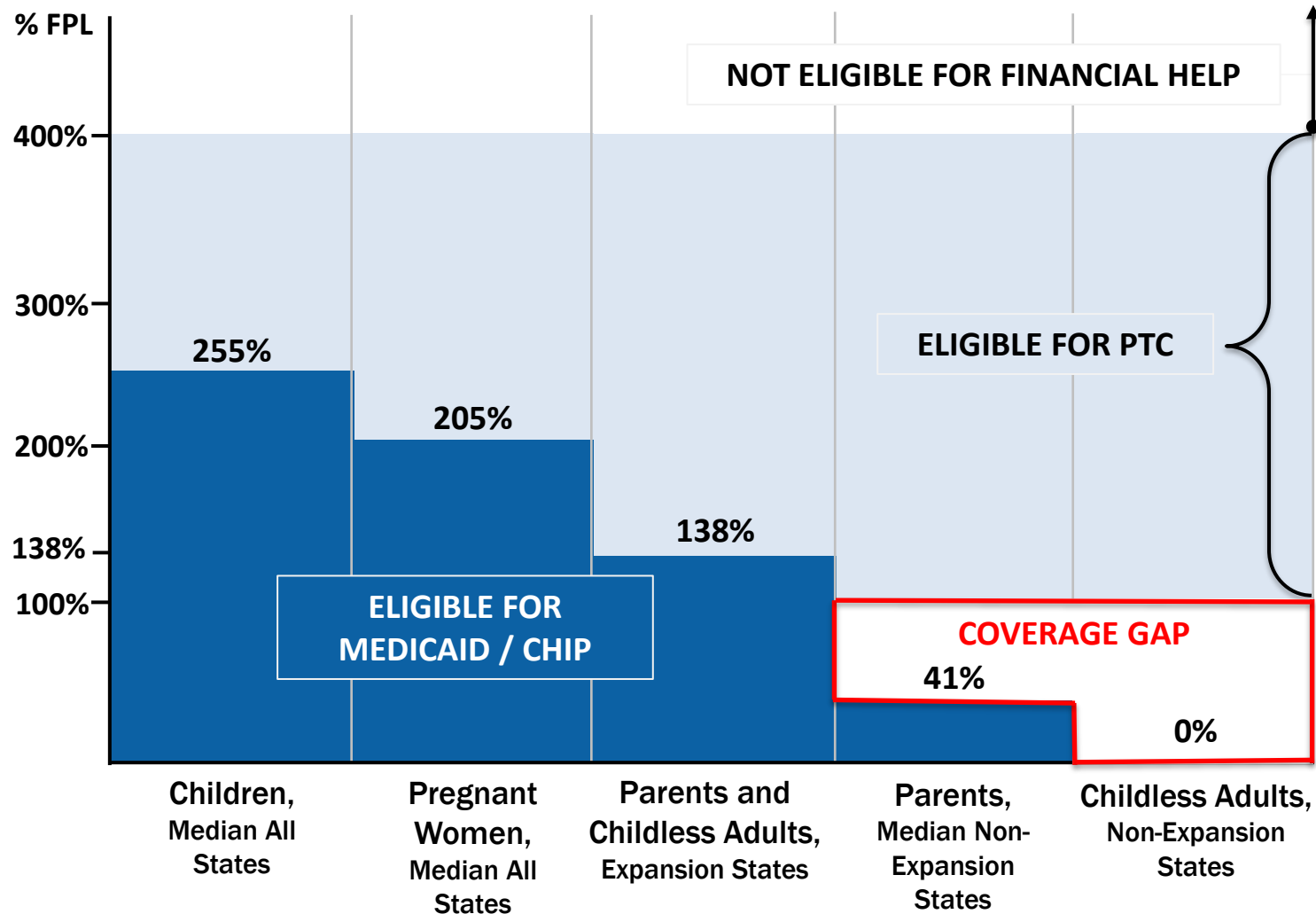
- All attendees are muted and in listen-only mode
- To ask a question:
 - Click on the Q&A icon in the control panel at the bottom of your webinar screen
 - Type your question into the box
- We will monitor questions and pause to answer a few during the presentation
- You can also email questions to beyondthebasics@cbpp.org
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This presentation will explain:

- The requirements to receive an advance premium tax credit (APTC)
 - Having an allowable tax filing status
 - Projecting income between 100-400% of the federal poverty level (FPL)
 - Being ineligible for most other types of minimum essential coverage, including government-sponsored plans and employer-sponsored plans
- How the APTC is calculated
 - Understanding the expected contribution and benchmark plan
 - Knowing what factors vary the enrollee's share of the premium
 - Changing income projections mid-year

General Overview of the Coverage Landscape

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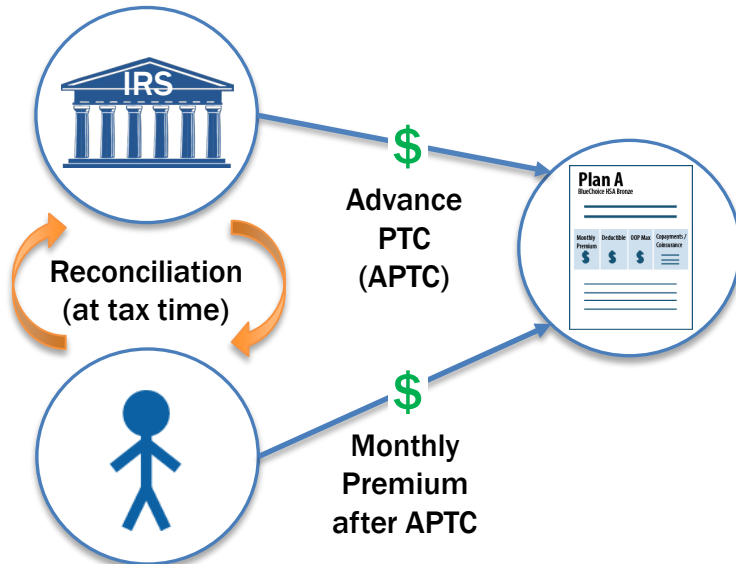
Premium Tax Credit Eligibility

Premium tax credit (PTC): Income-based financial assistance for eligible people who purchase coverage in the health insurance marketplaces

PTC CAN BE TAKEN:

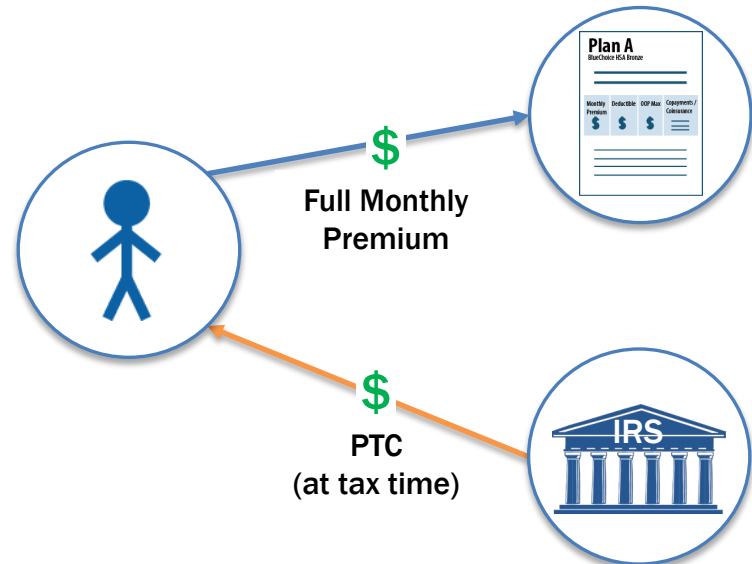
In advance (APTC):

Forwarded to insurer monthly to reduce premiums



At tax time (PTC):

Claimed as a lump sum at the end of the year



Note: In general, APTC and PTC follow the same rules, although there are some important safe harbors for PTC only.



Income: 100-400% FPL

- Income must be between 100% and 400% of the federal poverty line
- Some exceptions apply

Eligible Filing Status

- If married, cannot file as married filing separately
- Cannot be a tax dependent
- Some exceptions apply

Ineligible for Other MEC

- Cannot be eligible for another type of MEC, such as Medicaid or employer coverage
- Some exceptions apply

- In addition, requirements to enroll in Marketplace coverage include:
 - Must be a U.S. citizen or have a status considered “lawfully present”*
 - Cannot be incarcerated (except if pending disposition of charges)
 - Must be a resident of the service area of the Marketplace

1. Income Requirements: Between 100 – 400% FPL

Exceptions to the 100% FPL limit

- Lawfully present individuals
 - Lawfully present individuals with income under 100% FPL are eligible for APTC if they are ineligible for Medicaid because of their immigration status
- Reconciliation safe harbor
 - If someone projects income above 100% FPL and receives APTC, but at the end of the year has income below 100% FPL, they are protected by a **safe harbor** and eligible for PTC

There are no exceptions to the 400% FPL limit

Household Size	2020 Federal Poverty Line (for 2021 coverage)				
	100%	138%	200%	250%	400%
1	\$12,760	\$17,608	\$25,520	\$31,900	\$51,040
2	\$17,240	\$23,791	\$34,480	\$43,100	\$68,960
3	\$21,720	\$29,973	\$43,440	\$54,300	\$86,880
4	\$26,200	\$36,156	\$52,400	\$65,500	\$104,800



- The income projection is compared to what's in the federal data hub
- Income must be verified with supporting documents if the projection differs from what's in the hub:
 - There's no information in the data hub, or
 - The projected income is lower than the income in the federal data hub (by a reasonable threshold), or
 - The projected income is above 100% FPL but the federal data hub says that income was previously lower

Reasonable threshold = 25% or \$6,000
(whichever is greater) lower than the data
available in the hub

Must file a tax return and have an eligible filing status

- Cannot be a dependent of another taxpayer
 - The taxpayer who claims the dependent must apply on their behalf
- If married, must file a joint return (i.e., cannot be Married Filing Separately)
 - Three exceptions to joint filing requirement:
 - Head of Household
 - Survivors of domestic abuse
 - Abandoned spouses
 - People eligible as Head of Household can answer the questions as asked, for the most part
 - People eligible for the domestic abuse or abandoned spouse exception can indicate on the application that they are **not married**

Tax relationships

Now, tell us about the household's federal income tax returns. We'll use this information to see who's eligible for savings, like premium tax credits.

Jane's tax relationships

Will Jane file a 2020 joint federal income tax return with John?

[Learn more about joint tax filing.](#)

- ☐ Yes
- ☒ No

i Filing taxes separately?

If these spouses plan to file separate tax returns for 2020, they won't be eligible to get premium tax credits or other savings, unless they meet certain exceptions. But, they can still get free or low-cost health coverage if they qualify for Medicaid or the Children's Health Insurance Program (CHIP).

[Learn more about filing taxes separately.](#)

Will Jane file a 2020 federal income tax return?

[Learn more about tax filing.](#)

- ☒ Yes
- ☐ No

Will Jane claim any dependents on their 2020 federal tax return?

[Learn more about dependents.](#)

- ☒ Yes
- ☐ No

Who will Jane claim as a dependent on their 2020 federal tax return?

- ☒ Child

[Add a dependent](#)

Head of Household

- A married person can be considered unmarried by the IRS if they qualify to file as Head of Household.
- HealthCare.gov questions project whether the rules will be met

When can a married person file as Head of Household?

A married person is ***considered unmarried*** and is eligible to file as Head of Household if he or she can answer YES to each of the following questions:

- ☐ Will you file taxes separately from your spouse?
- ☐ Will you live apart from your spouse from July 1 to Dec 31?
- ☐ Will you pay more than half of the cost of keeping up your home?
- ☐ Is yours the main home of your child, stepchild, or foster child (of any age) for more than half the year?
- ☐ Are you eligible to claim the child as a dependent? (You meet this test if you are eligible to claim the child but the child is instead claimed by a noncustodial parent.)

If all the answers are Yes, the applicant is considered unmarried and can file as Head of Household. If the answer to any of these questions is No, the applicant cannot file as Head of Household.

Note: A special rule allows the resident spouse of a nonresident (as defined for tax purposes) to qualify as ***considered unmarried*** if they have a qualifying person and meet the other tests.

A married person can also claim to be unmarried* on the marketplace application under either of these circumstances:

Is Jane Taxpayer married?

☐ Yes

☒ No

Domestic abuse

- A taxpayer who is Married Filing Separately can meet the joint filing requirement if they:
 - ✓ Live apart from their spouse
 - ✓ Are unable to file a joint return because of domestic abuse

Abandoned spouse

- A taxpayer who is Married Filing Separately can meet the joint filing requirement if they:
 - ✓ Live apart from their spouse
 - ✓ Cannot locate spouse after using reasonable diligence

Learn more about marital status

Close

Find this person's situation to see how to answer this question:

Is legally married. Select "Married."

Is separated, but not divorced. Select "Married."

Lives with their partner, but isn't legally married. Select "Single."

Is a victim of domestic violence or spousal abandonment. Spousal abandonment means this person can't locate their spouse after making a reasonable attempt to find them, also known as desertion. Select "Single."

Is widowed. Select "Single."

Note: There are no special documentation requirements, though it's possible someone could be asked for more information if audited. These exceptions can be used by people filing as Married Filing Separately for a maximum of three consecutive years

- Certain immigrants file taxes on Form 1040-NR
 - Some immigrants (often foreign students on an F, J, M, or Q visa) must file taxes on Form 1040-NR because they can't meet the "substantial presence test" in their first 5 years in the US
 - Form 1040-NR doesn't allow married nonresident immigrants to file jointly with a spouse so they can't meet the joint filing requirement to claim a PTC

- To qualify for APTC, a person cannot be eligible for another type of minimum essential coverage (MEC)
 - An **offer** of qualifying MEC bars eligibility, even if it is not taken
- MEC that bars APTC eligibility includes:
 - Most government-sponsored coverage
 - Medicaid/CHIP: termination for failure to pay premiums still disqualifies someone from APTC eligibility
 - Employer-sponsored coverage
- Some types of MEC bar eligibility only if the person is enrolled:
 - COBRA
 - Employer-sponsored retiree coverage
 - Certain veterans' and TRICARE coverage
 - Medicare that requires payment of a Part A premium



- To bar eligibility for APTC, government-sponsored coverage must have comprehensive benefits

Comprehensive Benefits (NOT ELIGIBLE FOR APTC)	Limited Benefits (ELIGIBLE FOR APTC)
<ul style="list-style-type: none">• Medicare Part A (premium free)• Medicare Advantage• Most Medicaid• CHIP• State high-risk insurance pools beginning on or before 12/31/14• Refugee Medical Assistance• Most TRICARE• DoD Continuation Coverage (Nonappropriated Fund Health Benefits Program)• Peace Corps coverage	<ul style="list-style-type: none">• Medicaid providing <u>only</u>:<ul style="list-style-type: none">- Family planning services- Tuberculosis-related services- Emergency treatment- Pregnancy-related services*• Medicaid coverage of the medically needy*• 1115 Medicaid demonstration*• Voluntary Medicare**• Space-available TRICARE• Line-of-duty TRICARE• AmeriCorps• AfterCorps (returning Peace Corps members)

* Coverage benefits vary by state (see [state-by-state MEC designations](#)). If coverage consists of or is equivalent to full Medicaid benefits, it is considered MEC and bars eligibility for PTC.

** Comprehensive but considered unaffordable regardless of income

- A person is barred from receiving APTC (“firewalled”) if their offer of ESI meets all three requirements:



An “eligible employer-sponsored plan”

- Not indemnity or accident coverage



Affordable

- An offer is considered affordable if it costs less than 9.83% of household income. This bars eligibility for APTC.



Comprehensive

- An offer is comprehensive if it meets the “minimum value” standard

- If the offer does not meet these requirements, the employee may be eligible for APTC despite the coverage offer



Eligible Employer-Sponsored Plan

An employer-sponsored plan is considered “eligible” (and bars someone from APTC) if it is:

- An insured (including grandfathered) plan in the small or large group market;
- A self-insured group plan; or
- A government employee plan (except certain Department of Defense coverage)

An employer-sponsored plan is not “eligible” (and does not bar someone from APTC) if it is:

- Limited benefit coverage (such as single-disease or single-benefit coverage or indemnity coverage with per-day or per-episode reimbursement)

- When judging whether plans meet the affordability and minimum value standards, exclude plans that are not eligible employer-sponsored plans

Affordability

An eligible employer-sponsored plan is considered affordable if:

- Employee contribution for **self-only coverage is less than 9.83%** of household income (in 2021)

Employee contribution for self-only coverage is used to determine affordability for both the employee and other members of the family offered coverage

How much would Jane pay for themselves for the lowest-cost health plan at ABC Co?

Enter the self-only premium amount for Jane, even if they aren't enrolled in coverage.

[Learn more about entering premium amounts.](#)

\$

How often would Jane pay this amount?

- ☐ Weekly
- ☐ Every 2 weeks
- ☐ Twice a month
- ☐ Monthly
- ☐ Quarterly
- ☐ Yearly

If self-only employer coverage is unaffordable, the employee (and family) can qualify for APTC despite the coverage offer.

Offer of coverage through a family member's employer

- Employee contribution for self-only coverage is used to determine affordability for both the employee and other members of the family offered coverage
 - **“Family glitch”**: If the cost of the plan that covers the employee only is considered affordable, then any member of the family who is offered coverage through that employer is also ineligible for APTC (regardless of the actual cost of family coverage)
- *Exception*: If a family member is not on the same tax return as the employee, the offer of employer coverage does not bar eligibility for APTC regardless of cost

Minimum Value

An employer plan meets minimum value if:

- It has an **actuarial value** greater than **60%**

***Actuarial value** = % the plan pays of the cost of coverage for essential health benefits for a typical population, after accounting for cost-sharing charges required under the plan*

Job-based health coverage

[Get help completing this section.](#)

Does ABC Co (Jane's job) offer a health plan that meets the minimum value standard?

Most job-based plans meet the minimum value standard.

[Learn more about the minimum value standard.](#)

☐ Yes

☐ No

Save & continue

- *How do I know if it meets minimum value?* It will be on the plan's Summary of Benefits and Coverage (SBC)
- If an offer of employer coverage does not meet minimum value, the employee is eligible for APTC despite the coverage offer.

- Monica and Roberto are married and have two children, Elena and Miguel
- Their household income is \$40,000
- Monica's employer offers one plan that meets minimum value. There are two enrollment options:
 - Just Monica: \$150 per month; or
 - Family: \$450 per month
- Monica wants to know if she qualifies for PTC, despite her offer of employer coverage





Summary of Plan Costs and Household Income	
Household Income:	\$40,000
Employee-only premium cost:	\$150/month
Family premium cost:	\$450/month
Minimum value (MV):	✓ 80% AV



Are Monica and her family eligible for APTC?

Employee test:

Is the lowest-cost employee-only premium (for a plan that meets MV) less than 9.83% of household income?

- Yes, Monica's share of the premium for employee-only coverage is 4.5% of household income

Family test:

Same test as for Monica

- Even though family coverage costs 13.5% of income, the coverage is still considered affordable since employee-only coverage costs less than 9.83% of income

✗ Monica is not eligible for APTC

✗ Monica's family is not eligible for APTC



Summary of Plan Costs and Household Income	
Household Income:	\$40,000
Employee-only premium cost:	\$150/month
Employee + kids premium cost:	\$350/month
Minimum value (MV):	✓ 80% AV
Spousal coverage:	No offer



What if Monica's employer doesn't offer spousal coverage?

Family test (Monica plus kids):

Same as previous test: *Is the employee-only premium less than 9.83% of income?*

- Yes, employee-only coverage is 4.5% of income so Monica is ineligible for APTC. Even though the cost to cover Monica and the kids is 10.5% of income, the kids are also ineligible for APTC.

✗ The kids are not eligible for APTC but may be eligible for Medicaid or CHIP

Test for spouse with no ESI offer (Roberto):

Because the spouse isn't offered coverage under the plan, the rest of the family's offer doesn't bar him from receiving APTC.

✓ Roberto is eligible for APTC

- If employer coverage is not affordable or MV but the **employee enrolls in ESI** anyway, they are not eligible for APTC in those months
 - Would need to drop the coverage to enroll in a marketplace plan with APTC
 - Note: Dropping coverage for this reason does not trigger a special enrollment period
- If a person could have enrolled in ESI but **missed the employer open enrollment period**, that offer still bars eligibility for APTC if the plan meets the affordability and MV standards
- If there is a **waiting period** before an employee can enroll in an employer plan, they are eligible for APTC during those months only
- Offers of **COBRA or retiree coverage** do not bar eligibility for APTC, unless they enroll
 - **Student health plans** work in the same way. They don't bar eligibility for APTC (unless the student enrolls)

In months of a waiting period for ESI

→ Can enroll in coverage with APTC during months in waiting period

Is Jane Taxpayer currently enrolled in JobABC's health coverage?


☐ Yes

☒ No

Is Jane Taxpayer currently in a waiting or probationary period?

☒ Yes

When could Jane Taxpayer enroll in coverage?



MM/DD/YYYY

☐ No

Is Jane Taxpayer a current or former employee of this employer?

☒ Yes

☐ No

What's Jane Taxpayer's current work status at JobABC? (Select one.)

Currently working at this employ ▾

Eligible for COBRA

* Bars APTC eligibility only if currently enrolled

What's Jane Taxpayer's current work status at JobABC? (Select one.)

No longer working at this employ ▾

Is the coverage from JobABC COBRA coverage?

[Learn more about COBRA coverage.](#)

☒ Yes

☐ No

Eligible for retiree coverage

* Bars APTC eligibility only if currently enrolled

What's Jane Taxpayer's current work status at JobABC? (Select one.)

Retired ▾

Is Jane Taxpayer's coverage from JobABC a retiree health plan?

☒ Yes

☐ No

- Last month, Serena left a job where she had health insurance
- She has an offer of COBRA through her former employer, but the premium is very expensive



She does not enroll in COBRA: Serena may be eligible for APTC

- The option to enroll in COBRA does not bar a person from eligibility for an APTC or cost-sharing reduction
 - She can enroll in marketplace coverage in the special enrollment period triggered by her loss of employer coverage (or at the next open enrollment period)

She does enroll in COBRA: Serena is not eligible for APTC

But can she drop COBRA coverage and qualify for APTC? It depends.

- During her 60-day special enrollment period (or any other special enrollment period): Serena can choose to drop COBRA and enroll in marketplace coverage with APTC
- During open enrollment: Serena can drop COBRA and enroll in marketplace coverage with APTC
- At other times: Dropping COBRA coverage will not trigger a special enrollment period so Serena would not have access to marketplace coverage

Kala, 24 years old

- Graduate student, single tax filer
- Income: \$19,000 (149% FPL)
- Her dad's employer offers family coverage
 - Even though she is no longer a tax dependent, Kala has the option of staying on her parent's ESI until she reaches age 26
 - Offer does not bar eligibility for APTC because Kala is not on the same tax return as her dad
- Her school offers coverage through a student health plan
 - Offer of a student health plan does not bar eligibility for APTC (unless currently enrolled)



OFFER 1: Coverage from Dad's ESI	
Cost	\$0/month (family coverage)
AV	90% AV

OFFER 2: Student Coverage	
Cost	\$150/month
AV	70% AV

OFFER 3: Marketplace Coverage	
Cost	\$65/month after APTC
AV	94% AV after cost-sharing reduction

- An HRA is an employer-funded, tax-free employee account for reimbursement of medical expenses
- Two types of HRAs interact with marketplace coverage:
 - Qualified Small Employer HRA (QSEHRA)
 - Individual Coverage HRA (ICHRA)
- Both HRAs have affordability tests that measure the employer's contribution to the cost of a marketplace plan against the 9.83% affordability standard, but the tests are different
- Impact on PTC eligibility is different

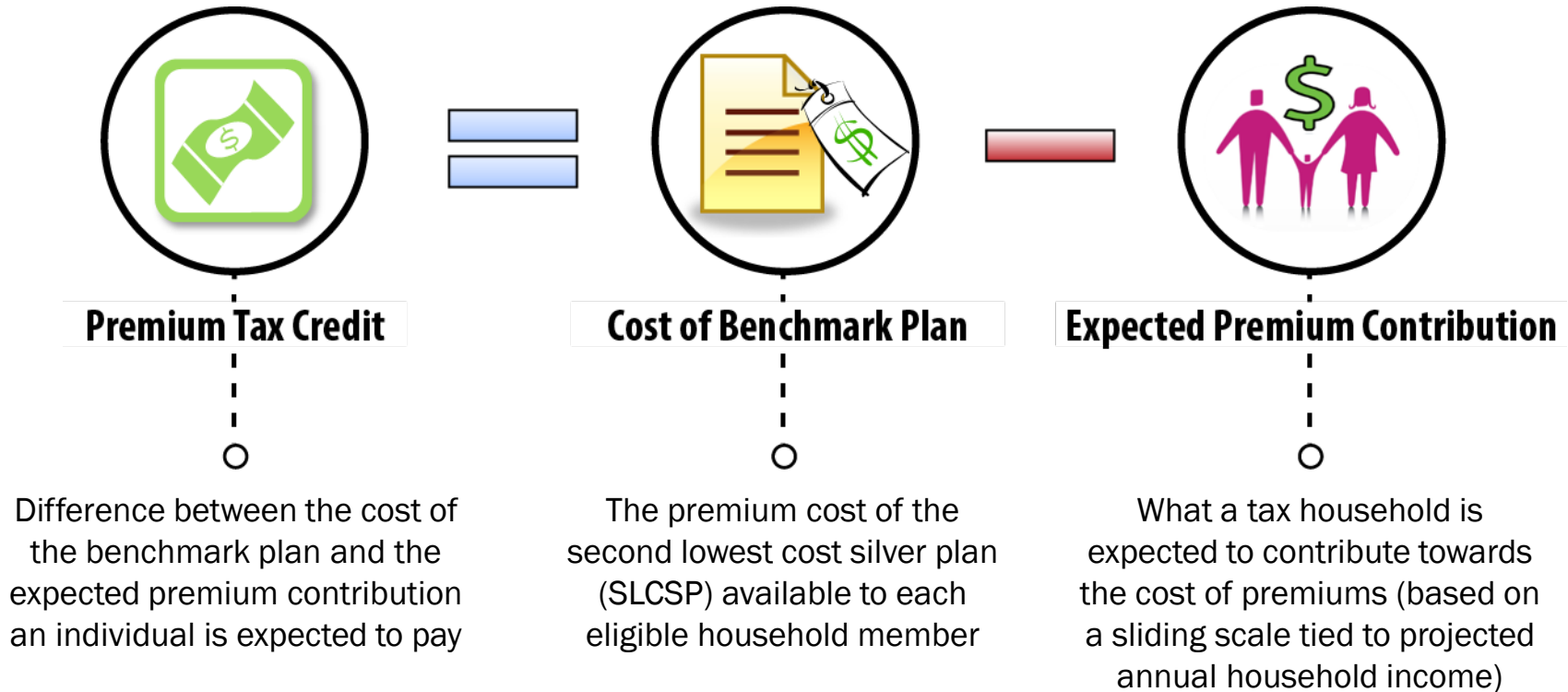
(To be covered in a future mini-webinar)

In general, to be eligible for PTC, the taxpayer must not be eligible for (or enrolled in) other MEC, but there are some special rules that apply, especially at reconciliation.

First-day rule	People who are eligible for APTC on the first day of the month are considered eligible for the full month.
Medicaid	<p>If a person gets APTC but later becomes eligible for Medicaid:</p> <ul style="list-style-type: none">• APTC is allowed for months of retroactive Medicaid coverage• The person can choose to remain in APTC for the entire calendar year or enroll in Medicaid
Medicare	A person loses eligibility for APTC when they become eligible for Medicare, even if they fail to enroll. APTC eligibility ends on <i>the first day of the fourth full month</i> after the person became eligible for Medicare.
Employer-sponsored coverage	If the taxpayer accurately informed the marketplace of the ESI premium (with no intentional or reckless disregard for the facts) and, despite the affordable offer, was awarded APTC anyway, the taxpayer can claim PTC. But the safe harbor does not apply when a person re-enrolls: the presence/cost of an ESI offer must be updated at re-enrollment.

Calculation of the Premium Tax Credit

How is the PTC Calculated?



Expected Premium Contributions for 2021 Plan Year

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Expected Contributions at Certain Income Levels (2021)





Annual Household Income		Expected Premium Contribution	
% of FPL	Income Amount (For HH of 1 using 2020 FPL)	% of Income	Monthly Dollar Amount (For HH of 1 using 2020 FPL)
< 133% ¹	<\$16,970	2.07%	Varies
133% ¹	\$16,970	3.10%	\$42
138% ¹	\$17,608	3.41%	\$49
150%	\$19,140	4.14%	\$66
200%	\$25,520	6.52%	\$138
250%	\$31,900	8.33%	\$221
300%	\$38,280	9.83%	\$313
350%	\$44,660	9.83%	\$365
400%	\$51,040	9.83%	\$418
> 400%	> \$51,040	n/a	n/a

¹ Individuals with <138% FPL that are eligible for Medicaid are ineligible for PTC

What Is the Benchmark Plan and How Is It Determined?

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The benchmark plan is the second lowest cost silver plan available to each eligible household member

QUALIFIED HEALTH PLAN (QHP) METAL LEVEL PLAN TIERS		
QHPs must provide plan designs consistent with actuarial values		
Costs covered by a plan	Platinum	 90% actuarial value
	Gold	 80% actuarial value
	Silver	 70% actuarial value
	Bronze	 60% actuarial value
	Catastrophic coverage	High deductible health plan available for individuals up to age 30 or those 30 and older who are granted a hardship exemption (a PTC does not apply to these plans)
Actuarial value is a measure of the percentage of expected health care costs a health plan will cover and is considered a general summary measure of health plan generosity. It represents an average for a population and does not necessarily reflect the actual cost-sharing experience of an individual.		
		Premiums paid by consumer

Age

- Limited to no more than 3-to-1 variation
- Each family member is rated separately

Family size

- Total premium for family = Sum of premiums for each family member
 - In families with > 3 members under 21, count only 3 oldest children

Geographic area

- Prices may vary by rating area in a state

Tobacco use

- Limited to no more than 1.5-to-1 variation
- Difference due to tobacco use is not accounted for in APTC calculation

Plan chosen by consumer

- Amount of APTC pegged to the benchmark, but the consumer can purchase any metal plan



Teresa, Antonio, Gaby, and Michael

- Income: \$52,400/year (200% FPL)
- Expected contribution: 6.52% of income (\$3,416/year, \$285/month)

BENCHMARK PLAN

3 LOWEST COST SILVER PLANS THAT COVER ALL:

- \$10,000/year (\$833/month)
- \$10,500/year (\$875/month)
- \$11,000/year (\$917/month)

Plan A BlueChoice HMO Silver	
Monthly Premium	\$
Plan B Highmark PPO Silver	
Monthly Premium	\$
Plan C Kaiser Permanente Silver	
Monthly Premium	\$
Deductible	\$
OOP Max	\$
Copayments / Coinsurance	

APTC Calculation

$$\begin{array}{c} \text{\$10,500} \\ \text{Monthly Premium} \end{array} - \begin{array}{c} \text{\$3,416} \\ \text{Expected Contribution} \end{array} = \begin{array}{c} \text{\$7,084/year} \\ \text{(\$590/mo)} \end{array}$$

Example: Impact of Benchmark Plan on APTC Calculation



Teresa, Antonio, Gaby, and Michael

- Income: \$52,400/year (200% FPL)
- Expected contribution: 6.52% of income (\$3,416/year, \$285/month)

→ Kids are eligible for CHIP

3 LOWEST COST SILVER PLANS THAT COVER TERESA AND ANTONIO:

- \$7,000/year (\$583/month)
- **\$7,500/year (\$625/month)**
- \$8,000/year (\$667/month)

BENCHMARK PLAN

Plan A BlueChoice HMO Silver			
Monthly Premium			
\$			
Plan B Highmark PPO Silver			
Monthly Premium			
\$			
Plan C Kaiser Permanente Silver			
Monthly Premium	Deductible	OOP Max	Copayments / Coinsurance
\$	\$	\$	

APTC Calculation

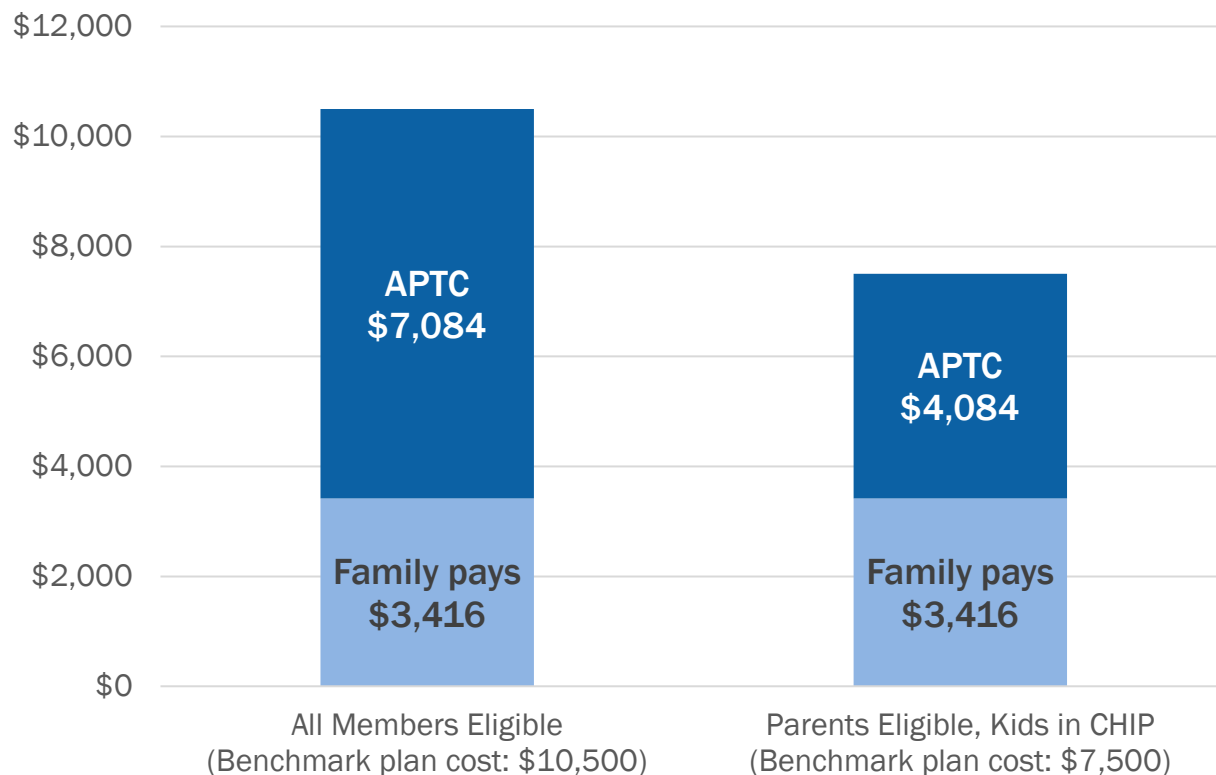
$$\begin{array}{c} \text{\$7,500} \end{array} - \begin{array}{c} \text{\$3,416} \end{array} = \begin{array}{c} \text{\$4,084/year} \\ \text{(\$340/mo)} \end{array}$$

Example: Impact of Benchmark Plan on APTC Calculation

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Teresa, Antonio, Gaby, and Michael

- Income: \$52,400/year (200% FPL)
- Expected contribution: 6.52% of income (\$3,416/year, \$285/month)



Key takeaway

The family pays the same amount, regardless of the number of family members enrolled (since the family's contribution is based on income, not plan cost)

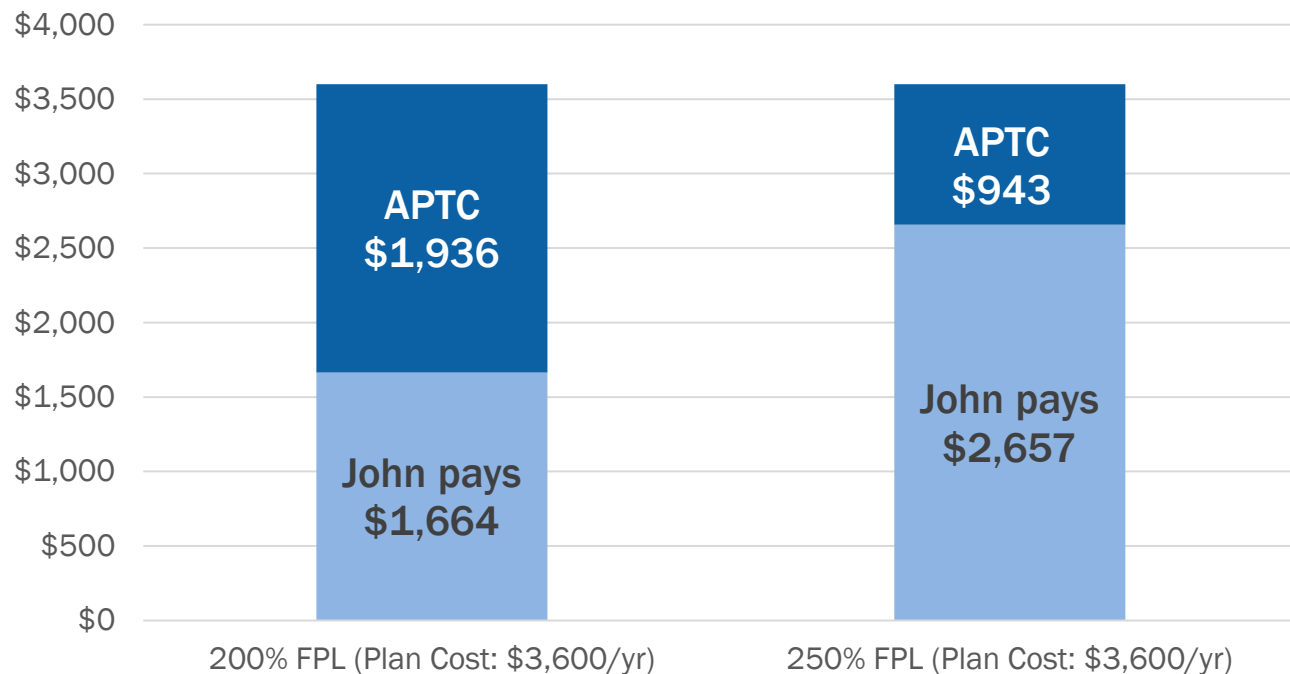
Example: Impact of Expected Contribution on APTC



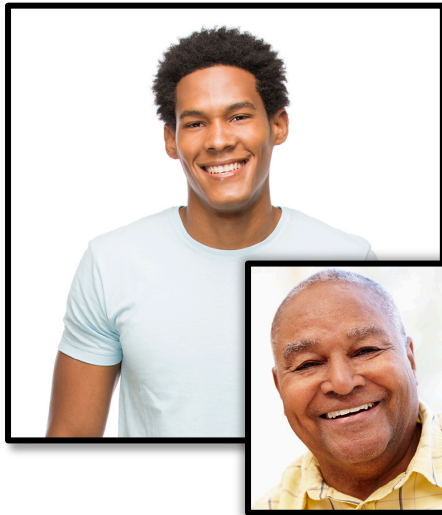
John, 24 years old

- Benchmark Plan: \$3,600/year

200% FPL	vs.	250% FPL
Income: \$25,520 (200% FPL)		Income: \$31,900 (250% FPL)
Expected Contribution: \$1,664/yr (6.52% of income)		Expected Contribution: \$2,657/yr (8.33% of income)
APTC: \$1,936 (\$3,600 – \$1,664)		APTC: \$943 (\$3,600 – \$2,657)

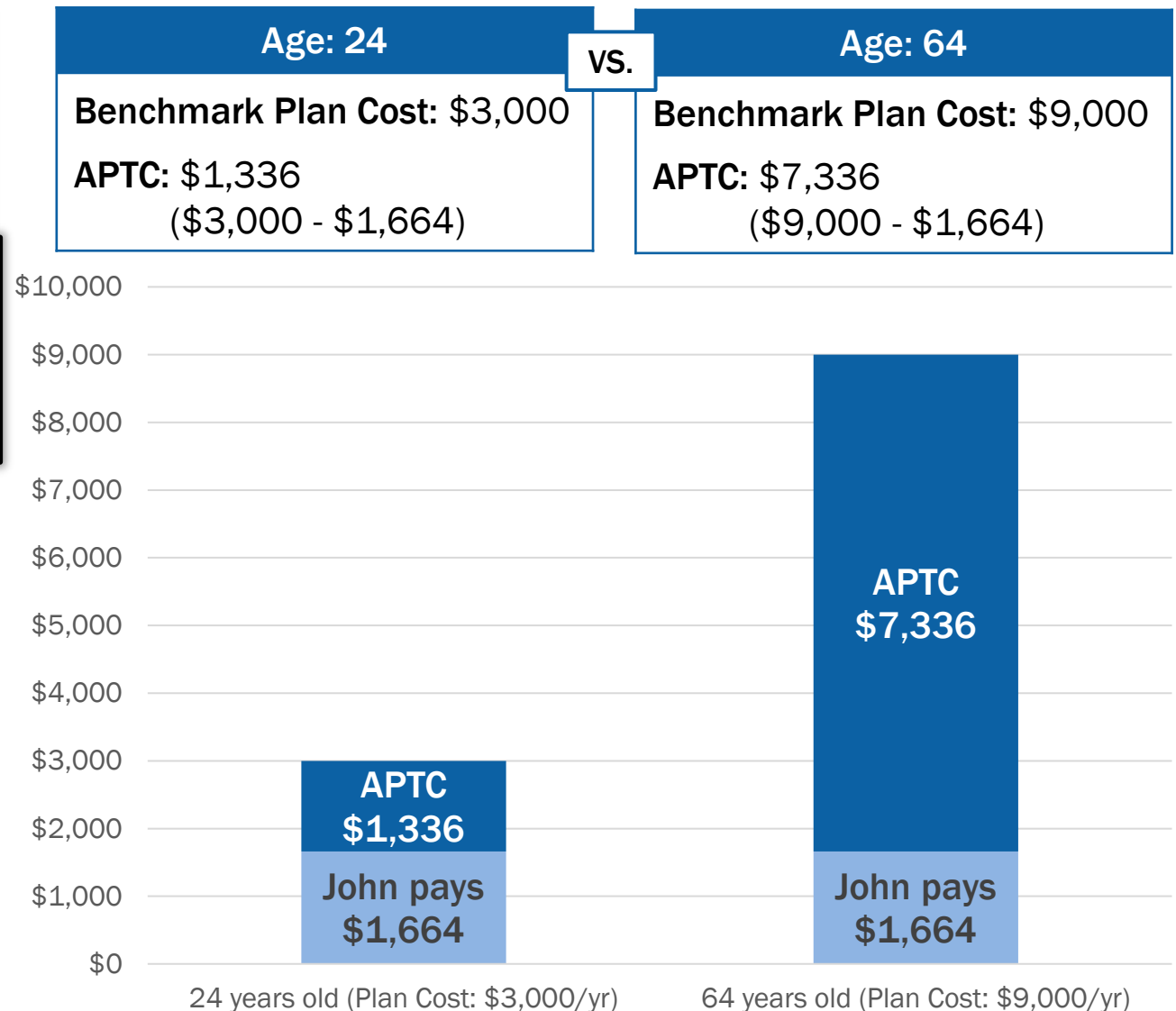


Example: Impact of Age on APTC Calculation



John

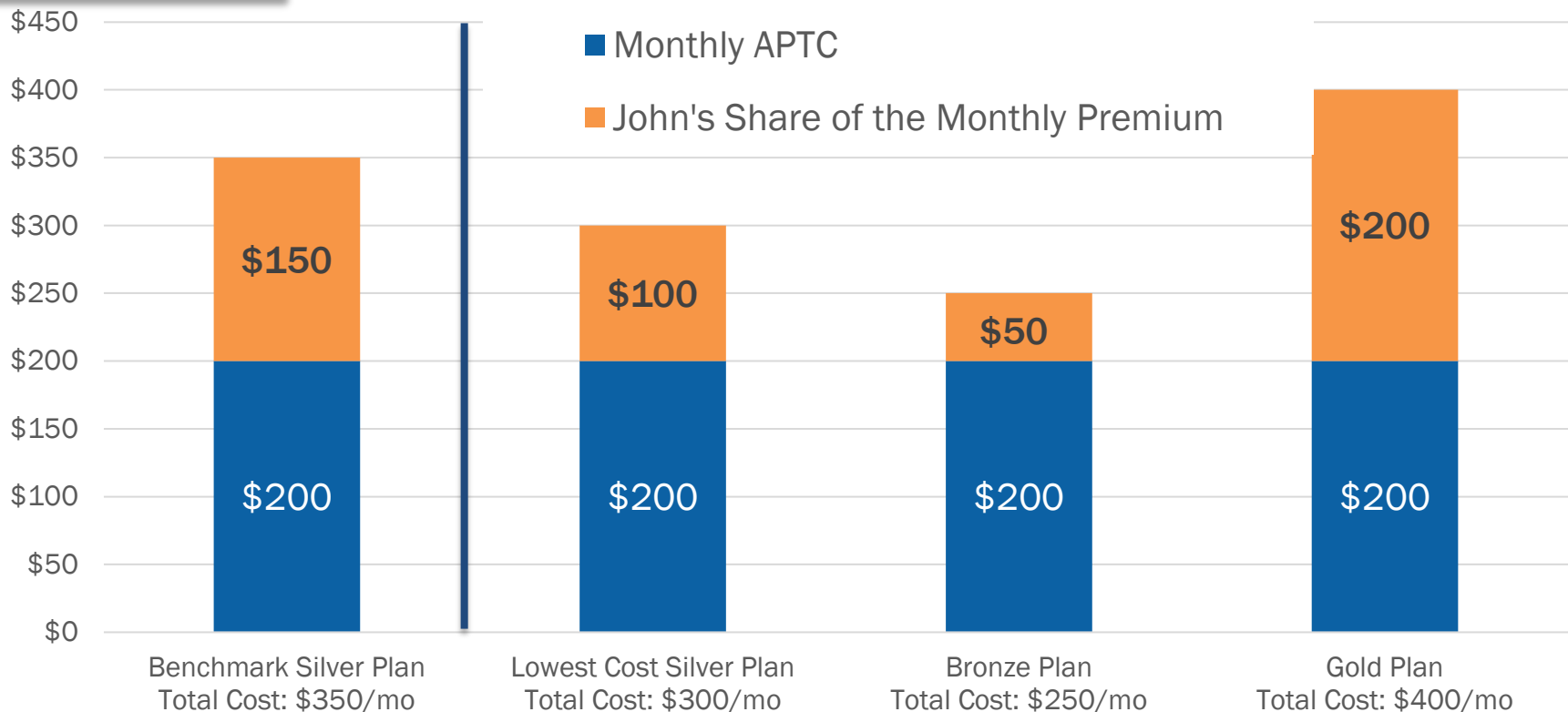
- Income: \$25,520
(200% FPL)
- Expected Contribution:
\$1,664/year
(6.52% of income)





- Once the APTC is established by the benchmark plan, it can be applied to any metal level plan
 - Note: the APTC cannot be greater than the full premium

Example: APTC: \$200/month (\$2,400/year)



- Report income and household changes
 - An FPL calculation that is *higher* than projected could result in repayment
 - An FPL calculation that is *lower* than projected could result in a higher APTC now, a higher PTC at tax time, or could mean that someone was eligible for Medicaid/CHIP
- When you report income increases, beware of the APTC calculation
 - The APTC is calculated based on the new income, without regard to the APTC already received.

Example:

- At the start of the year, Malcolm's APTC is \$2,400 (\$200/month).
- Malcolm reports an income increase in September, after he has already received \$1,800 in APTC.
- Based on his new income, he's eligible for \$1,200 in APTC for the year. HealthCare.gov calculates an APTC of \$100/month for the rest of the year.
- He should reduce the amount of APTC he receives to zero. Malcolm has already received more APTC than he's entitled to and will need to repay the excess, up to the repayment cap.

REPAYMENT LIMITS (TY 2020)

Income (as % of FPL)	SINGLE taxpayers will pay back no more than ...	OTHER taxpayers will pay back no more than....
Under 200%	\$325	\$650
At least 200% but less than 300%	\$800	\$1,600
At least 300% but less than 400%	\$1,350	\$2,700
400% and above	None: Full repayment	None: Full repayment

Beyond the Basics resource includes:

- Annually updated FPL levels for current and prior year
- Expected premium contributions
- Employer coverage affordability threshold
- Out-of-pocket maximums, including for CSR plans
- Tax filing thresholds
- Repayment caps for APTC

YEARLY GUIDELINES AND THRESHOLDS

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Tax Year 2020

Tax Filing Thresholds (Tax Year 2020)

Tax Filing Status	Single	Head of Household	Married Filing Jointly	Married Filing Separately	Qualifying Widow(er) w/ Qualifying Child
Tax Filing Threshold for People Under Age 65	\$12,400	\$18,650	\$24,800	Must file if had gross income of any kind	\$24,800
Tax Dependent Filing Requirement	Aged and/or Blind?	Unearned income was over:	Earned income was over:	Taxable gross income was more than the larger of:	
Under 65 AND not blind		\$1,300	\$12,400	\$1,300 OR Earned Income (up to \$12,050) + \$350	

Note: Tax filing thresholds calculated using the standard deduction for taxpayers for 2020 (required to file if gross income is more than the standard deduction).

Source: www.irs.gov/pub/irs-drop/19-44.pdf

Repayment Limits on APTC (Tax Year 2020)

Income (% FPL)	SINGLE Taxpayers	OTHER Taxpayers
Under 200%	\$325	\$650
200% – 300%	\$800	\$1,600
300% – 400%	\$1,350	\$2,700
400% and above	None	None

Source: www.irs.gov/pub/irs-drop/19-44.pdf

2019 Federal Poverty Guidelines (Coverage Year 2020)

# in Household	100% FPL	138% FPL	150% FPL	200% FPL	250% FPL	300% FPL	400% FPL
1	\$12,490	\$17,236	\$18,735	\$24,980	\$31,225	\$37,470	\$49,960
2	\$16,910	\$23,336	\$25,365	\$33,820	\$42,275	\$50,730	\$67,640
3	\$21,330	\$29,435	\$31,995	\$42,660	\$53,325	\$63,990	\$85,320
4	\$25,750	\$35,535	\$38,625	\$51,500	\$64,375	\$77,250	\$103,000
5	\$30,170	\$41,635	\$45,255	\$60,340	\$75,425	\$90,510	\$120,680
6	\$34,590	\$47,734	\$51,885	\$69,180	\$86,475	\$103,770	\$138,360
7	\$39,010	\$53,834	\$58,515	\$78,020	\$97,525	\$117,030	\$156,040
8	\$43,430	\$59,933	\$65,145	\$86,860	\$108,575	\$130,290	\$173,720

Note: Eligibility for premium tax credits in coverage year 2020 is based on poverty guidelines for 2019. FPL = federal poverty line.

Source (plus B+ households, and Hawaii and Alaska guidelines): www.hhs.gov/2019-poverty-guidelines

- People must meet certain eligibility requirements to qualify for the APTC, but there are exceptions and special rules
- The APTC is calculated based on the difference between the expected contribution (determined by income) and the benchmark plan premium
 - Once the APTC is established, an enrollee can shop for any metal-level plan
- The actual premium an enrollee pays is the difference between the premium of the plan they selected and the APTC

- Reference Guide: [Yearly Guidelines and Thresholds](#)
→ [Coverage Year 2021 \(PDF\)](#)
- Reference Chart: [Minimum Essential Coverage](#)
- Key Facts:
 - [Premium Tax Credits](#)
 - [Employer-Sponsored Coverage and PTC Eligibility](#)

Part III: Immigrant Eligibility for Health Coverage Programs

- Thursday, September 24 | 2 pm ET (11 am PT)

Part IV: Preventing & Resolving Data-Matching Issues

- Tuesday, September 29 | 2 pm ET (11 am PT)

Part V: Plan Design

- Thursday, October 1 | 2 pm ET (11 am PT)

Part VI: Plan Selection Strategies

- Tuesday, October 6 | 2 pm ET (11 am PT)

Register for upcoming webinars at

www.healthreformbeyondthebasics.org/events

- Tara Straw, tstraw@cbpp.org
→ Twitter: @TaraStraw
- General inquiries: beyondthebasics@cbpp.org

For more information and resources, please visit:

www.healthreformbeyondthebasics.org

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