



Health Reform: **Beyond the Basics**

healthreformbeyondthebasics.org

Complex Eligibility Scenarios

Center on Budget and Policy Priorities

November 10, 2016

Scenario 1:

Affordability



The definition of affordability for marketplace enrollment is different from the definition of affordability for an exemption.

Eligibility for APTC

despite an offer of employer-sponsored coverage

9.69% (for 2017)



Non-taxed social security included in household income



Determined based on cost of employee-only coverage (i.e., family glitch)

Eligibility for Exemption

in the Marketplace or on the tax return

8.16% (for 2017)



Non-taxed social security is NOT included in household income



For family members, determined based on family cost



Roberto, Monica, Elena and Miguel

- Roberto and Monica are married and have two children, Elena and Miguel
- Household income for 2017: \$37,000 (152% FPL)
- No one is enrolled in coverage



Monica's employer offers multiple plans:



Employee-only premium: \$100/month (3.2% of income)

Employee + family premium: \$275/month (8.9% of income)

→ Preferred doctor not in network



Employee-only premium: \$150/month (4.9% of income)

Employee + family premium: \$325/month (10.5% of income)

→ Preferred doctor in network

Is Monica eligible for PTC based on ESI?

Does the lowest-cost plan that covers only the employee cost more than 9.69% of household income?

- No, the lowest cost employee-only plan is 3.2% of income
- The plan is considered affordable



SUMMARY OF HOUSEHOLD INCOME AND PLAN COSTS			
Household income: \$37,000			
Plan A	Employee-only premium: \$100/month	Plan B	Employee-only premium: \$150/month
	Employee + family premium: \$275/month		Employee + family premium: \$325/month

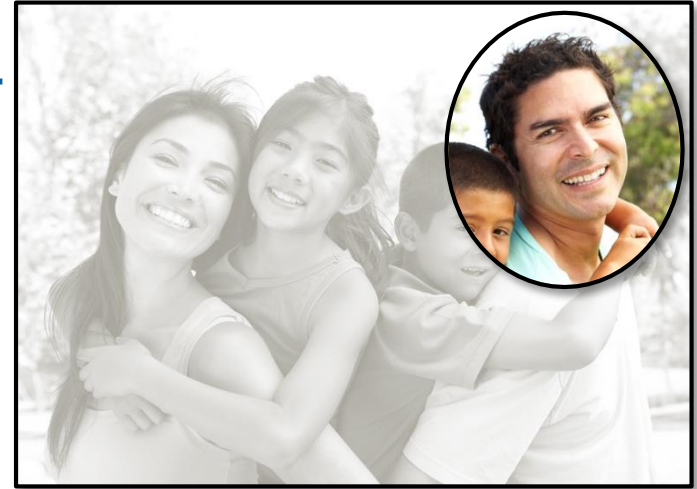
x Not eligible for PTCs

RESULT: Monica chooses not to enroll in any coverage

Is Roberto eligible for PTC based on ESI?

Does the lowest-cost plan that covers only the employee cost more than 9.69% of household income?

- No → Roberto is considered to have an affordable offer of coverage because the *employee-only* plan is affordable



SUMMARY OF HOUSEHOLD INCOME AND PLAN COSTS			
Household income: \$37,000			
Plan A	Employee-only premium: \$100/month	Plan B	Employee-only premium: \$150/month
	Employee + family premium: \$275/month		Employee + family premium: \$325/month

x Not eligible for PTCs

RESULT: Roberto chooses not to enroll in any coverage

Are the kids eligible for PTC based on ESI?

Does the lowest-cost plan that covers only the employee cost more than 9.69% of household income?

- No → The kids are also considered to have affordable coverage because the employee-only plan is affordable



SUMMARY OF HOUSEHOLD INCOME AND PLAN COSTS			
Household income: \$37,000			
Plan A	Employee-only premium: \$100/month	Plan B	Employee-only premium: \$150/month
	Employee + family premium: \$275/month		Employee + family premium: \$325/month

x Not eligible for PTCs

RESULT: Elena and Miguel enroll in CHIP

However: Offers of other coverage don't affect eligibility for Medicaid or CHIP

✓ **Elena and Miguel are found eligible for CHIP**

Roberto and Monica (parents)

- Uninsured all year
- They will need to see if either person qualifies for an exemption

Elena and Miguel (kids)

- Enrolled in CHIP all year
- Will receive a Form 1095-B indicating coverage in every month of the year



At the time of application, consider eligibility for marketplace exemptions that **may be forfeited if circumstances change**:

- Medicaid coverage gap exemption
- Affordability exemption

NEXT STEP

Does any individual qualify for an **exemption available on the tax return**?

NEXT STEP

Does anyone qualify for a **hardship exemption** granted by the Marketplace?

Exemption Type (available on the tax return)	IRS Code
Income below the filing threshold	No Code
Insurance is considered unaffordable	Code A
Short coverage gap (<i>uninsured for less than 3 consecutive months</i>)	Code B
Certain noncitizens and citizens living abroad	Code C
Health care sharing ministry	Code D
Federally-recognized Indian tribe or eligible for IHS	Code E
Incarceration	Code F
Aggregate self-only coverage is considered unaffordable	Code G
Individuals in a state that did not expand Medicaid	Code G
Months before birth/adoption or after death	Code H

- Eligible for exemption if available coverage is **more than 8.16%** (in 2017) of household income
- **One available through the marketplace**
 - Based on projected income
 - Must be applied for during an open enrollment or special enrollment period
- **One available through the IRS**
 - Based on actual income
 - Claim directly on the tax return at tax time

REMINDER:

What is considered unaffordable coverage?

If eligible for an offer of ESI:

- For the employee: the lowest cost self-only plan costs more than 8.16% of household income
- For members of the employee's family: the lowest cost family plan costs more than 8.16% of household income.

If not eligible for an offer of ESI:

- Lowest cost bronze plan (after PTCs) for all non-exempt members of the taxpayer's family costs more than 8.16% of household income

Reminder: Household income for exemptions includes **only the taxable portion** of Social Security benefits

- The marketplace affordability exemption is useful when:
 - Members of the household are subject to the family glitch
 - Applicant's self-only ESI is at least 8.16% of income but less than 9.69% (2017 coverage year)
 - Applicant's self-only ESI appears affordable only because of the addition of non-taxed Social Security benefits
 - Applicant is between jobs and has difficulty predicting annual income
 - A person wants to enroll in catastrophic coverage

Is Monica eligible for an exemption?

Does the lowest cost employee-only plan cost more than 8.16% of income?

- No, the lowest cost plan that covers only Monica is 3.2% of household income
- It is considered affordable



SUMMARY OF HOUSEHOLD INCOME AND PLAN COSTS			
Household income: \$37,000			
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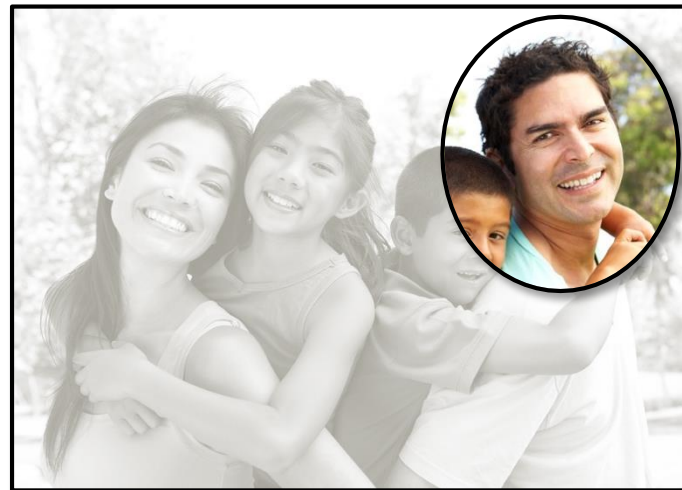
✗ Not eligible for an exemption based on affordability

RESULT: Will need to calculate a penalty for Monica

Is Roberto eligible for an exemption?

Does the lowest cost family plan that covers Roberto cost more than 8.16% of income?

- Yes, the lowest cost family plan that covers Roberto is 8.9% of household income
- It is considered unaffordable



SUMMARY OF HOUSEHOLD INCOME AND PLAN COSTS			
Household income: \$37,000			
Plan A	Employee-only premium: \$100/month	Plan B	Employee-only premium: \$150/month
	Employee + family premium: \$275/month		Employee + family premium: \$325/month

✓ Eligible for an exemption based on affordability

RESULT: Will need to complete Form 8965 to claim exemption from the penalty

At Tax Time: Claiming an Exemption

Form **8965** **Health Coverage Exemptions** OMB No. 1545-0074
 Department of the Treasury Internal Revenue Service
 Attach to Form 1040, Form 1040A, or Form 1040EZ. **2016**
 Information about Form 8965 and its separate instructions is at www.irs.gov/form8965. Attachment Sequence No. 75

Name as shown on return _____ Your social security number _____

Complete this form if you have a Marketplace-granted coverage exemption or you are claiming a coverage exemption on your return.

Part I Marketplace-Granted Coverage Exemptions for Individuals. If you and/or a member of your tax household have an exemption granted by the Marketplace, complete Part I.

	(a) Name of Individual	(b) SSN	(c) Exemption Certificate Number
1			
2			
3			
4			



Part I Marketplace-Granted Coverage Exemptions for Individuals. If you and/or a member of your tax household have an exemption granted by the Marketplace, complete Part I.

	(a) Name of Individual	(b) SSN	(c) Exemption Certificate Number
1	Roberto Ruiz		B43GH6
8			

If he applies for the exemption through the marketplace

Part III Coverage Exemptions Claimed on Your Return for Individuals. If you and/or a member of your tax household are claiming an exemption on your return, complete Part III.

	(a) Name of Individual	(b) SSN	(c) Exemption Type	(d) Full Year	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)
					Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
8	Roberto Ruiz		A	✓												

If he claims the exemption directly on the tax return

- Income: \$37,000 (152% FPL)
- Filing status: Married Filing Jointly
- Family size: 4 (2 adults, 2 children)
- Who is uninsured: 2 adults
- Months uninsured: 12
- Who qualifies for an exemption: 1 adult
- Tax filing threshold: \$20,700



$$\begin{array}{r} 1. \$37,000 - \$20,700 = \$16,300 \\ \quad \quad \quad \times 2.5\% \\ \quad \quad \quad \underline{\quad \quad} \\ \quad \quad \quad \mathbf{\$408} \end{array}$$

$$2. \$695 \times 1 \text{ adult} = \mathbf{\$695} \leftarrow \text{Penalty amount for Monica}$$

Note: For this example, we are using **percentages for the penalty calculation and tax filing thresholds from the 2016 tax year** (2017 numbers are not available at this time)

Scenario 2:

Noncustodial Parents

Noncustodial parents

Lisa, Jackson and David

- Lisa lives with her son, Jackson
- She is divorced from Jackson's dad, David
- As part of their divorce agreement, Lisa and David alternate claiming Jackson as a dependent on their tax return



Income

- Lisa's income: \$20,000
- Child support received by Lisa: \$10,000 (*not counted in MAGI*)
- David's income: \$40,000
- Neither parent is offered coverage through work



REMINDER: Summary of Medicaid Household Rules



Tax filer not claimed as a dependent	Tax dependent	Non-filer / non-dependent
<p>Individual's household is:</p> <ul style="list-style-type: none"> • Tax filer and all persons whom taxpayer expects to claim as a dependent^{1,2,3,4} 	<p>Individual's household is:</p> <ul style="list-style-type: none"> • The household of the tax filer claiming individual as a dependent^{2,3,4} <p>.....</p> <p>EXCEPTIONS (apply the rules for non-filer)</p> <ul style="list-style-type: none"> • Tax dependents not a child of the taxpayer • Children under 19⁵ living with both parents not expected to file a joint return • Children under 19⁵ claimed as tax dependent by non-custodial parents 	<p>For adults:</p> <ul style="list-style-type: none"> • Household is the individual plus, if living with individual, spouse and children under age 19^{3,4,5} <p>For children under age 19⁵:</p> <ul style="list-style-type: none"> • Household is the child plus siblings under 19⁵ and parents (including step-parents) living with child^{3,4}
<p>¹ For married couples filing jointly, each spouse is considered a tax filer</p> <p>² Married couples living together are always in each other's household regardless of how they file</p>	<p>³ A pregnant woman is counted as herself plus the number of children she is expecting</p> <p>⁴ For individuals whose household includes a pregnant woman, states can count the pregnant woman as 1,</p>	<p>2, or 1 plus the number of children she is expecting</p> <p>⁵ States can extend the age limit to include children under 21 who are full-time students.</p>

Determining Household Size for Medicaid

Years Custodial Parent Claims Dependent

Lisa

- Lisa is a household of 2



	Counted in Household			HH Size for Medicaid
	Lisa	Jackson	David	
Lisa	✓	✓		2
Jackson	✓	✓		2
David			✓	1

MEDICAID HH RULE

TAX FILER

- ✓ Tax filer
- ✓ Spouse and dependents on the tax return

Determining Household Size for Medicaid

Years Custodial Parent Claims Dependent

Jackson

- Jackson is still in a household with Lisa
- He is a tax dependent and lives with the parent claiming him



	Counted in Household			HH Size for Medicaid
	Lisa	Jackson	David	
Lisa	✓	✓		2
Jackson	✓	✓		2
David			✓	1

MEDICAID HH RULE

TAX DEPENDENT

- ✓ Same household as tax filer claiming individual as dependent

Determining Household Size for Medicaid

Years Custodial Parent Claims Dependent

David

- David is in a household by himself



	Counted in Household			HH Size for Medicaid
	Lisa	Jackson	David	
Lisa	✓	✓		2
Jackson	✓	✓		2
David			✓	1

MEDICAID HH RULE

TAX FILER

- ✓ Tax filer
- ✓ Spouse and dependents on the tax return

Determining Household Size for Medicaid

Years Noncustodial Parent Claims Dependent

Lisa

- Lisa is a household of 1 because she does not claim Jackson



	Counted in Household			HH Size for Medicaid
	Lisa	Jackson	David	
Lisa	✓			1
Jackson	✓	✓		2
David		✓	✓	1

MEDICAID HH RULE

TAX FILER

- ✓ Tax filer
- ✓ Spouse and dependents on the tax return

Determining Household Size for Medicaid

Years Noncustodial Parent Claims Dependent

Jackson

- Jackson is still in a household with Lisa

EXCEPTIONS (apply the rules for non-filer)

- Tax dependents not a child of the taxpayer
- Children under 19⁵ living with both parents not expected to file a joint return
- Children under 19⁵ claimed as tax dependent by non-custodial parents

- Even though he is claimed by David, he is treated as a non-filer because he lives with his mom but is being claimed by his dad, a noncustodial parent



	Counted in Household			HH Size for Medicaid
	Lisa	Jackson	David	
Lisa	✓			1
Jackson	✓	✓		2
David		✓	✓	2

MEDICAID HH RULE

NON-FILER NON-DEPENDENT

If Under 19:

- ✓ Individual
- ✓ Siblings, parents, and children living with individual

Determining Household Size for Medicaid

Years Noncustodial Parent Claims Dependent

David

- David is in a household with Jackson because he claims him as a dependent



	Counted in Household			HH Size for Medicaid
	Lisa	Jackson	David	
Lisa	✓			1
Jackson	✓	✓		2
David		✓	✓	2

MEDICAID HH RULE

TAX FILER

- ✓ Tax filer
- ✓ Spouse and dependents on the tax return

Determining Household Size for PTCs

Years Custodial Parent Claims Dependent

Lisa and Jackson

- Lisa claims Jackson as a dependent and they are in a tax unit together

David

- David is in tax unit by himself



	Counted in Household			HH Size for PTC
	Lisa	Jackson	David	
Lisa	✓	✓		2
Jackson	✓	✓		2
David			✓	1

Determining Household Size for PTCs

Years Noncustodial Parent Claims Dependent

Lisa

- Lisa lives with Jackson but doesn't claim him as a tax dependent
- Her tax unit includes just herself

Jackson and David

- David and Jackson are in a tax unit together, even though they don't live together because David claims Jackson as a dependent



	Counted in Household			HH Size for PTC
	Lisa	Jackson	David	
Lisa	✓			1
Jackson		✓	✓	2
David		✓	✓	2

Putting It Together

Years Custodial Parent Claims Dependent

	Medicaid			Premium Tax Credits			Outcome
	HH	Income	FPL	HH	Income	FPL	
Lisa	2	\$20,000	126%	2	\$20,000	126%	Medicaid
Jackson	2	\$20,000	126%	2	\$20,000	126%	Medicaid/CHIP
David	1	\$40,000	340%	1	\$40,000	340%	PTCs

Lisa

- Lisa will apply for coverage by herself and Jackson
- They will have the same household for both Medicaid and PTC

David

- David will apply for coverage on his own

Putting It Together

Years Noncustodial Parent Claims Dependent

	Medicaid			Premium Tax Credits			Outcome
	HH	Income	FPL	HH	Income	FPL	
Lisa	1	\$20,000	170%	1	\$20,000	170%	PTCs
Jackson	2	\$20,000	126%	2	\$40,000	251%	Medicaid/CHIP
David	2	\$40,000	251%	2	\$40,000	251%	PTCs

Lisa

- Lisa will apply for coverage by herself
- Because Jackson is under 19 and living with her, Lisa should include him on her application as a non-applicant

David

- David will include Jackson on his application as a dependent and applicant
- He will indicate that Jackson lives with another parent

Putting It Together

Years Noncustodial Parent Claims Dependent

Filling out the application: Lisa

- Lisa will apply for coverage by herself
- Because Jackson is under 19 and living with her, Lisa should include him on her application as a non-applicant

Does **Lisa** live with one or more children under age 19 and is she the main person taking care of that child or children?


[Learn more about parent and caretaker relatives](#)

Select "Yes" if this person cares for a child under 19—like a son, daughter, or other tax dependent. Some adults can get more help paying for coverage if they take care of a child.

Yes
 No

Who does **Lisa** live with and take care of?

First name	Middle <i>optional</i>	Last name	Suffix <i>optional</i>
Jackson		Taxpayer	Select...

Date of birth
 
 MM/DD/YYYY

Lisa is the
 of this child.

Add these people

Review the information you entered so far.

You've added this person who isn't applying for coverage

Jackson

Remember: The person listed above is in your household, but isn't applying for coverage. We need some information about them to determine your eligibility for help paying for coverage.

Is this information correct?

- Yes.
 No. I need to make changes to this information.

Putting It Together

Years Noncustodial Parent Claims Dependent

Filling out the application: David

- David will include Jackson on his application as a dependent and applicant
- He will indicate that Jackson lives with another parent

David Taxpayer's household information

Does **David** plan to file a federal income tax return for 2016?
You don't have to file taxes to apply for coverage, but you'll need to file next year if you want to get a premium tax credit to help pay for coverage now.

Yes
 No

Is **David** married?

Yes
 No

Will **David** claim any dependents on her federal income tax return for 2016?

Yes
 No

Who are **David's** dependents?

Jackson
 Someone else

What's **Jackson's** home address?

919 DUKE ST
ALEXANDRIA, VA 22314-3648

Other address

No home address

Enter Tom Taxpayer's home address

Jackson's household information

Jackson is the

Son/daughter of 1 **David**

Does **Jackson** live with **David** ?

Yes
 No

Does **Jackson** live with a parent or stepparent other than **David** ?

Yes
 No

Jackson may be eligible for Medicaid or the Children's Health Insurance Program (CHIP) through the parent they live with. That parent can file their own application. To do so, he or she can create their own account on this website, call 1-800-XXX-XXXX, or print a paper application at www.healthcare.gov/paperapp to mail in. You can also continue with this application now to see if Kayla Taxpayer can get a tax credit to pay for health insurance for Tom Taxpayer instead.

Scenario 3: Changes in Circumstances

Increased Household Income

George

- Self-employed carpenter
- Hasn't filed taxes in a while because it seems complicated and he can't afford an accountant



Advice for estimating income:

- Does the person have regular monthly income?
- If no regular income, what jobs are lined up for the year?
- If no good projected estimate, consider adding or subtracting from previous year's income (if available)
- Make estimates by job or by month (using receipts, invoices, bank records, etc.)

Advice for estimating expenses:

- Does the person have regular monthly expenses?
- What large expenses does the person anticipate?
- What were the person's expenses in previous year?
- Use receipts, credit card/debit card records, known costs of supplies

What types of business expenses may be deductible?

- Advertising
- Commissions
- Contract labor
- Legal or professional fees
- Office supplies
- Rent/lease/repair of equipment
- Business meals and entertainment
- Telephone and utilities
- Business mileage or transportation expenses

Self-Employment Income

George

- Self-employed carpenter
- Hasn't filed taxes in a while because it seems complicated and he can't afford an accountant
- This month, he made about \$2,000 (after paying expenses related to his carpentry business)
- He decides to use that as a base for his income projection for the year

In May...

- George get a big client that will increase his annual income by \$5,000
- He reports the change to the marketplace



Original projection:

- \$2,000 a month: \$24,000 for the year (202% FPL)

Updated projection:

- \$24,000 + \$5,000: \$29,000 for the year (244% FPL)

Recalculation of APTC Should Account for Amount Already Received

Estimated annual PTC at the beginning of the year (based on projected annual income of 202% FPL)	\$2,846 (\$237/month)
Estimated annual PTC after reporting a change in income (based on adjusted annual income of 244% FPL)	\$2,099
APTCs received from January through May	\$1,185
APTCs eligible to receive for the rest of the year	\$914 (\$130.50/month for 7 months)

Original projection:

- \$2,000 a month: \$24,000 for the year (202% FPL)

Updated projection:

- \$24,000 + \$5,000: \$29,000 for the year (244% FPL)

	No Change Reported	Taking Into Account APTC Already Received	Without Taking Into Account APTC Already Received
Monthly APTCs from Jan to May (based on projected annual income of 202% FPL)	\$237 (per month all year)	\$237	\$237
Monthly APTCs from Jun to Dec (based on adjusted annual income of 244% FPL)		\$130.50	\$175
Total APTCs received for the year	\$2,846	\$2,099	\$2,410
Final premium credit for 2017	\$2,099	\$2,099	\$2,099
Payment owed to IRS	(\$747) owed	\$0	(\$311) owed

What can George do when he reports his change in income to minimize the possibility of a repayment at tax time?

- Try taking less than the full amount of APTC

Decide how much to lower your monthly premium

You qualify for a premium tax credit of \$759 a month. This amount is based on income and household information from your application.

How much of my tax credit can I use each month?

You can use all of it each month to lower your premium OR save any amount to get later. If you don't use all the credit you qualify for, you'll claim the rest when you file your federal income tax return.

Use all \$759 of your tax credit each month to lower your premium

Good option if: You're pretty sure the income estimate and household information on your application are right for the year. Make sure you update if things change.

USE ALL \$759 EACH MONTH

Use some credit to lower your monthly premium, get the rest later

Good option if: You think your income or other information may change during the year. If you update your application during the year, you can adjust how much tax credit you use.

ENTER AMOUNT TO USE MONTHLY

Use none of your tax credit to lower your monthly premium, get it all later

Good option if: Your yearly income is hard to predict, or you think your household may change. You'll claim what you don't use when you file your income tax return.

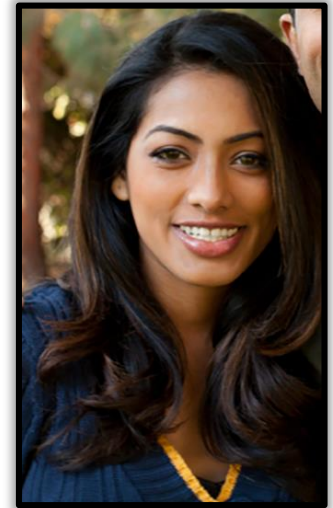
USE NONE MONTHLY, GET ALL LATER

Scenario 3: Changes in Circumstances

Tax Dependents

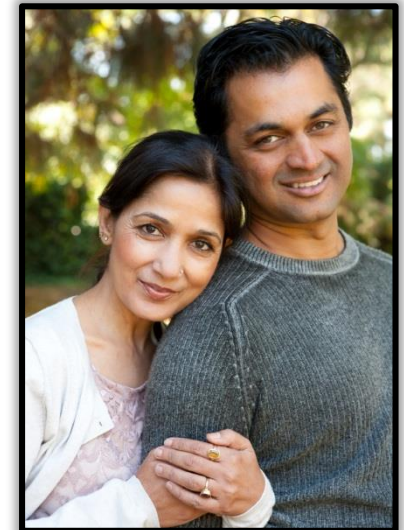
Katie

- 22 years old and a full-time student
- She lives on campus and makes \$2,500 from a work-study job
- Katie's tuition is \$10,000 a year
- Tuition paid with:
 - \$5,000 in academic scholarships
 - \$2,000 from Katie's parents
 - \$3,000 in Stafford loans in Katie's name



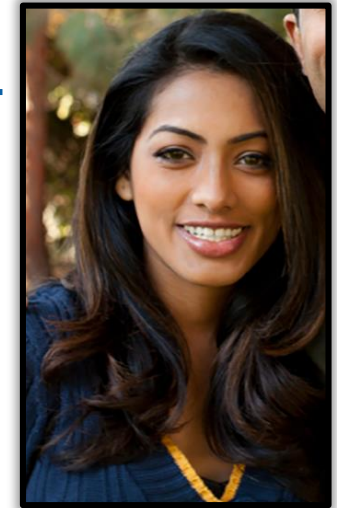
Jay and Priya (Katie's parents)

- Earn \$45,000 a year and help support Katie



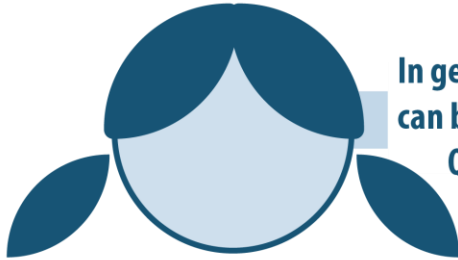
Can Katie Be Claimed as a Tax Dependent?

Can Katie be claimed as a Qualifying Child?



Children

A child can include the tax filer's child, step child, adopted child, foster child, brother, sister, niece, nephew or grandchild



In general a child can be claimed as a Qualifying Child if she...



Is a U.S. citizen or resident (for tax purposes) of the U.S., Canada or Mexico



Lives with the tax filer for more than half the year



Is under 19 at the end of the year (or 24 if a full-time student or any age if disabled)



Doesn't provide more than half of her own support

Living away from home while attending school is a "temporary absence" and is still considered time in the home

"Full-time student" = full-time for at least 5 months of the tax year

Support includes educational expenses (Loans in the child's name are considered the child's own support)

Can Katie Be Claimed as a Tax Dependent?

Does Katie provide more than half her own support?

- Based on what we know now, she *might* be a dependent

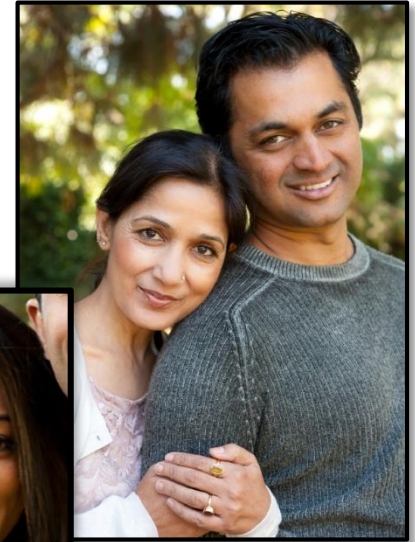


SUPPORT	TOTAL COST	KATIE PAYS
Housing & Utilities	\$7,200 (\$600/month)	\$0
Food	\$2,400 (\$200/month)	\$1,800 (\$150/month)
Clothing	\$1,800 (\$150/month)	\$1,800 (\$150/month)
Education	\$10,000	\$3,000
Other	\$1,000	\$500
Total	\$22,400	\$7,100 <i>(32% of total support)</i>

✓ **YES, Katie is a dependent**

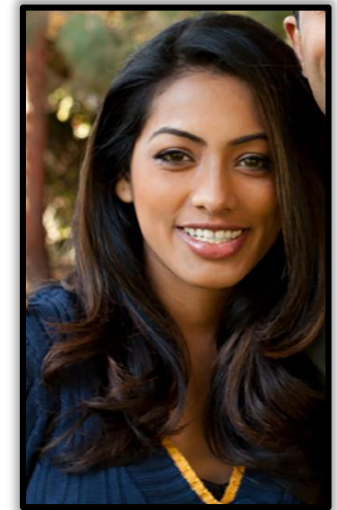
- She is paying less than 50% of her own support

- They all apply for health coverage as a tax household of 3
- They are eligible for PTC of \$996 a month based on household income of \$45,000 (223% FPL)
- They all enroll in the benchmark silver plan together
- The monthly cost after subsidies is \$272



At Tax Time: Is Katie Still a Tax Dependent?

- During the summer, Katie works at a restaurant and earns an additional \$7,000
- She decides to use savings from that job to pay the rest of her tuition for the fall semester plus pitch in for other expenses, like partial rent



SUPPORT	TOTAL COST	KATIE PAYS
Housing & Utilities	\$7,200 (\$600/month)	\$1,200 (\$300/month: Sept-Dec)
Food	\$2,400 (\$200/month)	\$2,400 (\$200/month)
Clothing	\$1,800 (\$150/month)	\$1,800 (\$150/month)
Education	\$10,000	\$5,000
Other	\$1,000	\$1,000
Total	\$22,400	\$11,400 <i>(51% of total support)</i>

✘ NO, Katie is not a dependent

- She is paying more than 50% of her own support
- Therefore, she will not be a tax dependent

Katie not qualifying as Priya and Jay's dependent changes their household from 3 to 2 for the year:

- Projected household of 3: \$45,000 (223% FPL)
- Actual household of 2: \$45,000 (281% FPL)
- Katie's household of 1: \$9,500 (80% FPL)

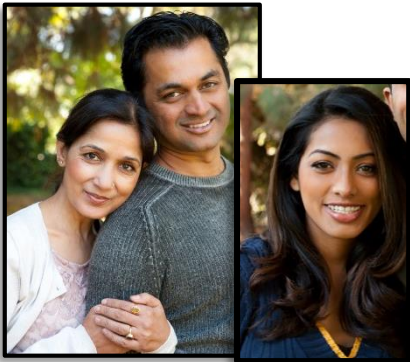
At enrollment:

Family size: 3 (223% FPL)

Priya; Jay; Katie

APTC: \$996/month

Silver plan cost: \$272



Katie earns more than expected and pays more than half of her own support. She is not a dependent for the year.

At tax filing:

Family size:

2 (281% FPL)

Priya; Jay



1 (80% FPL)

Katie

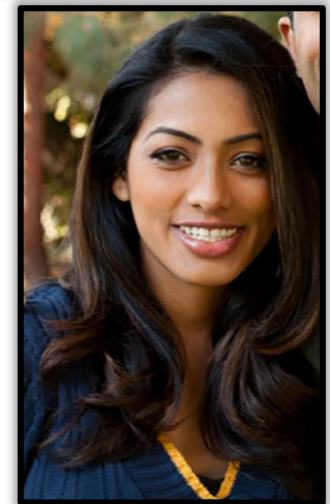
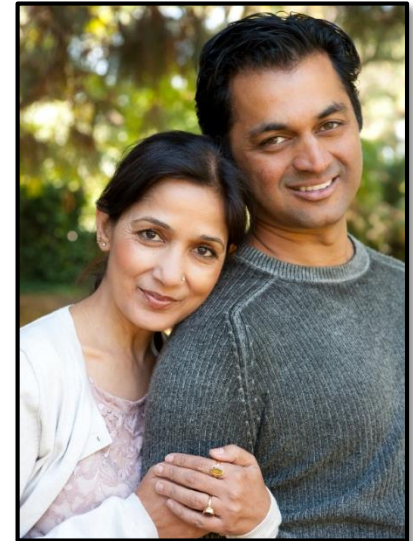


- Sometimes, household projections prove incorrect
- If a Form 1095-A shows enrollees that are not on the taxpayer’s return, it’s a shared policy allocation

Shared Policy Allocations			
<i>simplified rules</i>			
	DIVORCE	SEPARATION	SHIFTING ENROLLEE*
WHAT TO ALLOCATE	<ul style="list-style-type: none"> ▪ Premiums paid ▪ Benchmark ▪ APTC 	<ul style="list-style-type: none"> ▪ Premiums ▪ APTC (Determine new benchmark) 	<ul style="list-style-type: none"> ▪ Premiums paid ▪ Benchmark ▪ APTC
HOW TO ALLOCATE	<ul style="list-style-type: none"> ▪ Any percentage, by agreement ▪ 50/50, if no agreement 	<ul style="list-style-type: none"> ▪ 50/50, if no agreement 	<ul style="list-style-type: none"> ▪ Any percentage, by agreement ▪ Proportional, if no agreement

**Shifting enrollee:* When a person was included in one household at the time of enrollment but is in a different household (or their own household) at tax filing.

- They receive Form 1095-A with all three family members listed
 - Premiums: \$15,213 (\$1,268/month)
 - Benchmark: \$15,213 (\$1,268/month)
 - APTC: \$11,954 (\$996/month)
- **Shared policy allocation:** Family can allocate the premium, benchmark and APTC in any way (the family will usually do best if the lowest-income tax filer claims the entire credit)



	Allocation of Premium, Benchmark and APTC					
	Katie: 0%	Priya/Jay: 100%	Katie: 33%	Priya/Jay: 67%	Katie: 100%	Priya/Jay: 0%
Final PTC	\$0	-\$842	\$885	-\$1,917	\$3,069	\$0

Note: shared policy allocations are out of scope for VITA/TCE

- Tara Straw, tstraw@cbpp.org
- Halley Cloud, cloud@cbpp.org
- General inquiries: beyondthebasics@cbpp.org

For more information and resources, please visit:

www.healthreformbeyondthebasics.org

This is a project of the Center on Budget and Policy Priorities, www.cbpp.org