

# Beyond the Basics

## Part I: Determining Households & Income

September 8, 2022

# Webinar Logistics

- 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 and once more at the end
- You can also email questions to [beyondthebasics@cbpp.org](mailto:beyondthebasics@cbpp.org)
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# Agenda

- We'll discuss:
  - How to determine who is in the household for Medicaid and premium tax credit (PTC) purposes
  - How to estimate household income
  - Putting household and income together to determine eligibility for Medicaid or PTC

# Why Household Size & Income Matter



# ACA Eligibility Overview



## **First, the application determines Medicaid/CHIP eligibility**

- In Medicaid expansion states, generally adults up to 138% of the federal poverty line (FPL)
- In non-expansion states, very low adult eligibility levels
- For children and pregnant women, higher eligibility levels

## **If not Medicaid eligible, the application determines eligibility for a premium tax credit (PTC)**

- Have income above 100% FPL (Note: There is no income cap.)
  - Individual: \$13,590+                      Family of four: \$27,750+
- Have an eligible filing status
- Not eligible for or enrolled in other minimum essential coverage (MEC)

**Notes:** We'll talk about Medicaid and PTC in reverse to introduce the tax credit rules, since there are several exceptions in Medicaid's application of the rules. Also, screenshots are from HealthCare.gov but the law applies to every state.

# Why Household Size & Composition Matter

## The federal poverty line (FPL) calculation requires...

- Number of individuals in a household
- Income of household members

...to determine premium tax credit and cost-sharing reduction eligibility

Household Size	2022 Federal Poverty Line (for 2023 coverage)				
	100%	138%	200%	250%	400%
1	\$13,590	\$18,754	\$27,180	\$33,975	\$54,360
2	\$18,310	\$25,268	\$36,620	\$45,775	\$73,240
3	\$23,030	\$31,781	\$46,060	\$57,575	\$92,120
4	\$27,750	\$38,295	\$55,500	\$69,375	\$111,000
5	\$32,470	\$44,809	\$64,940	\$81,175	\$129,880

**Note:** 2022 federal poverty guidelines are used to determine eligibility for 2023 coverage.

## Expected Contributions at Certain Income Levels (2023)

Annual Household Income		Expected Premium Contribution	
% of FPL	Income Amount (For HH of 1 using 2022 FPL)	% of Income	Monthly Dollar Amount (For HH of 1 using 2022 FPL)
< 150% <sup>1</sup>	<\$20,385	<b>0%</b>	<b>\$0</b>
200%	\$27,180	<b>2%</b>	<b>\$45</b>
250%	\$33,975	<b>4%</b>	<b>\$113</b>
300%	\$40,770	<b>6%</b>	<b>\$204</b>
350%	\$47,565	<b>7.25%</b>	<b>\$287</b>
400%	\$54,360	<b>8.5%</b>	<b>\$385</b>
> 400%	>\$54,360	<b>8.5%</b>	<b>varies</b>
<sup>1</sup> Individuals who are eligible for Medicaid are ineligible for PTC			

**Note:** 2022 federal poverty guidelines are used to determine eligibility for 2023 coverage.

# Yearly Guidelines & Thresholds Reference Guide

[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

## REFERENCE CHART

## Yearly Guidelines & Thresholds | Coverage Year 2023

### 2022 Federal Poverty Guidelines (Coverage Year 2023)

# in Household	100% FPL	138% FPL	150% FPL	200% FPL	250% FPL	300% FPL	400% FPL
1	\$13,590	\$18,754	\$20,385	\$27,800	\$33,975	\$40,770	\$54,360
2	\$18,310	\$25,268	\$27,465	\$36,620	\$45,775	\$54,930	\$73,240
3	\$23,030	\$31,781	\$34,545	\$46,060	\$57,575	\$69,090	\$92,120
4	\$27,750	\$38,295	\$41,625	\$55,500	\$69,375	\$83,250	\$111,000
5	\$32,470	\$44,809	\$48,705	\$64,940	\$81,175	\$97,410	\$129,880
6	\$37,190	\$51,322	\$55,785	\$74,380	\$92,975	\$111,570	\$148,760
7	\$41,910	\$57,836	\$62,865	\$83,820	\$104,775	\$125,730	\$167,640
8	\$46,630	\$64,349	\$69,945	\$93,260	\$116,575	\$139,890	\$186,520

For households with more than 8, add \$4,720 for each additional person. Source (plus Hawai'i and Alaska guidelines): [aspe.hhs.gov/poverty-guidelines](https://aspe.hhs.gov/poverty-guidelines)  
Eligibility for premium tax credits in coverage year 2023 is based on 2022 poverty guidelines. FPL = federal poverty line.

### Expected Premium Contribution (Coverage Year 2023)

Annual Household Income (% of FPL)	Up to 150% FPL	200% FPL	250% FPL	300% FPL	400% FPL & Above
Expected Premium Contribution (% of Income)	0%	2%	4%	6%	8.5%

Source: American Rescue Plan Act Public Law No: 117-2; Inflation Reduction Act of 2022

### Employer-Sponsored Insurance Affordability Threshold (Coverage Year 2023)

Eligibility for Premium Tax Credits If Offer of Employer-Sponsored Insurance is Considered Unaffordable	
Considered unaffordable if ESI offer is:	Affordability of family coverage determined by:
9.12%	Cost of employee-only coverage

Source: [irs.gov/irb/2022-33\\_IRB#REV-PROC-2022-34](https://irs.gov/irb/2022-33_IRB#REV-PROC-2022-34)

### Out-Of-Pocket Maximum (Coverage Year 2023)

Plan Type	Income Level	Out-of-Pocket Maximum	
		Individual	Family
All plans <sup>1</sup>	All income levels	\$9,100	\$18,200
CSR Silver Plan 73% AV <sup>2</sup>	Between 201%-250% FPL	\$7,250	\$14,500
CSR Silver Plan 87% AV <sup>2</sup>	Between 151%-200% FPL	\$3,000	\$6,000
CSR Silver Plan 94% AV <sup>2</sup>	Up to 150% FPL	\$3,000	\$6,000

<sup>1</sup>Applies to all plans in the individual and group market. <sup>2</sup>Applies only to silver plans eligible for CSR sold in the Marketplace.  
Note: CSR = cost-sharing reductions. AV = actuarial value. Source: [cms.gov/files/document/2023-papil-parameters-guidance-v4-final-12-27-21-508.pdf](https://cms.gov/files/document/2023-papil-parameters-guidance-v4-final-12-27-21-508.pdf)

### Affordability Exemption Threshold (Coverage Year 2023)

Eligibility for Catastrophic Coverage for Individuals Age 30 and Older	
Coverage considered unaffordable if premium for marketplace coverage (after APTC) or employer coverage costs more than:	8.17% of income

Source: [cms.gov/files/document/2023-papil-parameters-guidance-v4-final-12-27-21-508.pdf](https://cms.gov/files/document/2023-papil-parameters-guidance-v4-final-12-27-21-508.pdf)



# Why Tax Filing Status Matters



# Tax Filing Status

## Single



Is unmarried, or legally separated or divorced (as defined by state law)

## Married Filing Jointly



A person is legally married, whether living with or apart from his or her spouse, and files taxes together with his or her spouse

## Married Filing Separately



A person is legally married, whether living with or apart from his or her spouse, and files taxes separately from his or her spouse

## Head of Household



A person is unmarried or *considered* unmarried for tax purposes, pays more than half of the costs of keeping up the home for a qualifying person whom he or she will claim as a dependent

### Marital status

[Learn more about marital status.](#)

What's Maria's marital status?

☐ Single

☒ Married to

Victor

# Marital Status & Premium Tax Credits

- In general, a person who is married must file jointly with their spouse to be eligible for PTC
- Three exceptions to the joint filing requirement
  - Head of Household → *Incorporated into HealthCare.gov*
  - Domestic abuse → *Requires a workaround on HealthCare.gov*
  - Abandoned spouse → *Requires a workaround on HealthCare.gov*
- Be aware that some married immigrants who file Form 1040-NR cannot file jointly and therefore may not be eligible for PTC

**Note:** A person who will file taxes as Married Filing Separately and doesn't qualify for one of these exceptions could **still be eligible** to enroll in Medicaid or full-cost health insurance in the Marketplace (without PTC)

# Exceptions to the Joint Filing Requirement for PTC

## Tax rules for when a married person can 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.

# Head of Household Questions

## 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.

### Maria's tax relationships

Will Maria file a 2023 joint federal income tax return with Victor?

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

- ☐ Yes  
☒ No

#### **i** Filing taxes separately?

If these spouses plan to file separate tax returns for 2022, 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 Maria file a 2023 federal income tax return?

[Learn more about tax filing.](#)

- ☒ Yes  
☐ No

Will Maria claim any dependents on their 2023 federal tax return?

[Learn more about dependents.](#)

- ☒ Yes  
☐ No

Who will Maria claim as a dependent on their 2023 federal tax return?

- ☒ Child

## Where does everyone live?

Do all of these people live together at this address?

Maria  
Victor  
Child  
  
123 Main Street  
Arlington, VA 22202

- ☐ Yes  
☒ No

Select everyone who lives at this address with Maria.

- ☐ Victor  
☒ Child  
☐ None of these people

## Review everyone's address

Maria and Child's home address:

123 Main Street  
Arlington, VA 22202

Victor's home address:

456 Central Lane  
Arlington, VA 22204

## Head of household

Will Maria file as Head of Household on their 2023 federal income tax return?

[Learn who's a Head of Household.](#)

- ☒ Yes  
☐ No

# Exceptions to the Joint Filing Requirement for PTC

A married person can claim to be Single on the HealthCare.gov application under either of these circumstances:

## Domestic abuse

- Will live apart from their spouse
- Will be unable to file a joint return because of domestic abuse

## Abandoned spouse

- Will live apart from their spouse
- Will be unable to locate spouse after using reasonable diligence

**Note:** These exceptions can be used for a maximum of 3 consecutive years.

### 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."

# Determining Households for Premium Tax Credits



# Households for Premium Tax Credits

- The application includes all individuals who are expected to be on the household's tax return, even if they don't want or are ineligible for coverage
- This includes:
  - Self and spouse
  - Tax dependents

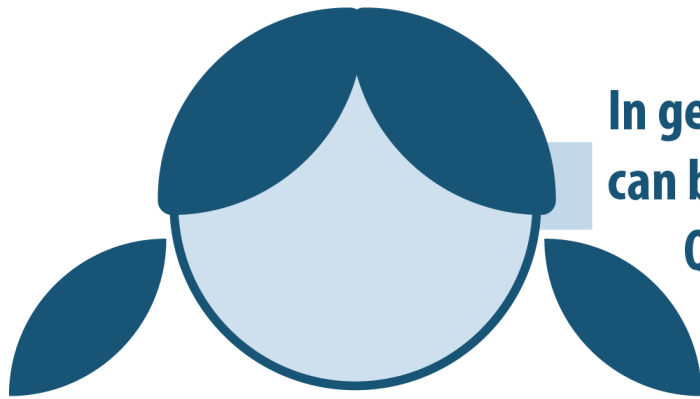


# Determining Tax Dependents

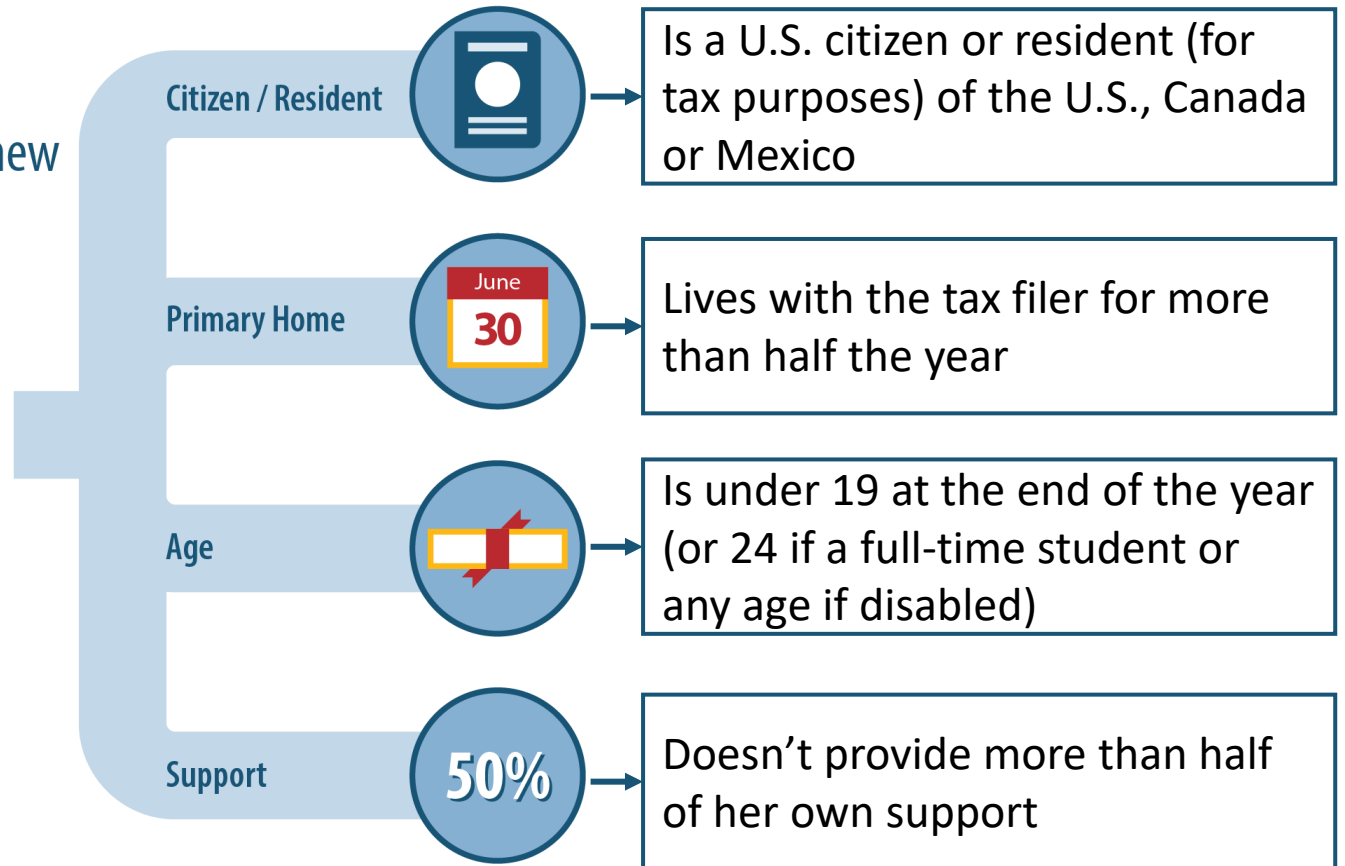
For more information, see the *Health Reform: Beyond the Basics* [Determining Household Size for Premium Tax Credits](#)

## 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 they...**

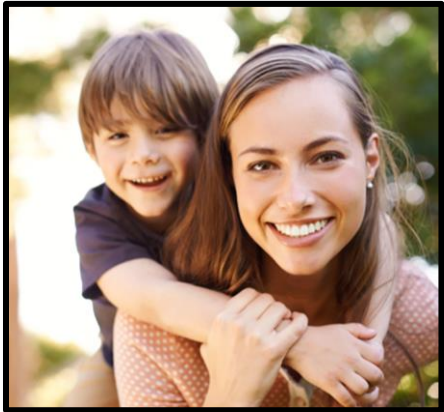


## Who Can Be Claimed as a Qualifying Child?

# Children of Divorced or Separated Parents

The parent who claims the child as a tax dependent claims PTC for the child

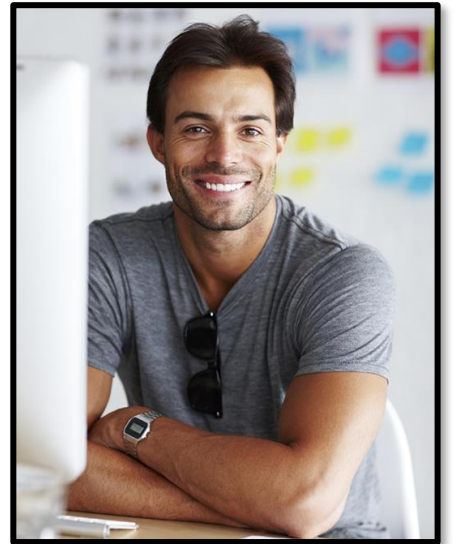
Usually this is the custodial parent:



- If the custodial parent claims the child on the tax return, the custodial parent can claim PTC for the child
- This is true even if the noncustodial parent is legally responsible for insuring the child

But sometimes a child is claimed by the noncustodial parent:

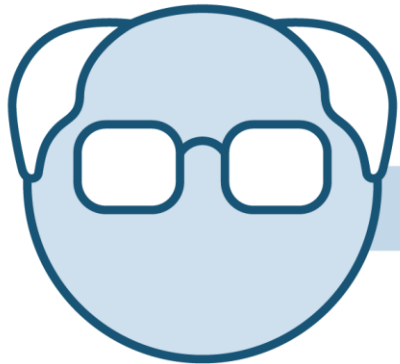
- The custodial parent must sign a tax form granting the noncustodial parent the child's exemption (Form 8332)
- If permitted to claim the child as a tax dependent, the noncustodial parent can claim PTC for the child



# Determining Tax Dependents

## Other individuals

Other individuals can include a relative or a full-time member of the tax filer's household who is not a relative



**In general a person can be claimed as a Qualifying Relative if they...**

Not a Qualifying Child



Cannot be claimed as a Qualifying Child by anyone

Citizen / Resident



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

Support



Receives more than 50% of his support from the tax filer

Relation / Primary Home



Is related to the tax filer or lives in the tax filer's home all year

Income



Gross income less than \$4,400 (in 2022) - Generally doesn't include Social Security

## Who Can Be Claimed as a Qualifying Relative?

# Example: Can Amber be claimed as a tax dependent?



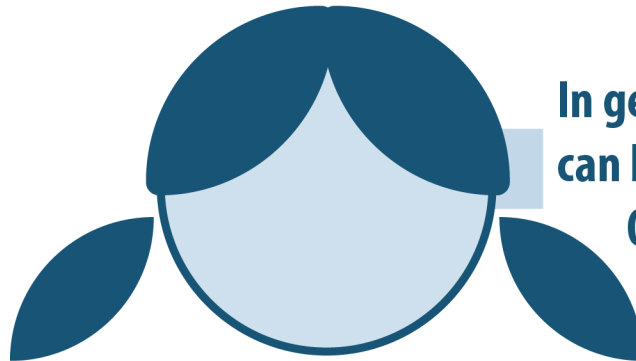
## Amber

- 24 years old
- Lives with parents, rent-free
- Has no income

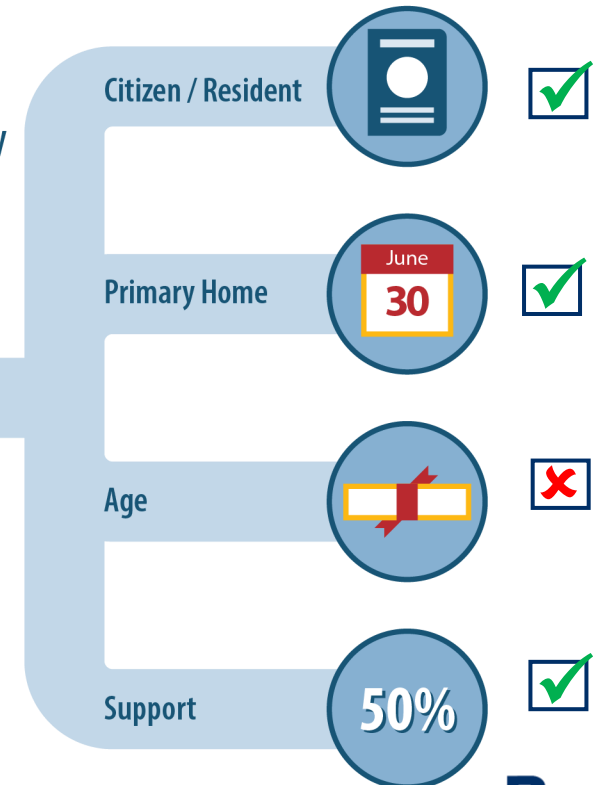
**Can Amber be claimed as a Qualifying Child? ❌ No**

## 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 they...**



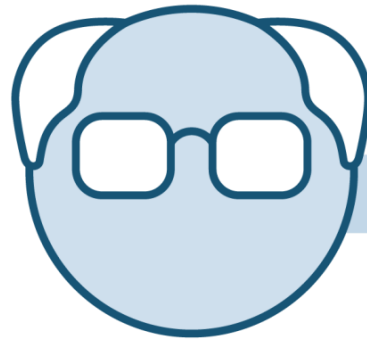
# Example: Can Amber be claimed as a tax dependent?



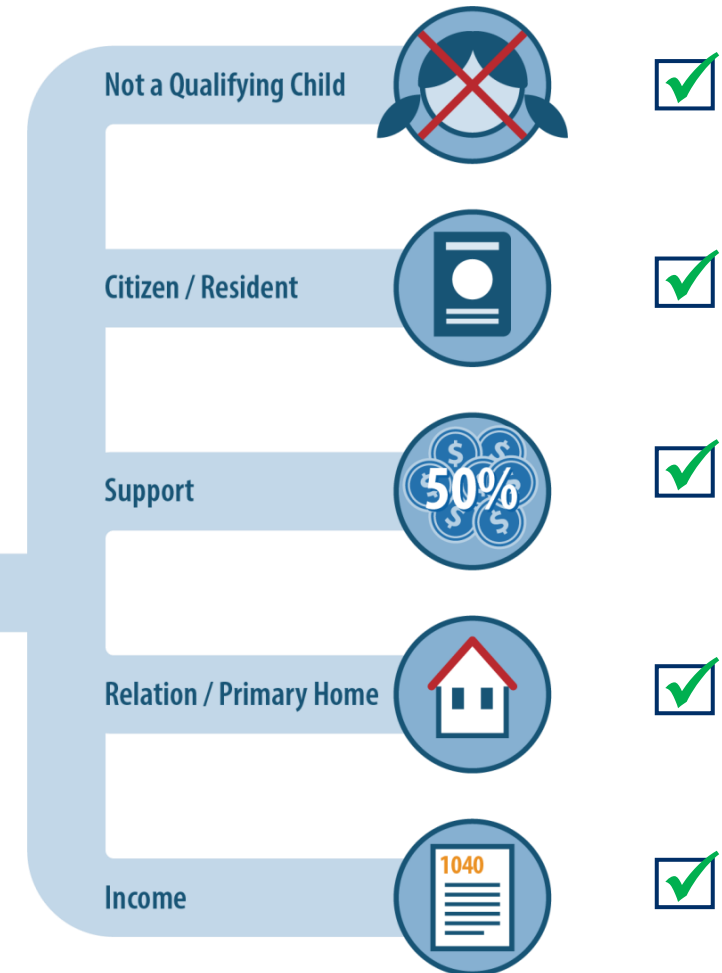
Can Amber be claimed as a Qualifying Relative?  **Yes**

## Other individuals

Other individuals can include a relative or a full-time member of the tax filer's household who is not a relative



In general a person can be claimed as a Qualifying Relative if they...



**Result:** Amber is a tax dependent and can be on her parents' marketplace application.

# Example: Can Jay be claimed as a tax dependent?



## Jay and Kim

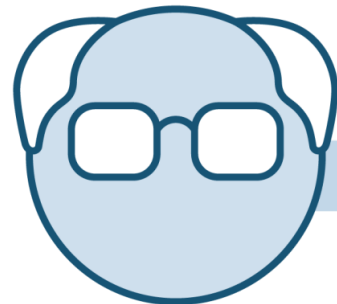
- Live together in North Carolina (non-expansion state) and are not married
- Kim expects to earn \$25,000 in 2023
- Jay is a musician and expects to earn \$4,200 in 2023

## Can Jay be claimed as a dependent? (Qualifying Relative)

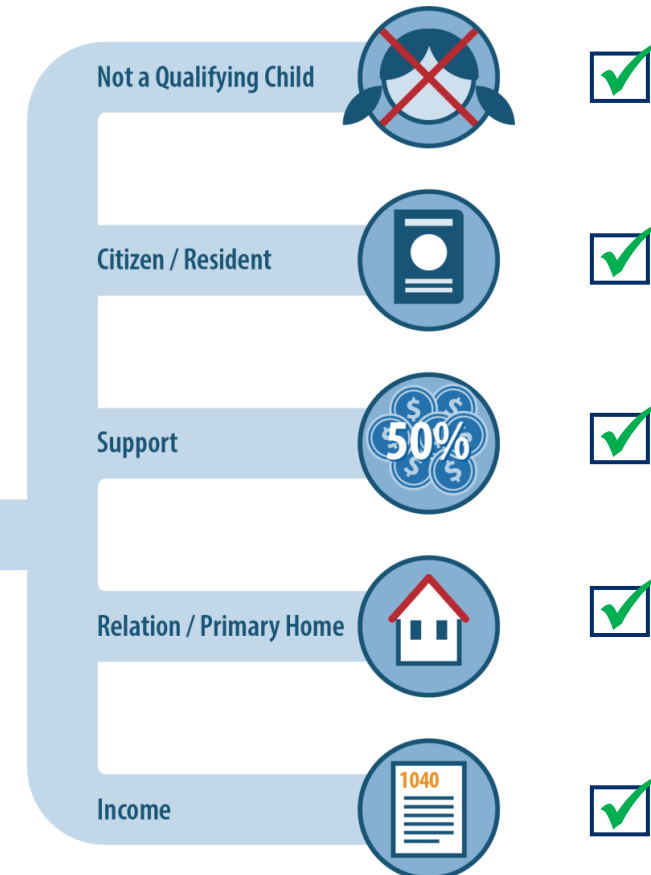
✓ Yes

## Other individuals

Other individuals can include a relative or a full-time member of the tax filer's household who is not a relative



In general a person  
can be claimed as a  
Qualifying Relative  
if they...



# Determining Households for MAGI Medicaid



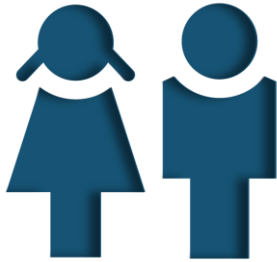


# Determining Households for Medicaid

**Modified Adjusted Gross Income (MAGI)  
rules apply to:**



**ADULTS**  
(in state that  
expanded  
Medicaid)



**CHILDREN**



**PARENTS / CARETAKER  
RELATIVES**



**PREGNANT  
WOMEN**

**Different household &  
income rules apply to:**



**SENIORS**  
(people 65 & over)



**MOST PEOPLE  
WITH DISABILITIES**



# Determining Households for Medicaid

Three categories of individuals:

**1 Tax filers not claimed as a tax dependent**

**2 Tax dependents (with 3 exceptions)**

**3 Non-filers not claimed as a tax dependent**

- Separate determination for each individual
  - Members of a family can have different household sizes
- Based on expected filing status

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

For a printable PDF version of this chart, see [Reference Guide: Medicaid Household Rules](#)

# Summary of Medicaid Household Rules

For a printable PDF version of this chart, see [Reference Guide: Medicaid Household Rules](#)

## Tax Filer Rules

Does the individual expect to file taxes?

NO

— YES —

Does the individual expect to be claimed as a tax dependent by someone?

YES

— NO —

Household includes the individual, individual's spouse (if living with the individual), all persons the individual expects to claim as a tax dependent, and if pregnant, the number of children individual is expecting

## Tax Dependent Rules

Does the individual expect to be claimed as a tax dependent?

NO

— YES —

**Do any of the following apply?**

Individual expects to be claimed as a dependent by someone other than a parent

OR

Individual is a child (under 19) living with both parents, who do not expect to file jointly

OR

Individual is a child (under 19) who expects to be claimed as a dependent by a non-custodial parent

— NO —

Household is the household of the tax filer claiming the individual as a dependent, plus the individual's spouse (if living with the individual) and if pregnant, the number of children the individual is expecting

## Non-Filer, Non-Dependent Rules

Is the individual aged 19 or older?

YES

NO

Household includes the individual, siblings under age 19, parents and children living with the individual, and if pregnant the number of children the individual is expecting

YES

Household includes the individual plus the individual's spouse and children under age 19 living with the individual, and if pregnant, the number of children the individual is expecting

## Example: Three-Generation Household

Sonya, Kyla and Diane

- Sonya lives with and supports her 60-year-old mother, Diane and 7-year-old daughter, Kyla
- Sonya is the tax filer and will claim Diane and Kyla as tax dependents



## What are the Medicaid households for this family?

	Counted in Household			HH Size for Medicaid
	Sonya	Kyla	Diane	
Sonya	✓	✓	✓	3
Kyla	✓	✓	✓	3
Diane			✓	1

### MEDICAID HH RULE

#### TAX FILER

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

## Example: Three-Generation Household

Sonya, Kyla and Diane

- Sonya lives with and supports her 60-year-old mother, Diane and 7-year-old daughter, Kyla
- Sonya is the tax filer and will claim Diane and Kyla as tax dependents



## What are the Medicaid households for this family?

	Counted in Household			HH Size for Medicaid
	Sonya	Kyla	Diane	
Sonya	✓	✓	✓	3
Kyla	✓	✓	✓	3
Diane			✓	1

### MEDICAID HH RULE

#### **TAX DEPENDENT**

- ✓ Same household as tax filer claiming individual as dependent



## Example: Three-Generation Household

### Why is Diane a household of 1 for Medicaid?

- She is Sonya's tax dependent, but she is not Sonya's child or spouse. Therefore, she is treated as a non-filer.
- As a non-filer, Diane's household includes herself and any spouse or children living with her. Sonya is her daughter, but she is not considered a child because of her age.



### What are the Medicaid households for this family?

	Counted in Household			HH Size for Medicaid
	Sonya	Kyla	Diane	
Sonya	✓	✓	✓	3
Kyla	✓	✓	✓	3
Diane			✓	1

#### MEDICAID HH RULE

Tax Dependent

Exception – Not Child of Taxpayer

Apply Non-Filer Rules

*If 19 or older:*

- ✓ Individual
- ✓ Spouse & children under age 19 living with individual

## Example: Non-Married Parents

### **Dan, Jen, Drew and Mary**

- Dan and Jen live together with their 2 children, Drew and Mary
- Dan and Jen both have income
- On their tax returns, Jen will claim the children and Dan will file on his own



## **What are the Medicaid households for this family?**

	Counted in Household				HH Size for Medicaid
	Dan	Jen	Drew	Mary	
<b>Dan</b>	✓				<b>1</b>
<b>Jen</b>		✓	✓	✓	<b>3</b>
<b>Drew</b>	✓	✓	✓	✓	<b>4</b>
<b>Mary</b>	✓	✓	✓	✓	<b>4</b>

### **MEDICAID HH RULE** **TAX FILER**

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

## Example: Non-Married Parents

### Why are Drew and Mary a household of 4 for Medicaid?

- The children are tax dependents, but they fall under one of the exceptions to the tax dependent rule — they are children living with both parents who are unmarried
- Using the non-filer rule as it applies to individuals under 19, for each child we count their parents and their siblings who are living with them



### What are the Medicaid households for this family?

	Counted in Household				HH Size for Medicaid
	Dan	Jen	Drew	Mary	
Dan	✓				1
Jen		✓	✓	✓	3
Drew	✓	✓	✓	✓	4
Mary	✓	✓	✓	✓	4

#### MEDICAID HH RULE

**Tax Dependent  
Exception – Child Living  
with Both Parents  
Apply Non-Filer Rules**

*If Under 19:*

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



# What Counts as Income for PTC & Medicaid



# What Is Modified Adjusted Gross Income (MAGI)?



# General Rules About Counting Income

For more information, see the *Health Reform: Beyond the Basics* [Health Care Assister Guide to Tax Rules](#) (last updated Sept. 2020; revised version coming later this fall)

**All income is taxable unless specifically excluded by law from taxation**

Examples of Taxable Income	Examples of Non-Taxable Income
Wages, salaries, bonuses	Veterans' benefits
Self-employment income	TANF payments
Some Social Security benefits*	Child support payments
Unemployment compensation	Workers' compensation
Most retirement distributions	Supplemental Security Income (SSI)
<i>See IRS Publications 17 and 525 for more details on what income is taxable and not taxable</i>	

**Pre-tax deductions** (such as retirement contributions): Not included in MAGI

**\*Social security** (including survivor benefits and SSDI): Even the untaxed portion is included in the MAGI of a person with a tax filing requirement

**Alimony:** For agreements after January 1, 2019, neither spouse can include alimony on the tax return; under older agreements, couples can choose to include or not

# General Rules About Counting Income

Income can come in the form of money, goods, or services

Cash income is taxable and included even if:

*"I haven't declared it in the past"*

*"It's on the side"*

*"It's not my main job"*

*"I only work sometimes"*

**Bottom line: Enter all income in the HealthCare.gov application**

# Tips When a Client has Self-Employment Income

## 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/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 Estimator Tool

- Use [this tool](#) to estimate annual self-employment income.
- Download the PDF and fill it out on your computer so you can email the completed form to your client for their records.

## Self-Employment Income Estimator

**What is self-employment income?** Self-employment income includes any work or services you get paid for. This could be odd jobs, seasonal work, or other work that isn't recorded on a W-2. You can deduct reasonable business expenses to offset some of your income.

**Who should use this tool?** This tool can help you calculate the self-employment income and expenses you'll include on your HealthCare.gov application. This tool doesn't include everything you need to know to file your tax return and it isn't a substitute for tax advice.

**Note:** If you underestimate your income (or overestimate your expenses), you may get a higher premium tax credit than you qualify for and will need to pay some of it back.

### Main Information

Type of Business or Profession	
Business Name	
Business Start Date	
Have you included this business income on a recent tax return?	
Are your income and expenses similar to those on your prior tax return? If so, refer to your last tax return for help in estimating your income for next year.	

**Tip** Keep a separate checking account or credit card for your business to make income and expenses easier to track.

### Income

Total Gross Income from Form(s) 1099-MISC (do **NOT** deduct any expenses) . . . . . \$ \_\_\_\_\_

Total Gross Income from Form 1099-K (do **NOT** deduct any expenses) . . . . . \$ \_\_\_\_\_

Total Electronic payments not reported on 1099-MISC or 1099-K . . . . . \$ \_\_\_\_\_  
(such as certain rideshare income not reported above)

Total of all other income received by cash or check not reported above . . . . . \$ \_\_\_\_\_

**Total Gross Income** . . . . . \$

### Income Details

Income	Details



Health Reform: **Beyond the Basics**

A project of the  
Center on Budget  
and Policy Priorities

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# Enter Dependents' Income in the Application

- MAGI of tax filer *and all dependents who are required to file a tax return*
  - If the dependent does not have a tax filing requirement, none of their income is included in MAGI
  - If the dependent does have a tax filing requirement, income is included
- It's complicated! But the HealthCare.gov application is programmed to determine whether dependent income is counted

# Example: Single Adult with Dependent



## Jill and Ryan

- Jill is Ryan's mother and claims him as a tax dependent
- Jill's income: \$27,000
- Ryan's income from part-time work: \$3,000

## Whose income is counted in the household income for PTC?

- Jill's income is counted
- Ryan's income is not counted because he doesn't have a tax filing requirement
- **However, enter both Jill and Ryan's income in the HealthCare.gov application**

	Premium Tax Credit		
	HH	Income	FPL
Jill	2	\$27,000	147%
Ryan	2	\$27,000	147%



# Annual vs. Monthly Income Counting



# Entering Monthly Income

## Medicaid

- In general, Medicaid eligibility is based on current monthly income

## Maria's income

If Maria has more than one source of income, you'll be able to enter more later.

Select a type of income Maria currently gets this month.

[Learn more about types of income to report.](#)

[Learn more about reporting job income.](#)

Enter the employer name.

Enter the amount Maria gets paid.

[Learn how to calculate income.](#)

How often is Maria paid this amount?

- ☒ Hourly
- ☐ Daily
- ☐ Weekly
- ☐ Every 2 weeks
- ☐ Twice a month
- ☐ Monthly
- ☐ Yearly
- ☐ One time only

# Entering Annual Income

## Advance Premium Tax Credit

- Eligibility for advance PTC is based on projected annual income for the coverage year
- Annual income is calculated based on monthly income, but that might not be accurate
- If the application's annual income estimate isn't right, correct it by adjusting the annual income, not by adjusting the monthly amount

Maria's expected yearly income for 2023

About \$31,176.00

We calculated this expected yearly income amount based on what you entered for Maria's monthly income and expenses. Is this correct for 2023?

[I'm not sure if this amount is correct.](#)

☐ Yes

☒ No

Is Maria's income for 2023 hard to predict?

☒ Yes

☐ No

If you're not sure, make your best estimate of Maria's income total for 2023.

\$



We can help you better estimate Maria's income, if you need it

If their income is hard to predict or changes (like getting unemployment or having a short-term job):

Use income calculator

If you roughly know their monthly income, even if the amounts change:

Enter monthly amounts

# Entering Annual Income



We can help you better estimate Maria's income, if you need it

If their income is hard to predict or changes (like getting unemployment or having a short-term job):

Use income calculator

If you roughly know their monthly income, even if the amounts change:

Enter monthly amounts

<https://www.healthcare.gov/income-calculator/>

## Calculate yearly income

Use this tool to help calculate each household member's yearly income.



### If income has changed or may be hard to estimate

We know some people's income and expenses may change throughout the year or be hard to estimate. Use this tool for help making the best estimate. If you or your household members' income changes after you submit an application, come back to the Marketplace and update your application. This will help make sure you're getting the right amount of savings.

Household member's name

Optional

Maria

### Income

\$0.00

If this person gets this income at different times during the year, enter it as multiple income sources.

Income type

Job (like salary, wages, commissions, o

Amount

\$ 480

How often

Weekly

[I need help calculating this income](#)

When does this person get this income during the year?

If this person will get income for the entire year, enter January 1 - December 31.

Income start date (in coverage year)

Month / Day / Year  
[ ] / [ ] / [ ]

Income end date (in coverage year)

Month / Day / Year  
[ ] / [ ] / [ ]

Calculate

Cancel

# Entering Annual Income

 We can help you better estimate Maria's income, if you need it

If their income is hard to predict or changes (like getting unemployment or having a short-term job):

Use income calculator

If you roughly know their monthly income, even if the amounts change:

Enter monthly amounts

## Estimate Maria's income

Enter Maria's expected income for each month of 2023. Don't worry if this isn't the exact total, we just need a close estimate.

[Learn more about types of income to report.](#)

<b>January 2023</b> \$ 1,920	<b>February 2023</b> \$ 1,920
<b>March 2023</b> \$ 2,400	<b>April 2023</b> \$ 2,400
<b>May 2023</b> \$ 2,400	<b>June 2023</b> \$ 1,920
<b>July 2023</b> \$ 1,920	<b>August 2023</b> \$ 1,920
<b>September 2023</b> \$ 2,400	<b>October 2023</b> \$ 2,400
<b>November 2023</b> \$ 1,920	<b>December 2023</b> \$ 1,920

Save income estimate Cancel

# Example: Gap-Filling Rule



- Carla lives alone in a Medicaid expansion state and starts a seasonal job at a ski resort
- In November 2022, she applies for coverage at HealthCare.gov and provides this income information:
  - November income is: \$1,600 (141% FPL)
  - Projects 2023 income to be: \$13,000 (95% FPL)
- The Marketplace assesses her monthly income to be too high for Medicaid but her annual income to be too low for PTC
- **The “gap filling” rule:** When monthly income is too high for Medicaid but annual income is under 100% FPL, Medicaid eligibility is determined using marketplace household and income counting rules
- Based on annual income, Carla’s income is below 100% FPL
- Therefore, Carla will be determined eligible for Medicaid



# Marketplace Notice When Medicaid is Denied

## Act now to update and resubmit your 2022 application for Marketplace coverage

We recently forwarded your Marketplace application to your state because the information you submitted showed that someone in your household might qualify for Delaware Medicaid or Delaware Healthy Children Program (CHIP). After reviewing your information (including things like household income and family size), your state found the following household member(s) ineligible for coverage through Medicaid or CHIP:

Susan Griffith  
Sam Griffith

However, people in your household, including each person listed above, may still be able to buy a health plan through the Health Insurance Marketplace®, and get help paying for it.

### What should I do next?

Update and resubmit your Marketplace application right away to see if you (or other members of your household) are eligible to buy a Marketplace plan and get help with costs. For help with these steps, visit [HealthCare.gov/medicaid-chip/transfer-to-marketplace](https://HealthCare.gov/medicaid-chip/transfer-to-marketplace).

1. Visit HealthCare.gov and select “Log in.” If you don’t already have a Marketplace account, you can create one.
2. Update your existing application.
3. Be sure to include current information about your household, income, and your state’s recent decision about Medicaid and CHIP.
4. Submit your completed application.
5. Review your results, then enroll in a Marketplace plan if eligible.

You’ll get eligibility results right away. Your results will let you know if you can get help lowering the costs of your monthly premiums. After reviewing your results, if you’re eligible for Marketplace coverage, you can compare options and enroll in a Marketplace plan that best meets your needs.

- In most states, HealthCare.gov determines preliminary Medicaid eligibility, but must send the case to the state for a final determination
- The Medicaid agency might grant eligibility or the applicant might be determined ineligible and sent back to HealthCare.gov
- If the applicant’s file is sent back to HealthCare.gov, they should get a notice asking them to return to HealthCare.gov to resubmit their application

# Combining Household & Income Rules to Determine Eligibility





## Example: Three-Generation Household

### **Sonya, Kyla and Diane**

- Sonya lives with and supports her 60-year-old mother, Diane, and 7-year-old daughter, Kyla
- Sonya's annual income is expected to be \$35,000
- Diane expects to earn \$3,000 doing odd jobs
- Sonya will be the tax filer and claim Diane and Kyla as dependents



## **How does eligibility for this family work?**

	Medicaid			Premium Tax Credits			Outcome
	HH	Monthly Income	FPL	HH	Annual Income	FPL	
Sonya	3	\$2,916	152%	3	\$35,000	152%	PTC
Kyla	3	\$2,916	152%				Medicaid/CHIP
Diane	1	\$250	22%	3	\$35,000	152%	Depends on state


## Example: Non-Married Parents

### **Dan, Jen, Drew and Mary**

- Dan and Jen live together with their children, Drew and Mary
- Dan's income is projected to be \$20,000
- Jen's income is projected to be \$26,000
- For taxes, Jen will file as Head of Household and claim the children; Dan will file as Single



## **How does eligibility for this family work?**

	Medicaid			Premium Tax Credits			Outcome
	HH	Monthly Income	FPL	HH	Annual Income	FPL	
Dan	1	\$1,667	147%	1	\$20,000	147%	PTC
Jen	3	\$2,167	113%	3	\$26,000	113%	Depends on state
Drew	4	\$3,834	166%				Medicaid
Mary	4	\$3,834	166%				Medicaid

Q & A



# Resources

- Reference Guide: [Yearly Guidelines and Thresholds](#)
  - [Coverage Year 2023](#) (PDF)
- Reference Guide: [Medicaid Household Rules](#)
- Guide: [Health Assister's Guide to Tax Rules](#) *(last updated September 2020; revised version coming later this fall)*
- Key Facts:
  - [Determining Households for Medicaid and CHIP](#)
  - [Determining Households for PTC](#)
  - [Income Definitions for Marketplace and Medicaid Coverage](#)

# Upcoming Webinars

## Part II: Premium Tax Credits

- Thursday, September 15 | 2 pm ET (11 am PT)

## Part III: Immigrant Eligibility for Health Coverage Programs

- Tuesday, September 20 | 2 pm ET (11 am PT)

## Part IV: Plan Design

- Thursday, September 22 | 2 pm ET (11 am PT)

## Part V: Plan Selection Strategies

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

**Register for upcoming webinars at**  
**[www.healthreformbeyondthebasics.org/events](http://www.healthreformbeyondthebasics.org/events)**

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