

Affordable Care Act: Individuals & Families

Facts about the Premium Tax Credit

Health Insurance Marketplace

What is the Health Insurance Marketplace?

The Health Insurance Marketplace is where you can find health insurance coverage options and enroll in the coverage that fits your budget and meets your needs. Visit your Marketplace to find information about:

- health insurance options,
- how to purchase coverage, and
- how to get financial assistance with the cost of insurance.

The open enrollment period to purchase health insurance coverage for 2014 through the Health Insurance Marketplace ran from October 1, 2013, through March 31, 2014.

Currently, insurance for 2014 can only be purchased through the Marketplace if a qualifying life event has occurred, such as a change in family size, income, or job situation.

Learn more about the Marketplace at HealthCare.gov.

The Health Insurance Marketplace is the place to go to learn about financial assistance options.

When you get health insurance coverage through the Marketplace, you may be able to lower your monthly premium through advance payment of the premium tax credit. The credit is generally for people who have household income between one and four times the federal poverty level³.

³ The Federal Register publishes a chart reflecting the federal poverty guidelines at the beginning of each calendar year. For your 2014 tax return, you will use the guidelines published at the beginning of 2013. You can also find this information on the Department of Health and Human Services website at HealthCare.gov.

More Information

Find out more about the Premium Tax Credit at IRS.gov/aca.

Find out more about coverage options, financial assistance and the Marketplace at HealthCare.gov.

Need help paying for health insurance premiums?

If you buy insurance through the Health Insurance Marketplace, this credit may be for you.

The Affordable Care Act includes financial assistance options for health insurance coverage purchased through the Marketplace, including the Premium Tax Credit¹. The amount of your Premium Tax Credit will depend on your family size and income.

IRS.gov/aca

HealthCare.gov

¹ Applies only to coverage purchased through the Health Insurance Marketplace. The credit is not available to people who purchase coverage in the individual market or those eligible for coverage through an eligible employer or government sponsored program.

This Credit Can Make a Difference for You

Your Health Insurance Coverage,

Your Tax Credit,

Your Choice to

Get It Now or Get It Later.

1. Facts about the Credit

What is the Premium Tax Credit? How can it help me?

When you get your health insurance coverage through the Marketplace, you may be eligible for the Premium Tax Credit.

The Premium Tax Credit can help make purchasing health insurance coverage more affordable for people with moderate incomes.

When you get coverage through the Marketplace and are eligible for the credit, you can choose to:

- 1. Get It Now:** Some or all of the estimated credit can be paid in advance directly to your insurance company to lower what you pay out-of-pocket for your monthly premiums during 2014; or
- 2. Get It Later:** You can decline advance payments of the credit and get the credit when you file your 2014 tax return in 2015.

2. Facts about Eligibility

Am I eligible for the credit?

You may be eligible for the credit if you meet all of the following:

- buy health insurance through the Marketplace;
- are not eligible for coverage through an employer or government plan;
- have income within certain limits;
- do not file a Married Filing Separately return²; and
- cannot be claimed as a dependent by another person.

²MFS permitted for domestic abuse victims. Learn more at IRS.gov/aca.

3. Facts about Getting the Credit

How do I get the credit?

To qualify for the credit, you must get insurance through the Marketplace.

1. During enrollment through the Marketplace, using information you provided about your projected income and family size for 2014, the Marketplace estimates the amount of the Premium Tax Credit you will be able to claim for the 2014 tax year.
2. You decide whether you want to have some, all, or none of your estimated credit paid in advance directly to your insurer.

4. Facts about Claiming the Credit on Your Tax Return

How will the credit affect my federal tax return?

Whether you choose the get it now option or the get it later option at the Marketplace, you must file a federal income tax return.

If you choose to get it now: When you file your 2014 tax return in 2015, you will subtract the total advance payments of the credit received during the year from the amount of the Premium Tax Credit computed on your tax return. If the Premium Tax Credit computed on the return is more than the advance payments of the credit, the difference will increase your refund or lower your balance due. If the advance payments of the credit are more than the Premium Tax Credit, the difference will result in either a smaller refund or a balance due.

If you choose to get it later: You will claim the full amount of Premium Tax Credit when you file your 2014 tax return in 2015; this will either increase your refund or lower your balance due.

Report income and family size changes to the Marketplace as they happen.

Reporting changes will help make sure you get the correct amount of advance payments. Receiving too much or too little in advance can affect your refund or balance due when you file your 2014 tax return in 2015.

For example: If you do not report income or family size changes in 2014, the advance payments will not match the credit amount on your federal tax return. This might result in a smaller refund or larger balance due.

For more information on reporting changes in circumstances, visit HealthCare.gov.