

Health Insurance Premium Tax Credits

There are more Qualified Health Plans now than ever to choose from through *Washington Healthplanfinder*.

There are more affordable options now to choose from too. The health insurance premium tax credit is one of the ways you can get financial help to sign up.



Tax credits lower the cost of health coverage

Depending on how much you earn, you could get financial help. Free and low-cost coverage is available. Tax credits help lower the cost of your health insurance.

- Tax credits are applied directly to the premium payment at the time you enroll into insurance. You do not need to wait until you file taxes at the end of the year to get tax credits.
- Tax credits are paid by the federal government directly to the health plan that you choose through *Washington Healthplanfinder*.

Tax credit eligibility

You are eligible for premium tax credits if you:

- Buy health insurance through *Washington Healthplanfinder*
- Are within certain income limits
- Do not have access to other insurance options through work or another government program
- Are a U.S. citizen or legal resident
- Do not file a Married Filing Separately tax return

How you can use tax credits

If you are eligible for tax credits, you can choose to:

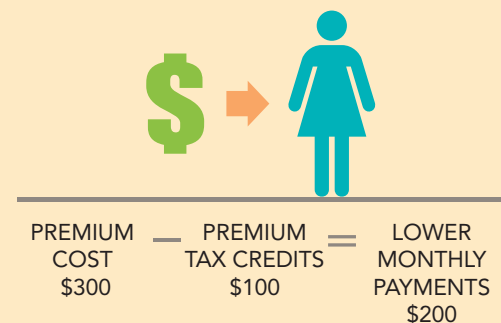
- Use some or all of your tax credits to lower your monthly premium payments, or
- Wait to get all of your tax credits when you file your tax return

You can change the amount of tax credits you use monthly through your *Washington Healthplanfinder* account.

EXAMPLE >

Marcela is an uninsured, single adult. She makes \$30,000 a year (\$2,500 a month). Marcela's earnings make it possible for her to get financial help called tax credits. This help makes Marcela's premium payments cost less.

Contact *Washington Healthplanfinder* for actual numbers.



How tax credits are calculated

- There is a set limit on the amount your household will pay monthly for health insurance. That premium limit is based on a percentage of your income, and set on a sliding scale.
- The limit is compared to the price of the 2nd lowest-cost Silver plan offered to you through *Washington Healthplanfinder*. A Silver plan is 1 of 4 categories of health plans you can choose from.
- Your tax credit amount is the difference between your Silver plan price and your premium limit.
- *Washington Healthplanfinder* will calculate your tax credits for you.

Example:

- Nelly makes \$1,800/month
- Nelly's Silver plan costs \$215/month
- Nelly's premium limit is \$100/month
- Nelly receives a tax credit of \$115/month
- Nelly pays \$100 and uses the \$115 tax credit to pay her monthly premium



SILVER PLAN COST
\$215

—



NELLY'S PREMIUM LIMIT
\$100

=



TAX CREDITS TO HELP
NELLY PAY HER PREMIUM
\$115

Report your income changes

If your monthly income goes up or down more than \$150 during the year, login to your *Washington Healthplanfinder* account and report that change. This will keep the amount of tax credits you get correct.

You must file taxes when you get tax credits

When you file taxes, the amount of tax credits you got during the year (based on your estimated income) is compared to the amount of tax credits you were allowed to get (based on your real income at the end of the year). This is called "tax credit reconciliation," and you must do this yearly to keep getting tax credits. At tax time, you will get a form mailed to you called a **1095-A: Health Insurance Marketplace Statement**.

- Keep it safe and use the form to complete your taxes.
- Use the information from your 1095-A to complete **IRS Form 8962: Premium Tax Credit** during the tax season.



Everyone has a right to free help and information in their own language. To speak with someone for free in a language you understand, call 1-855-923-4633. For more information visit: www.wahbexchange.org/language-resources.



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