

FAMILY TAX CREDITS



Obamacare & Taxes: How Life Changes Can Impact Your Premium Tax Credit (New Job, Loss of Job, or Other Change in Income)

1. Does a change in my income potentially impact my Premium Tax Credit?

Yes. The amount of your **Premium Tax Credit** is based on both the number of people in your household and your household income. If your income goes up or down at any point during the year, you need to update the Marketplace with that information as soon as possible, so that your **Premium Tax Credit** can be adjusted. If your income goes down during the year, you may be eligible for an increase in your **Premium Tax Credit**. If your income goes up, you should report it so that your **Premium Tax Credit** amount can be lowered, if necessary, limiting how much you may owe "back" when you file your taxes.

2. If my income changes, when and how do I let the Marketplace know?

You should contact the Marketplace as soon as possible when your income changes—including both increases and decreases in your income. This way, your **Premium Tax Credit** amount can be adjusted to match your actual circumstances. You can avoid either having to repay some of the credit you received, or missing out if you qualify for a larger **Premium Tax Credit** to help you pay for health insurance throughout the year. You will also likely qualify for a special enrollment period to adjust other aspects of your health insurance (but act quickly, because you only have 60 days from the date that your income changed to adjust your plan).

Visit <https://www.healthcare.gov/how-do-i-report-life-changes-to-the-Marketplace/> or call 1-800-318-2596 to report your change in income, and adjust your **Premium Tax Credit** today.

3. My new job offers health insurance. Will this impact my Premium Tax Credit?

Yes. If you are eligible for other health insurance coverage, you are likely no longer eligible for the **Premium Tax Credit**. Eligibility for the **Premium Tax Credit** is based in part upon your ineligibility for other "minimal essential coverage"—including Medicare, Medicaid, or employer-sponsored health insurance that is considered adequate and affordable. So if at some point during the year, you receive an offer of health insurance through your employer, or you find out that you qualify for Medicaid or Medicare, you should update the Marketplace.

4. What should I expect when I file my tax return in 2015?

If you receive a **Premium Tax Credit** in 2014, you will report that on the tax return that you file in 2015. The health insurance Marketplace will provide information regarding your **Premium Tax Credit** to the IRS. The IRS will compare your **projected 2014 income** (what you thought you would make) **and household size** that you provided when you signed up for health insurance

to your **actual 2014 income** (what you actually made) **and household size**, and make a final calculation on your **Premium Tax Credit**. They will then settle the difference between this final calculation and the **Premium Tax Credit** amount you received in 2014.

How will this impact you? You could receive a tax refund (or if you owe taxes, have the amount that you owe reduced)—but you could end up paying back part of the **Premium Tax Credit** the Marketplace paid to your health insurer throughout 2014. This is why it is so important to update the Marketplace with any changes in income or household size that occur throughout the year—don't wait until tax time!

5. Do I have to do anything in particular when I file my tax return in 2015, if I received the Premium Tax Credit?

You will need to fill out a form to send with your tax return (the IRS is writing it as we speak). The Marketplace will send you an information statement on the **Premium Tax Credit** that you received in 2014 by January 31, 2015, which you will use to fill out your tax return and any related IRS forms.