

FAMILY TAX CREDITS



Obamacare & Taxes: How Life Changes Can Impact Your Premium Tax Credit (Marriage & Divorce)

1. Does getting married or divorced potentially impact my Premium Tax Credit amount?

Yes. The amount of your **Premium Tax Credit** is based on both the number of people in your household and your household income. For tax purposes, you are considered married for the entire year as long as you are married on the last day of the year. If you get married at any point in 2014—or if you get divorced or legally separated—you need to update the Marketplace with that information as soon as possible, so that your **Premium Tax Credit** can be adjusted.

You may be eligible for an increase in your **Premium Tax Credit**, or your **Premium Tax Credit** amount may need to be lowered—and reporting it as soon as possible will limit how much you may owe back when you file your taxes.

2. If I get married or divorced this year, when and how do I let the Marketplace know?

You should contact the Marketplace as soon as possible when your household size changes—including when you get married or divorced. This way, your **Premium Tax Credit** amount can be adjusted to match your actual circumstances, and you can avoid either having to repay some of the credit you received, or missing out on a larger **Premium Tax Credit** to help you pay for health insurance throughout the year.

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

Your marriage (or divorce) may impact the amount of your **Premium Tax Credit**, and therefore the amount you will be paying each month for coverage. But it's important to remember that it will not impact your eligibility to remain in your health insurance plan through the Marketplace—unless you want it to (for example, because you prefer the coverage offered by your new spouse's employer). If you just got married, you will most 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 your wedding date).

3. 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 Marketplace will send you an information statement on your 2014 **Premium Tax Credit** by January 31, 2015, which you will use to fill out your tax return and any related IRS forms.

The IRS will “reconcile” the **projected 2014 income** (what you thought you would make) **and household size** that you provided when you signed up for health insurance with your **actual 2014 income** (what you actually made) **and household size**, and use these figures to reach a final calculation on your **Premium Tax Credit**.

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 a portion of the **Premium Tax Credit** that was paid to your health insurer throughout the previous year. 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!

4. Do I have to file a joint tax return with my spouse?

In most cases, yes. Married couples who receive a **Premium Tax Credit** to help cover the cost of health insurance in 2014 are required to file a joint tax return, unless they are either legally separated OR meet very narrow requirements in order to file as Head of Household (lived apart from a spouse for the last 6 months of the year and paid half of the costs to maintain a household where a dependent child lives for over half the year). There is an exception for victims of domestic violence, when filing a joint return is impossible or dangerous.

5. Are these rules the same for same-sex couples?

Yes! Same-sex couples who marry in a state or foreign country where same-sex marriage is legal should update the Marketplace as soon as possible, so that any necessary adjustments to their **Premium Tax Credit** can be made. Couples should know that insurance companies must provide same-sex and opposite-sex couples the same family coverage options, regardless of where the couple lives. This means that as long as you were married in a state where your marriage is lawful, you will be able to enroll in a health insurance plan that offers spousal coverage, regardless of where you currently live.

Also, marriage likely qualifies the couple for a 60 day special enrollment period (just as it does for opposite-sex couples).