

How to save on your monthly insurance bill with a premium tax credit

What is the premium tax credit?

When you apply for health insurance on the Marketplace, you can see if you qualify for a “premium tax credit” to lower the amount you pay each month for the insurance plan.

The amount of the premium tax credit depends on your estimated household income for the year you want coverage.

How do I use the premium tax credit?

You can use all, some or none of your premium tax credit in advance to lower your monthly premium payment. The Marketplace will send it in advance directly to your insurance company so you pay less each month.

If you use more advance payments of the tax credit than you qualify for, you must repay the difference when you file your federal income tax return.

If you use less premium tax credit than you qualify for, you’ll get the difference as a refundable credit when you file your taxes.



Who is eligible?

You are eligible for the premium tax credit if you meet all of the following requirements:

- Purchase coverage through the Marketplace
- Have household income that falls within a certain range (see the chart on the other side)
- Are not able to get affordable coverage through an eligible plan that provides minimum value
- Are not eligible for coverage through a government program, like Medicaid, Medicare, CHIP or TRICARE
- File a joint return, if married
- Cannot be claimed as a dependent by another person

Sources: www.irs.gov and the Federal Register

Income range levels

The amount of premium tax credit you may get depends on your estimated income for the year you want coverage (not the current year).

If your estimated income falls between 100% and 400% of the federal poverty level for your household size, you qualify for a premium tax credit.

What if my income changes?

If your income changes, or you add or lose members of your household, your premium tax credit might change too. Be sure to report these changes to the Marketplace as soon as possible.

		% Gross Yearly Income						
		100%	133%	175%	200%	250%	300%	400%
Family Size	1	\$12,760	\$16,971	\$22,330	\$25,520	\$31,900	\$38,280	\$51,040
	2	\$17,240	\$22,929	\$30,170	\$34,480	\$43,100	\$51,720	\$68,960
	3	\$21,720	\$28,888	\$38,010	\$43,440	\$54,300	\$65,160	\$86,880
	4	\$26,200	\$34,846	\$45,850	\$52,400	\$65,500	\$78,600	\$104,800
	5	\$30,680	\$40,804	\$53,690	\$61,360	\$76,700	\$92,040	\$122,720
	6	\$35,160	\$46,763	\$61,530	\$70,320	\$87,900	\$105,480	\$140,640
	7	\$39,640	\$52,721	\$69,370	\$79,280	\$99,100	\$118,920	\$158,560
	8	\$44,120	\$58,680	\$77,210	\$88,240	\$110,300	\$132,360	\$176,480

Note: Pregnant women count as two people for the purpose of this chart.

For families/households with more than 8 persons, add \$4,480 for each additional person.

Source: Federal Register, publication date: January 14, 2020.

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