



Understanding the Premium Tax Credit

The premium tax credit is an advanceable, refundable tax credit designed to help eligible individuals and families with low or moderate income afford health insurance purchased through the Marketplace. You can choose to have the credit paid in advance to your insurance company to lower what you pay for your monthly premiums, or you can claim all of the credit when you file your tax return for the year.

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 chart)
- 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

Federal poverty level chart

The benefit levels of many government assistance programs, including tax credits on the Health Insurance Marketplace, are based on federal poverty levels (FPL) as shown on the chart. You would be eligible for tax credits if your income falls between 100% and 400% of the FPL (\$24,300 to \$97,200 per year for a family of four in 2016).

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

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		% Gross Yearly Income						
		100%	133%	175%	200%	250%	300%	400%
Family Size	1	\$11,880	\$15,800	\$20,790	\$23,760	\$29,700	\$35,640	\$47,520
	2	\$16,020	\$21,307	\$28,035	\$32,040	\$40,050	\$48,060	\$64,080
	3	\$20,160	\$26,813	\$35,280	\$40,320	\$50,400	\$60,480	\$80,640
	4	\$24,300	\$32,319	\$42,525	\$48,600	\$60,750	\$72,900	\$97,200
	5	\$28,440	\$37,825	\$49,770	\$56,880	\$71,100	\$85,320	\$113,760
	6	\$32,580	\$43,331	\$57,015	\$65,160	\$81,450	\$97,740	\$130,320
	7	\$36,730	\$48,851	\$64,278	\$73,460	\$91,825	\$110,190	\$146,920
	8	\$40,890	\$54,384	\$71,558	\$81,780	\$102,225	\$122,670	\$163,560

For families/households with more than 8 persons, add \$4,160 for each additional person. Source: Federal Register, publication date: Jan. 25, 2016.

Sources: www.irs.gov and the Federal Register This material is for informational purposes only. This material is presented with the understanding that Blue Cross and Blue Shield of Kansas is not engaged in rendering legal, financial or tax advice. If tax or other professional assistance is required, utilize the services of a CPA, attorney, accountant or other consultant as may be required.

