

Understanding Health Care Reform

Marketplace Costs

This chart demonstrates what you would pay in the public marketplace for the second-lowest-cost “Silver Plan” after subsidy.

Household MAGI as a % of 2013 FPL	Max Premium as a % of Income	Silver Premium, Household of 1 Your Income→Your Rate	Silver Premium, Household of 2 Your Income→Your Rate	Silver Premium, Household of 4 Your Income→Your Rate
100%	2.0%	\$11,490→\$19/mo	\$15,510→\$26/mo	\$23,550→\$39/mo
133.01%	3.0%	\$15,282→\$38/mo	\$20,629→\$52/mo	\$31,322→\$78/mo
150%	4.0%	\$17,235→\$57/mo	\$23,265→\$78/mo	\$35,325→\$118/mo
200%	6.3%	\$22,980→\$121/mo	\$31,020→\$163/mo	\$47,100→\$247/mo
300%	9.5%	\$34,470→\$273/mo	\$46,530→\$368/mo	\$70,650→\$559/mo
400%	9.5%	\$45,960→\$364/mo	\$62,040→\$491/mo	\$94,200→\$746/mo

Why is my cost based on a silver plan? Can I buy bronze, gold, or platinum coverage with a premium tax credit?

- The premium tax credits are calculated based on the cost of the second-lowest cost silver plan in your Marketplace. That credit amount can then be used to buy less expensive bronze coverage or toward the purchase of more expensive gold or platinum coverage and you would pay the difference. The premium tax credit is paid in advance directly to the insurance company so that you only have to pay your share of the premium each month.
- For example, if the second-lowest cost silver plan costs \$250/mo and your cost at 200% FPL is \$121/mo, then the credit is worth \$129/mo. You could then take that \$129/mo to buy a \$190/mo bronze plan (lowering your cost from \$121/mo to just \$61/mo), or you could take that \$129/mo to buy a \$350/mo gold plan (raising your cost from \$121/mo to \$221/mo). These are illustrative examples only and not intended to represent actual costs for Marketplace plans.

What is household MAGI?

- Household modified adjusted gross income (MAGI) is calculated by taking your household’s adjusted gross income from your Form 1040 and adding back in certain income not subject to taxation (such as Social Security benefits, foreign-source income, and tax-free interest earnings).
- When applying for a Marketplace premium tax credit, you will be estimating what you anticipate this year’s household MAGI is expected to be. If your MAGI ends up higher than you estimated, you may owe some or all of the tax credits back.

This material should not be considered as a substitute for legal, tax and/or actuarial advice. Contact the appropriate professional counsel for such matters. These materials are not exhaustive and are subject to possible changes in applicable laws, rules, and regulations and their interpretations.

Understanding Health Care Reform

Marketplace Costs

What is FPL?

The federal government defines a federal poverty level (FPL) each year to determine eligibility for various financial assistance programs, such as Medicaid, food stamps, and the new Marketplace tax credits.

How do I qualify for Marketplace premium tax credits?

You can apply if you are a lawful resident, you are not incarcerated, your household MAGI is 100-400% of FPL, you cannot be claimed as a dependent on someone else's tax return, if married you must file a joint tax return, and you cannot have access to government-sponsored insurance or to an employer plan that meets standards for affordability and minimum value.