



# Getting Financial Assistance through Covered California

What You Need to Know



## How do I calculate my annual income?

Income includes wages, salaries, tips, self-employment income, rental income, interest received, lottery and gambling income, capital gains, pensions, Social Security retirement benefits, foreign-earned income, alimony income and bartering income. If you claim your spouse or children as dependents, their income counts toward your household income only if they are required to file a tax return. In order to receive tax credits through Covered California, spouses are required to file their income tax returns jointly.

## How do I correctly report yearly income changes?

If your annual income is unpredictable, we recommend reporting your income to Covered California as it changes.

On the online application on CoveredCA.com, there is a button that allows you to 'Report a Change.'

Health insurance protects you from the what-ifs of life and can bring peace of mind, but you may be concerned about the cost. Here, you can find out more about getting help paying for health care through Covered California™ and whether you qualify for financial assistance so you can make the best choice for you and your family.

### How much will my health insurance cost?

Your health care costs will depend on your age, where you live, your household size, household income and the health plan you select. Use Covered California's online Shop and Compare Tool to see how much your plan might cost and to find out if you are eligible for any financial assistance or qualify for Medi-Cal.

### Will I be eligible for financial assistance?

Financial assistance is available in the form of a tax credit to people who qualify based on household size and income. The amount is based on a sliding scale, which means the lower your income, the more help you can receive.

### What financial assistance does Covered California offer?

If you qualify, you can receive a tax credit that you may use to reduce your monthly premiums. To qualify for an advanced premium tax credit (APTC), you must purchase your plan through Covered California. In addition to the tax credit, you may also qualify for assistance that lowers your out-of-pocket costs for health care. The amount you receive depends on your age, location, household size, household income and the cost of health plans in your area.

### See if you may be eligible for financial assistance:

Number of people in your household	If your 2015 household income is less than...	If your 2015 household income is between...
1	\$16,105	\$16,105 – \$46,680
2	\$21,708	\$21,708 – \$62,920
3	\$27,311	\$27,311 – \$79,160
4	\$32,913	\$32,913 – \$95,400
5	\$38,516	\$38,516 – \$111,640
	You may be eligible for Medi-Cal	You may be eligible for financial help to purchase insurance through Covered California

The lower your income, the more help you can receive.

# Getting Financial Assistance through Covered California

## What You Need to Know (continued)



### What happens when I file my taxes?

If you receive a tax credit through Covered California, you must file taxes for that benefit year. Depending on whether your actual annual income (as recorded on your tax forms) is more or less than what you stated when you applied for financial assistance, you may have to pay some money back when you file your taxes, or you may be entitled to receive an additional credit through your refund.

If you're worried about owing back more money at tax time, you can use less of the tax credit each month and claim the rest of the credit at tax time. That way, your monthly premiums will still be lower (though not as much) and there is a lower chance that you'll owe back money. You can also pay the full premium amount each month. If you choose this option, your tax credit will reduce the taxes you owe, or get you a bigger refund if you don't owe anything.

### Is there a penalty if I don't have insurance?



**You will have to pay a penalty when you file your taxes if you don't have health insurance or an exemption.**

In 2015, the penalty will be 2 percent of your yearly household income or \$325 per adult (and \$162.50 per child under 18), whichever is higher.

### If I get a job with employer-sponsored health insurance, how does my tax credit change?

If you get a job with employer-sponsored health care when you're already receiving tax credits through Covered California, you may have to return some money to the federal government. Be sure to report any changes in your employment status to Covered California within 30 days of the change so that your tax credit can be adjusted accordingly.

### If my income changes, how does my tax credit change?

If your income decreases while you are receiving tax credits for health care, you may get more money back in your income tax return for the year. If your income increases, you may have to return some of the tax credit money. You should report any changes in your income to Covered California as they happen, so your tax credit will be adjusted in real-time and you can avoid any significant repayments at the end of the year..

For more information or to find free, confidential local help, please contact:



### How do I get my financial assistance?



**In advance:** Your tax credit can be sent directly to the health plan you select, lowering your monthly payments. If you choose an advance credit, the government will pay 1/12 of your annual credit directly to your insurance company each month and you will be billed for the rest.



**When you file your taxes:** You can pay full price for your health plan each month and receive your tax credit in one lump sum as part of your tax return in the form of a refund.



**Some in advance and some when you file your taxes:** You can also choose to have some of your assistance sent to the health plan each month, lowering your monthly premiums, and use the rest as a tax credit when you file your tax return.