



# Advance Premium Tax Credits:

## Save money on your health insurance every month

You can get a tax credit that helps to lower your monthly health insurance premium. This is called an **Advance Premium Tax Credit**. If you live in Massachusetts, you must buy your health insurance from the Health Connector to get this tax credit.

### How to use your tax credit

There are 3 ways you can use your tax credit. You can use **ALL**, **SOME** or **NONE** of your tax credit to lower your monthly premium.

- ➔ If you use **ALL** of your tax credit: You will pay the lowest monthly premiums. However, you may have to pay money back on your federal income tax return if you end up earning more than you reported on your application.
- ➔ If you use **SOME** of your tax credit: Your monthly premium will be lower than paying the full cost. You will also lower your risk of having to pay money back on your federal income tax return if you end up earning more than you reported on your application.
- ➔ If you use **NONE** of your tax credit: You will pay the full health insurance premium each month. However, you won't risk having to pay money back on your federal income tax return if you end up earning more than you reported on your application.

You can also choose to use any extra tax credit amount that you have towards the costs of a pediatric dental plan for anyone in your family who is under the age of 19.

**Important:** Always update the Health Connector right away with any change in your household's income, job status, and family size. If you do not, you could risk having to pay money from your tax credit back on your next tax return.

# Frequently Asked Questions

## 1. Who can qualify for a tax credit?

You can qualify for a tax credit if your household income is up to 400% of the federal poverty level (FPL). For example, you could qualify if you have a family of four with a household income of up to about \$97,000 a year. See the chart to the right for more examples of household incomes that are within 400% of the FPL. If you live in Massachusetts, you can only get a tax credit for your premium if you buy a health plan through the Health Connector.

In addition to tax credits, some people may qualify to enroll in ConnectorCare plans, which have lower premiums and out-of-pocket costs. For more information about ConnectorCare plans, go to [MAhealthconnector.org](http://MAhealthconnector.org).

### 400% FEDERAL POVERTY LEVEL (FPL) GUIDELINES IN 2015

Household size	400%
1	\$47,080
2	\$63,720
3	\$80,360
4	\$97,000
For each extra person, add:	\$16,640

## 2. How is a tax credit calculated?

The goal of having a tax credit is to help make your monthly health insurance premium more affordable. To do this, the Health Connector will compare the amount that the federal government has said you should be able to afford for health insurance each month, based on your household size and income, to the cost of the second least-expensive Silver tier health plan that is available to you (learn more about plan tiers at [MAhealthconnector.org](http://MAhealthconnector.org)). The difference between these two numbers will determine how much money you can get as a tax credit to make your premium more affordable.

## 3. Do I have to buy a certain plan with my tax credit?

No, you can use your tax credit to buy any plan from the Health Connector that is available where you live, except for a Catastrophic plan. You can search for plans in your area on our website at [MAhealthconnector.org](http://MAhealthconnector.org).

## 4. Why would I qualify for a tax credit that is \$0.00?

If your tax credit is \$0, there is no difference between the amount that the federal government has determined you can afford, and the amount of the premium for the second lowest-cost Silver plan available for you through the Health Connector (see question #2, How is a tax credit calculated?). For example, if the Health Connector has determined that you should be able to afford \$100 per month in health insurance, and the premium for the second lowest-cost Silver plan available is \$100 per month or less, then your tax credit amount would \$0.

## 5. What if I make more or less money than I estimated on my application?

You may have to pay back some of the credit you received if you end up making more money than you estimated on your application. Or, you may get a refund for tax credits you qualified for and did not take during the year if you end up making less money than you estimated on your application. It is important to always update the Health Connector with any change in your household's income, job status, and family size.

## 6. Can I change the amount of tax credit that I use towards my premium?

Yes, you can choose to change the amount of tax credit that you apply towards your premium at any point during the year. You may want to change the amount that you use towards your premium if you think that your income for the year will end up being different than what you estimated on your application for health insurance. Remember to let the Health Connector know right away if your income, family size, or job status changes during the year.

## 7. Do I have to file taxes to get tax credits?

Yes, you have to file a federal tax return for any year that you want to use tax credits. However, you can still get a tax credit if you didn't file a tax return in the past.

**Questions?**

Visit [MAhealthconnector.org](http://MAhealthconnector.org) or call 1-877 MA ENROLL (1-877-623-6765) or TTY: 1-877-623-7773, Monday to Friday, 8:00 a.m. to 6:00 p.m.