





## Health Care Reform Cost-Sharing Reduction and the Premium Tax Credit

**Note:** Make sure to notify the Marketplace if your circumstances change during the year to avoid having to repay all or part of the credit when you file your tax return.

### Credit Amount

The credit amount is the difference between your household's required contribution and the second lowest cost Silver plan available to each member of your household. The second lowest cost Silver plan can be found on the Marketplace websites. The required contribution is the amount you would pay for insurance premiums for the second lowest cost Silver plan after factoring in the PTC.

Household Income (Expressed as a Percent of Poverty Level)	Required Contribution (Percentage of Household Income)
Less than 133%	0.00%
133% to 149%	0.00%
150% to 199%	0.00%
200% to 249%	2.00% to 4.00%
250% to 299%	4.00% to 6.00%
300% to 399%	6.00% to 8.50%
400% and higher	8.50%

**Note:** If you live in a state that has not expanded Medicaid, your income is below the federal poverty level, and you don't qualify for Medicaid under your state's current rules, you won't qualify for cost-sharing reductions or the PTC. Those savings through the Marketplace are only available to people with incomes between 100% and 400% of the

federal poverty level.

Federal Poverty Level (FPL)			
2020 Federal Poverty Level used for the 2021 Form 8962, <i>Premium Tax Credit</i> .			
Persons in Family	FPL for 48 Contiguous States and the D.C.	FPL for Alaska	FPL for Hawaii
1	\$12,760	\$15,950	\$14,680
2	\$17,240	\$21,550	\$19,830
3	\$21,720	\$27,150	\$24,980
4	\$26,200	\$32,750	\$30,130
5	\$30,680	\$38,350	\$35,280
6	\$35,160	\$43,950	\$40,430
7	\$39,640	\$49,550	\$45,580
8	\$44,120	\$55,150	\$50,730
More than 8	Add \$4,480 per additional person	Add \$5,600 per additional person	Add \$5,150 per additional person

Source: <https://aspe.hhs.gov/poverty-guidelines>

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## Contact Us

There are many events that occur during the year that can affect your tax situation. Preparation of your tax return involves summarizing transactions and events that occurred during the prior year. In most situations, treatment is firmly established at the time the transaction occurs. However, negative tax effects can be avoided by proper planning. Please contact us in advance if you have questions about the tax effects of a transaction or event, including the following:

- Pension or IRA distributions.
- Significant change in income or deductions.
- Job change.
- Marriage.
- Attainment of age 59½ or 72.
- Sale or purchase of a business.
- Sale or purchase of a residence or other real estate.
- Retirement.
- Notice from IRS or other revenue department.
- Divorce or separation.
- Self-employment.
- Charitable contributions of property in excess of \$5,000.