INSURED AMERICAN & FAMILY

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APTC Subsidies, How the Help Works

The federal tax credit that lowers your Marketplace premium

If you qualify, the government can pay part of your monthly premium directly to your insurer.

WHAT IT IS

The Advance Premium Tax Credit (APTC) is a federal subsidy that reduces what you pay each month for a Marketplace health plan. It's paid directly to your insurance carrier on your behalf. Eligibility depends on household income, household size, age of enrollees, and the cost of the local benchmark Silver plan in your ZIP code.

HOW ELIGIBILITY WORKS

Based on household income relative to Federal Poverty Level (FPL).

Household size, age of enrollees, and your local benchmark Silver plan all factor in.

Lower income (relative to FPL) = larger subsidy.
Must enroll through the Marketplace (Healthcare.gov in most states).

HOW THE MONEY MOVES

You estimate your annual household income at enrollment.
Marketplace calculates your subsidy amount per month.

Subsidy is sent directly to your insurance carrier, you pay the difference.

At tax time, the IRS reconciles based on actual income.
Important: if your income went UP from your estimate, you may owe at tax time.

THE 3 THINGS PEOPLE GET WRONG

1. **"I make too much to qualify for help."**
   Subsidy eligibility depends on age, household size, location, AND income, not just one number. Family situations change. Even if you didn't qualify in past years, it's worth running the numbers again.
2. **"I should pick the cheapest Bronze plan to save more."**
   Subsidies are tied to the local Silver benchmark. Picking Silver often comes with extra cost-sharing reductions (CSRs) for lower incomes, better coverage AND lower monthly cost.
3. **"APTC is welfare."**
   It's a tax credit, not welfare. If you qualify based on income, you get it, same as any other tax benefit. Millions of working Americans use it every year.

REPORT CHANGES IN REAL TIME:

If your income changes mid-year, report it to the Marketplace right away. Otherwise you may face a surprise tax bill at year-end.

Wondering if you qualify for a subsidy? Call or text Craig, I'll help find the best plan that fits your medical and financial needs.

Don't go underinsured when you can be Insured AF.

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