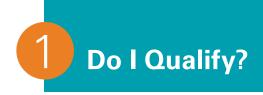
Covered California www.coveredca.com



CUT THE COST of Health Insurance

A new tax credit helps lower- and middle-income families



If you answer **NO** to ALL of these questions, you may qualify:

1.	Does your employer offer health insurance?	□ YES	
2 .	Do you receive Medicare?		
3.	Does your family make <i>more</i> than the yearly income below?		

YEARLY INCOME
\$45,960
\$62,040
\$78,120
\$94,200
\$110,280
\$126,360

If your income is near these amounts, you may still qualify.





What is this tax credit?

The Health Premium Tax Credit reduces the total amount of tax you owe the IRS. If you don't owe, you can get a bigger refund. You get the tax credit to help cut the cost of your health insurance.

Can I use my tax credit for any health plan?

NO. You MUST buy your health insurance from:

Covered California 1-888-975-1142 www.coveredca.com

This new marketplace offers a wide variety of health plans with good benefits. All plans cover prescriptions,

hospital stays, doctor visits and more. If you buy different coverage, you won't get the tax credit help.

How much help will I get?

The amount depends on your family income and your family size. Lower income families get the most help.



When does it start?

The tax credit begins with insurance that starts January 1, 2014 — or later.

Two Ways to Take the Tax Credit

	Take It Now!
October 2013 – March 2014• Sign up for health insurance at www.coveredca.com	
	 Tell them you want the tax credit "in advance" Choose to take all your credit in advance — or just part of it
During 2014	 Pay a lower premium each month in 2014 — and now you are covered
January 2015 – April 2015	 Get a statement from your Health Insurance Marketplace showing how much tax credit you received in 2014 File your 2014 taxes, including information about tax credit already taken

ADVANTAGE: Lower your health care premium each month!

Jane needs to decide which way works best for her. Either way, she gets the same total tax credit for the year. *"If I take the tax credit now, I lower my monthly premium costs to \$60."*

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Monthly Premium	\$300
Monthly Tax Credit	- \$240
New Monthly Cost	\$60



	Take It Later!
October 2013 – March 2014	 Sign up for your health insurance at www.coveredca.com
During 2014	 Pay the full premium each month in 2014 — and now you are covered
January 2015 – April 2015	 File your 2014 taxes Subtract your tax credit from the tax you owe — or get a bigger refund if you don't owe anything

ADVANTAGE: Lower the amount you pay at tax time!



"If I take the same tax credit later, I pay the full \$300 premium now but get a bigger refund next April."

••••••	• • • • • • • • • • • • • • •
Tax Due	\$900
Yearly Tax Credit	- \$2,880
IRS Refund	\$1,980



If you take the tax credit in **advance**, changes to your family size or income — or even a new job that offers health insurance — could mean you're getting the wrong amount of tax credit. To make sure you get the right amount, call when you have changes:

Covered California 1-888-975-1142 www.coveredca.com

When can family size change?

- You get married or divorced
- You have a baby
- You no longer claim your child on your tax return

Family size goes DOWN	Call to recalculate your credit so you won't owe money.
+ Family size goes UP	Call so you might get more credit.

When can income change?

- You get a raise
- You lose your job
- You take a salary cut

➡ Income goes DOWN	Call so you might get more credit.
1 Income goes UP	Call to recalculate your credit so you won't owe money.

Remember: It's your responsibility to tell your state's Marketplace!

Right Tax Credit.

What if your income changes each month?

Talk to your Marketplace about taking a partial credit. Your monthly premiums will still be lower but not as much. By taking the rest at tax time, there is less chance of repayment.

What if your new job offers health insurance?

Call your state's Marketplace. You may no longer be eligible for your tax credit.

AVOID REPAYMENTS!

Claudia and Patrick's story

"In January, we decided to take the tax credit in advance. On August 1, I got a new job that increased our income so we no longer qualified for the tax credit. We forgot to tell our Health Marketplace. At tax time, we had to pay back \$2,000."

Amount they must pay back	\$2,000
credit ended in August	-\$2,800
Amount they should have gotten since	
Tax credit they got over 12 months	\$4,800



Remember: You control how much tax credit you use in advance.



• For details on whether you qualify and how much credit you will get, contact your state's Health Insurance Marketplace:

www.coveredca.com or Call Center 1-888-975-1142

• Need more advice? Talk to local assistors, such as navigators, brokers or agents who are familiar with this new program at:

or call

or visit this local office:

• At tax time, talk to your tax preparer or find free tax preparation help at:

irs.treasury.gov/freetaxprep or call 1-800-906-9887

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