

# PREMIUM HEALTH CARE TAX CREDITS

## Lower the Cost of Your Health Insurance with Premium Tax Credits for Individuals and Families



Starting January 1, 2014, the Affordable Care Act requires you to have health insurance, or pay a penalty when you file your taxes (unless you can claim an exemption).

Many uninsured individuals and families will be able to claim a **premium tax credit** that will allow them to pay less for health insurance.

You can now find out if you qualify for free or lower cost health insurance through the New York state-run NY State of Health. To learn more, visit [nystateofhealth.ny.gov](http://nystateofhealth.ny.gov) or call 1-855-355-5777.

### What Are Premium Tax Credits and How Do They Work?

**Premium tax credits reduce the cost of health insurance.** You can apply for premium tax credits in the state-run Marketplace. If you qualify for a tax credit:

- You can use the credit each month when you pay your premium. That way, you only pay a part of the premium and the IRS will pay the insurer the rest.
- Or, you can pay the full premium amount and claim the credit at the end of the year when you file your taxes.

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For further information about the premium tax credit, please see our related fact sheet – “Understanding Your Premium Tax Credit: Options for Individuals and Families.”

To learn more about health care reform and see if you qualify for a premium tax credit, visit the NY State of Health at [nystateofhealth.ny.gov](http://nystateofhealth.ny.gov), or call 1-855-355-5777.





## Can Tax Credits Be Used for Any Health Insurance Plan?

No, **premium tax credits can only be used for health insurance purchased through the NY State of Health.** This new marketplace offers qualified health plans with comprehensive benefits like prescription coverage, hospital stays, and doctor visits.

## If I Qualify, When Will The Tax Credit Be Available?

Premium tax credits will be available for health insurance that starts on or after January 1, 2014.

## What if I Don't Owe Any Taxes? Can I Still Get a Credit?

Yes, the premium tax credit is **refundable**. This means that even if you owe little or no taxes, you can still get the full benefit of the credit.

## Where Can I Go to Find Out If I Can Get a Tax Credit?

To learn more about premium tax credits and the health care law, contact the NY State of Health for assistance by phone, Internet or mail. Visit [nystateofhealth.ny.gov](http://nystateofhealth.ny.gov) or call 1-855-355-5777.

You can also get in-person help from assistors, such as navigators. Visit the NY State of Health to find an assistor near you.

NYC Health Insurance Link also provides information of premium tax credits and the health care law. **Visit [nyc.gov/hilink](http://nyc.gov/hilink) to learn more.**

When the time arises for you to file your income taxes for the year, you can talk to your tax return preparer or find tax preparation assistance at: [irs.treasury.gov/freetaxprep](http://irs.treasury.gov/freetaxprep) or call 1-800-906-9887.

**To learn more about health care reform and to see if you qualify for a premium tax credit,** visit the NY State of Health at [nystateofhealth.ny.gov](http://nystateofhealth.ny.gov), or call 1-855-355-5777.

## How Much of a Tax Credit Can I Get?

Not everyone will get a tax credit. If you do, the amount will depend on your family size and income. Families with lower incomes will qualify for the most assistance.

## Am I Eligible to Receive a Tax Credit?

You and your family may qualify for premium tax credits if:

- You do not currently receive **or** are eligible for health insurance through a government health plan (Medicaid, Medicare or TriCare);
- Your family earns less than specified dollar amounts each year; and
- Your employer does **not** offer health insurance or the health insurance provided by your employer is either “**unaffordable**” (costs more than 9.5% of your household income) or “**inadequate**” (does not cover at least 60% of your medical costs).

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