

Estimator to Calculate the Individual Insurance Credit (Annual Basis):

Qualifiers:

_____ Confirm that taxpayer for any one month during the year is enrolled in 1 or more qualified health plans through an exchange, and

_____ Confirm that taxpayer is not eligible for minimum essential coverage elsewhere, and

_____ If married, taxpayer is filing joint return.

Step 1: Calculate - Modified Adjusted Gross Income [MAGI]

(IRC Sec. 36B(d)(2)(B))

_____ AGI (Line 37 on Form 1040)

_____ Plus tax exempt interest income

_____ Plus excluded Social Security benefits

_____ Plus excluded foreign income

_____ MAGI for the taxpayer

_____ Plus MAGI of dependents who had to file a return that were used in family size calculation

_____ Household MAGI for purposes of the Credit: \$ _____

Step 2: Determine Household Size (Include even if exempt from penalty for failure to maintain minimum essential coverage)

_____ Taxpayer

_____ Spouse

_____ Include all dependents claimed on return

_____ Total household size: _____

Step 3: Using Step 1 MAGI and Step 2 Household Size Determine if Taxpayer Meets Federal Poverty Line Cutoff and Percentage, if Applicable:

Step 4: Using Federal Poverty Line Table and percentages previously provided. Maximum Annual Premium:

Step 5: Go to resident state exchange and determine premium for 2nd lowest cost silver plan on an annual basis:

Step 6: Subtract Step 4 maximum premium from Step 5 Actual premium for credit amount. If negative, no credit.

Notes:

1. In MFJ return if 1 spouse and/or dependents is covered, remaining spouse may still qualify for credit if minimum essential coverage is not available.
2. Minimum essential coverage must be affordable. For individuals whose employers do not provide insurance (or who are self-employed) the affordability threshold is 8% of income. For employees if the employee's cost of employer-sponsored minimum essential coverage is greater than 9.5% of income then the insurance is not considered affordable and the employee qualifies for the credit if they are under the poverty line.
3. If an employee was eligible for minimum essential coverage through an employer and did not enroll they do not qualify for a premium credit.