

Individual Subsidies

Federal help with insurance premiums - Starting in 2014, people who purchase individual medical coverage through their state's Exchange may be eligible for help paying the premiums. Unlike other tax incentives, you can receive the subsidies monthly – no waiting until you file your taxes.

Who'll qualify? If your family household income is between 138% and 400% of the Federal Poverty level, you'll be eligible for this government subsidy. But of course, there are always restrictions, so read on to be sure you know the rules.



Federal Poverty Level (FPL)

The first hurdle in qualifying for a subsidy is having household income between 138% and 400% of the FPL.

This will be based on your household income in 2014. Below is a chart showing the FPL ranges that would qualify for a subsidy, based on 2013 figures. These will increase slightly for 2014.

Family Size	138% of 2013 FPL	400% of 2013 FPL
1	\$15,856	\$45,960
2	\$21,404	\$62,040
3	\$26,951	\$78,120
4	\$32,499	\$94,200
5	\$38,047	\$110,280
6	\$43,594	\$126,360
7	\$49,142	\$142,440
8	\$54,689	\$158,520

If your household income is below 138% of the FPL, you would qualify for Medicaid, rather than a Federal subsidy, in most states. Both Washington and Oregon will use this level.

Individual Coverage

The second hurdle – you'll need to purchase individual coverage through your state's Health Insurance Exchange.

All state Exchanges need to be up and running by October 2013 in order for you to enroll for coverage starting on January 1st, 2014.

Does Your Employer Offer Coverage?

The third hurdle is a tricky one – you must not have access to an employer-sponsored medical plan that provides "minimum coverage" and is "affordable".

If you don't have an employer-sponsored plan available to you, then you pass this hurdle. If you do have coverage available through your employer, you'll have to determine if your employer –provided plan provides "minimum coverage" and is "affordable". These are defined below:

- "Minimum" coverage means the plan would have to pay for at least 60% of all care you receive (also called a Bronze level plan). Most plans meet this minimum.
- "Affordable" coverage means the plan costs you less than 9.5% of your household income for just your single employee premium.

Two Common Questions

Q1: If I do not qualify for the subsidy, can my spouse and children still qualify?

A1: Unfortunately, no. This is an IRS rule. Even if your employer plan is not affordable for your family members, they will still not be eligible for a Federal subsidy.

Q2: What if I get a subsidy all of 2014 and it turns out when I do my taxes that I should not have received it?

A2: The subsidy is treated like an advance. When you file your 2014 tax return, you will have to calculate whether or not you were eligible for the subsidy. If you received too much, you will have to pay it back when you file your return. If you received too little, you will receive an additional credit when you file your return.



Albers & Company specializes in employee benefits, financial planning and benefits communications, serving employers based in the Pacific Northwest. A&C has partnered with GHB Insurance, which houses a team of experts in individual medical and dental coverage. GHB provides assistance with plans both inside and outside the Washington State Exchange.

**Information about individual plans can be obtained by calling
Karla Stevens at GHB at 800.789.5011.**

