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**FORM 8962
PREMIUM TAX CREDIT**

HEALTH INSURANCE PREMIUM SUBSIDY. Refundable tax credits (*IRC§36B*) are available to lower the monthly insurance premium that is paid to buy health insurance. When an individual enrolls in a health plan offered through an Exchange, the advance premium tax credit (APTC) can be applied to reduce the insurance premium cost and lower monthly amounts paid by the individual.

PREMIUM CREDIT LIMITS. These refundable and advanceable premium credits are provided to eligible individuals and families with “household income” that is between 100-400% FPL who purchase health insurance through the Exchange. The amount of premium assistance depends on an individual’s income, age, and where the person lives. The premium credits are tied to the second lowest cost Silver plan in the area. The Affordable Care Act sets a monthly maximum that a person can pay for health care, based on size of income as related to federal poverty levels (FPL). The assistance is set on a sliding scale such that the actual premium out-of-pocket payment that can be made by an individual is limited to the following applicable percentages of income for specified income levels.

Household Income Relative to FPL	Percentage of Income Limit For Premiums Paid		
	2015	2016	2017
Less Than 133% FPL	2.01%	2.03%	2.04%
133% but < 150% FPL	3.02% to 4.02%	3.05% to 4.07%	3.06% to 4.08%
150% but < 200% FPL	4.02% to 6.34%	4.07% to 6.41%	4.08% to 6.43%
200% but < 250% FPL	6.34% to 8.10%	6.41% to 8.18%	6.43% to 8.21%
250% but < 300% FPL	8.10% to 9.56%	8.18% to 9.66%	8.21% to 9.69%
300% but not > 400% FPL	9.56%	9.66%	9.69%

These percentages of income are increased for those receiving subsidies annually to reflect the excess of the premium growth over the rate of income growth for 2014-2018. In 2019, further adjustments may be made.

HOUSEHOLD INCOME is defined as MAGI of the taxpayer and every other person in the family for whom the taxpayer can claim a personal exemption deduction and who is required to file a federal income tax return. MAGI in this instance is defined as AGI plus excluded foreign income (under IRC Section 911), plus non-taxable Social Security & Railroad Retirement benefits (but not SSI) and plus tax-exempt interest.