

Pennie Tips: Advanced Premium Tax Credits

What is an Advanced Premium Tax Credit (APTC)?

A tax credit you can take in advance to lower your monthly health insurance payment, or premium. Your eligibility for a premium tax credit is based on the projected income and household information you provide on your Pennie application.

You may qualify for a premium tax credit if you otherwise qualify for coverage through Pennie. You can use all, some, or none of your premium tax credit in advance to lower the amount of your premium you pay out-of-pocket every month. You can use a premium tax credit for a plan in any metal category.

If you use more advance payments of the tax credit than you qualify for based on your final yearly income, you must repay the difference when you file your federal income tax return.

If you use less premium tax credit than you qualify for, you'll get the difference as a refundable credit when you file your taxes.

While you can purchase health coverage through other sources, the only way to access premium tax credits is through Pennie.

What is my expected household income?

Start with your household's savings and adjusted gross income(s) — what you expect to earn before taxes — and update it with any changes you expect. Be sure to include all the people in your household and any dependents, whether they need coverage or not.

When you fill out a health insurance application with Pennie, you'll need to estimate your expected income for the next coverage year. Here's what you need to know:

- Your ability to qualify for financial assistance to lower the cost of health coverage and care is based on your expected household income for the year you are seeking coverage, not last year's income.
- Income is counted for you, your spouse, and everyone you'll claim as a tax dependent on your federal tax return (if the dependents are required to file). You must include their income even if they don't need health coverage.

When does Open Enrollment end?

Pennie Open Enrollment is currently active and will extend through January 15th, 2023. Apply by January 15th for February 1st coverage.

Gallen Insurance is your hub for all things Pennie. If you'd like to purchase or change Pennie individual health insurance coverage, please get in touch with one of our certified Pennie brokers.

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