

FAMILY COVERAGE OPTION




WHAT WAS THE “FAMILY GLITCH”

Affordability of an offer of employer-sponsored coverage was determined based on the lowest cost of employee-only coverage and the household income.



NEW RULE ELIMINATES THE FAMILY GLITCH

News release October 11, 2022,
from HHS Secretary Xavier
Becerra



NEW RULE

Changing the affordability standard

Affordability is based on whether the employee's premiums for family coverage – not employee-only coverage – are affordable for the **HOUSEHOLD**



AFFORDABILITY STANDARDS FOR EMPLOYER- SPONSORED COVERAGE

Minimum Standard – If the health plan covers at least 60% of the total cost of covered medical services.

If the premium of the employer-sponsored insurance for the lowest cost plan that meets minimum value standards is more than 9.12% of the employee's household income, then the family may be eligible for premium tax credits.

EMPLOYER COVERAGE TOOL

Complete the tool or use the tool to gain information (not required)

- The employee can complete using information from benefits documents
- The employer or HR department can complete the information
- An assister can help the consumer call the employer or HR to obtain information.
- Remember the employer identification number (EIN) and employer contact information are also needed



DETERMINE AFFORDABLE COVERAGE

Determine household income

Multiply by 9.12%

If the number arrived is the target number

If more than the lowest cost plan that meets minimum
value standard

Sample

Household Income - \$50,000 X .0912 = \$4,560

\$4,560 divided by 12 months = \$380



DETERMINE AFFORDABLE COVERAGE

Cost of the lowest priced plan that meets minimum value standard (pays at least 60% of the medical coverage)

- For the employee
- And the family

Is the cost more or less than 9.12% or \$380 a month per our example

ENTER INFORMATION IN THE APPLICATION

Let the application and the Marketplace do its job to determine eligibility and calculate Advance Premium Tax Credits

The application questions will change based on the answers the consumer provides.



Q&A
