

Beyond 
the Basics

Office Hours

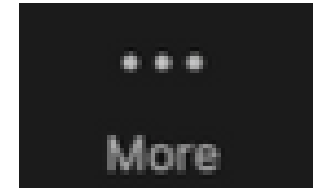


Determining Households & Income

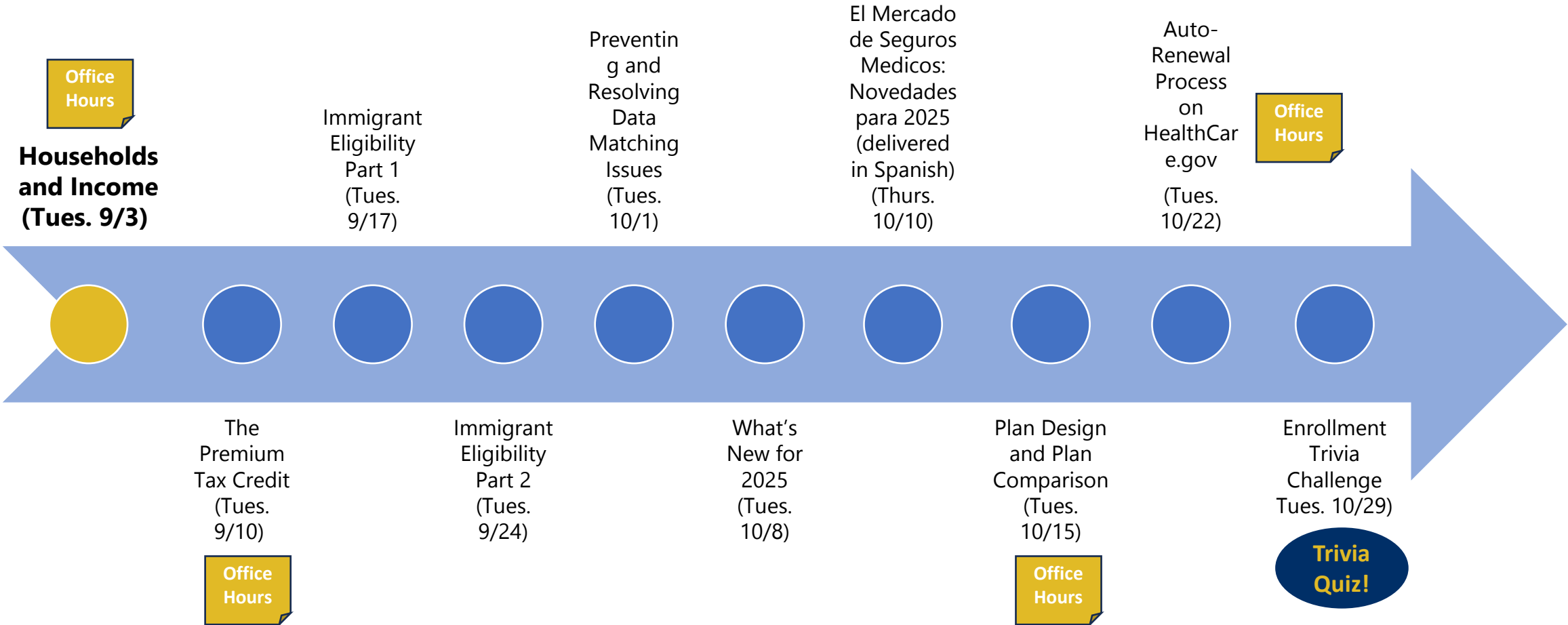
September 3, 2024

Webinar Logistics

- After the webinar, we'll circulate the slides, a video recording of this presentation, and other resources. We'll also post everything to the Beyond the Basics website.
- Automated captions have been enabled for this webinar. To view them, click on the "more" option with three dots at the bottom of your screen. There you should have the option to turn on closed captioning.
- All participants are muted and in listen-only mode. If you'd like to ask a question:
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 - Throughout the webinar you can upvote questions in the Q&A chat by clicking the thumbs up icon.
 - We will monitor questions throughout the webinar and dedicate the majority of the time to a Q&A session.
 - We may not be able to answer every question asked, but we will do our best to get back to you after the webinar, and we'll have a record of all your questions which we'll use as a guide for future resources and presentations.
 - You can also email your questions after the webinar to beyondthebasics@cbpp.org



Webinar Schedule



Register and find recordings and materials from past webinars in the series at:
<https://www.healthreformbeyondthebasics.org/category/webinars/>

Agenda



15-minute crash course!



Your questions + a review of some of the most commonly-asked questions we receive on determining household size and income

ACA Eligibility Overview

First, the application determines Medicaid/CHIP eligibility

- In Medicaid expansion states, generally adults up to 138% of the federal poverty line (FPL)
- In non-expansion states, very low adult eligibility levels
- For children and pregnant people, higher eligibility levels

If not Medicaid eligible, the application determines eligibility for a premium tax credit (PTC)

- Have income above 100% FPL (Note: There is no income cap through 2025.)
 - Individual: \$15,060+
 - Family of four: \$31,200+
- Have an eligible filing status
- Not eligible for or enrolled in other minimum essential coverage (MEC)

Notes: We'll talk about Medicaid and PTC in reverse to introduce the tax credit rules, since there are several exceptions in Medicaid's application of the rules. Also, screenshots are from HealthCare.gov, but the law applies to every state.

Yearly Guidelines & Thresholds Reference Guide

[Beyond the Basics resource](#) includes:

- Annually updated FPL levels for current and prior year
- Expected premium contributions
- Employer coverage affordability threshold
- Out-of-pocket maximums, including for CSR plans
- Tax filing thresholds
- Repayment caps for APTC

REFERENCE CHART

Yearly Guidelines & Thresholds | Coverage Year 2025

2024 Federal Poverty Guidelines (Coverage Year 2025)

# in Household	100% FPL	138% FPL	150% FPL	200% FPL	250% FPL	300% FPL	400% FPL
1	\$15,060	\$20,783	\$22,590	\$30,120	\$37,650	\$45,180	\$60,240
2	\$20,440	\$28,207	\$30,660	\$40,880	\$51,100	\$61,320	\$81,760
3	\$25,820	\$35,632	\$38,730	\$51,640	\$64,550	\$77,460	\$103,280
4	\$31,200	\$43,056	\$46,800	\$62,400	\$78,000	\$93,600	\$124,800
5	\$36,580	\$50,480	\$54,870	\$73,160	\$91,450	\$109,740	\$146,320
6	\$41,960	\$57,905	\$62,940	\$83,920	\$104,900	\$125,880	\$167,840
7	\$47,340	\$65,329	\$71,010	\$94,680	\$118,350	\$142,020	\$189,360
8	\$52,720	\$72,754	\$79,080	\$105,440	\$131,800	\$158,160	\$210,880

For households with more than 8, add \$5,380 for each additional person. Source (plus Hawaii and Alaska guidelines): aspe.hhs.gov/poverty-guidelines. Eligibility for premium tax credits in coverage year 2025 is based on 2024 poverty guidelines. FPL = federal poverty line.

Expected Premium Contribution (Coverage Year 2025)

Annual Household Income (% of FPL)	Up to 150% FPL	200% FPL	250% FPL	300% FPL	400% FPL & Above
Expected Premium Contribution (% of Income)	0%	2%	4%	6%	8.5%

Source: American Rescue Plan Act Public Law No. 117-2; Inflation Reduction Act Public Law No. 117-169

Employer-Sponsored Insurance Affordability Threshold (Coverage Year 2025)

Eligibility for Premium Tax Credits if Offer of Employer-Sponsored Insurance is Considered Unaffordable	
Considered unaffordable if ESI offer exceeds:	Affordability of family coverage determined by:
Not yet available; this chart will be updated once the IRS issues the figure for coverage year 2025.	Cost of family coverage

Out-Of-Pocket Maximum (Coverage Year 2025)

Plan Type	Income Level	Out-of-Pocket Maximum	
		Individual	Family
All plans ¹	All income levels	\$9,200	\$18,400
CSR Silver Plan 73% AV ²	Between 201%-250% FPL	\$7350	\$14,700
CSR Silver Plan 87% AV ²	Between 151%-200% FPL	\$3,050	\$6,100
CSR Silver Plan 94% AV ²	Up to 150% FPL	\$3,050	\$6,100

¹Applies to all plans in the individual and group market. ²Applies only to silver plans eligible for CSR sold in the Marketplace.

Note: CSR = cost-sharing reductions. AV = actuarial value. Source: cms.gov/files/document/2025-papj-parameters-guidance-2023-11-15.pdf

Affordability Exemption Threshold (Coverage Year 2025)

Eligibility for Catastrophic Coverage for Individuals Age 30 and Older	
Coverage considered unaffordable if premium for marketplace coverage (after APTC) or employer coverage costs more than:	7.28% of income

Source: cms.gov/files/document/2025-papj-parameters-guidance-2023-11-15.pdf

Tax Filing Status



Single

Is unmarried, legally separated, or divorced (as defined by state law)



Married Filing Jointly

A person is legally married, whether living with or apart from their spouse, and files taxes together with their spouse



Married Filing Separately

A person is legally married, whether living with or apart from their spouse, and files taxes separately from their spouse



Head of Household

A person is unmarried or *considered* unmarried for tax purposes, pays more than half of the costs of keeping up the home for a qualifying person whom they will claim as a dependent

Marital status

[Learn more about marital status.](#)

What's Maria's marital status?

Single

Married to

HealthCare.gov

[← Back](#) | [1 Set up](#) - **[2 Household](#)** - [3 Coverage & changes](#) - [4 Review & submit](#)

Tax relationships

Now, tell us about the household's federal income tax returns. We'll use this information to see who's eligible for savings, like premium tax credits.

Maria's tax relationships

Will Maria file a 2025 joint federal income tax return with John?

[Learn more about joint tax filing.](#)

Yes

No

Will Maria and John claim any dependents on their 2025 federal tax return?

[Learn more about dependents.](#)

Yes

No

[Save & continue](#)

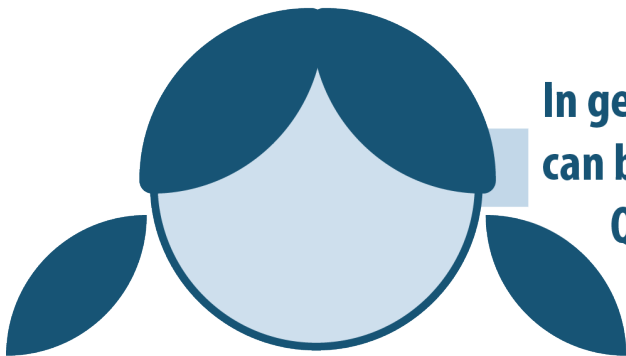
Determining Tax Dependents

For more information, see the *Health Reform: Beyond the Basics* [Determining Household Size for Premium Tax Credits](#)

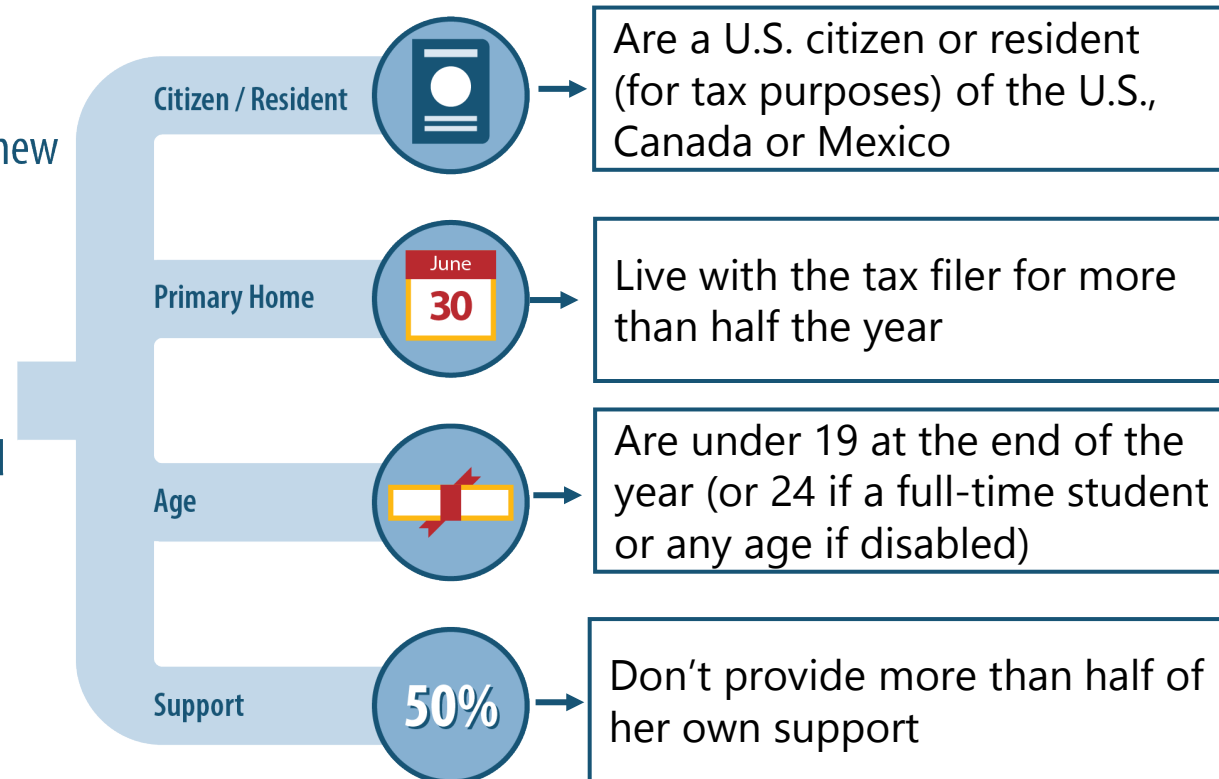
Who Can Be Claimed as a Qualifying Child?

Children

A child can include the tax filer's child, step child, adopted child, foster child, brother, sister, niece, nephew or grandchild



In general a child can be claimed as a Qualifying Child if they...

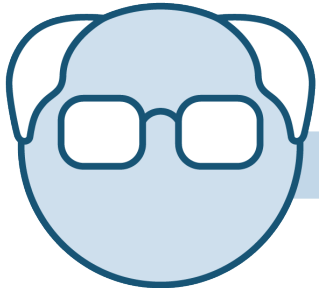


Determining Tax Dependents

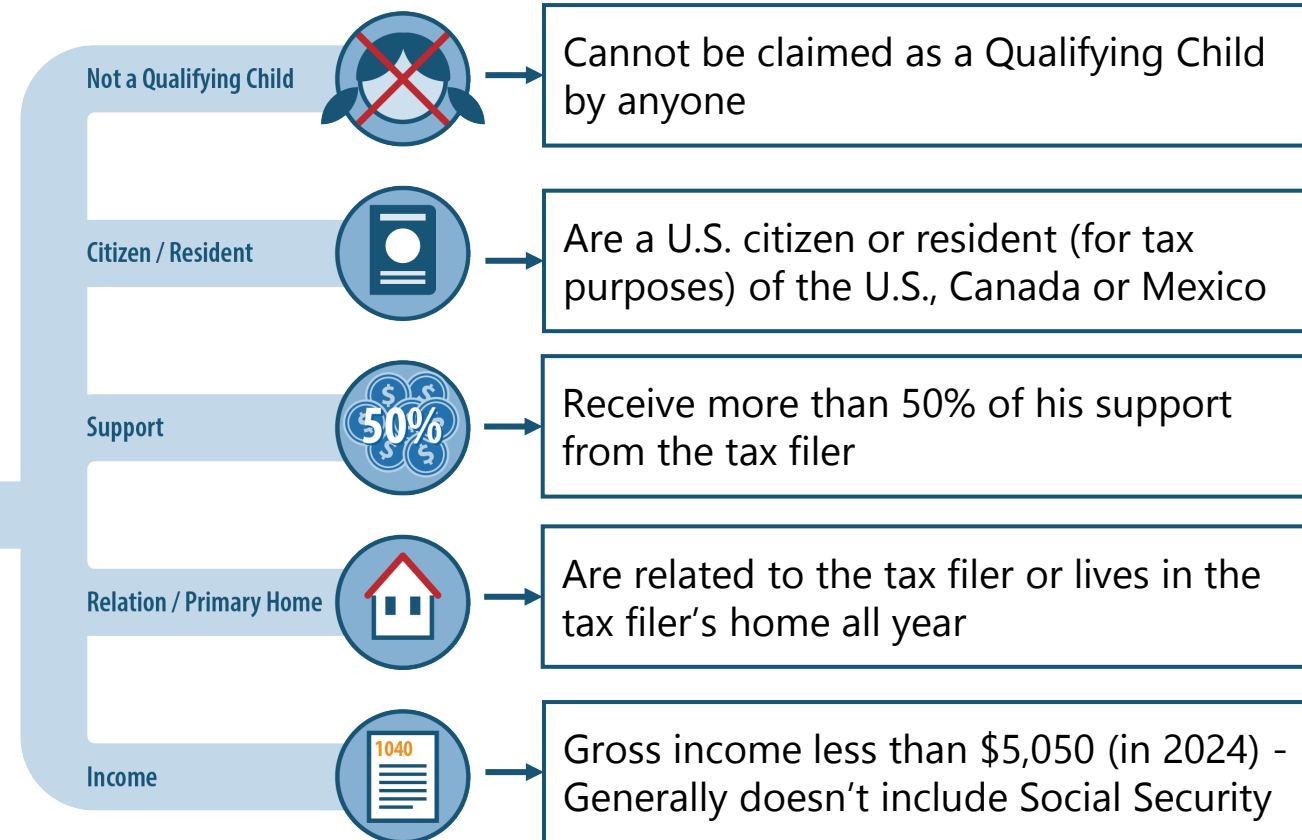
Who Can Be Claimed as a Qualifying Relative?

Other individuals

Other individuals can include a relative or a full-time member of the tax filer's household who is not a relative



In general a person can be claimed as a Qualifying Relative if they...

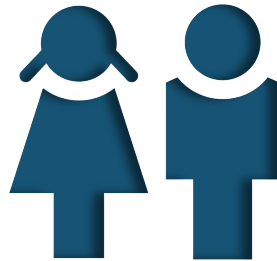


Determining Households for Medicaid

Modified Adjusted Gross Income (MAGI) rules apply to:



ADULTS
(in state that expanded Medicaid)



CHILDREN



PARENTS / CARETAKER RELATIVES



PREGNANT WOMEN

Different household & income rules apply to:



SENIORS
(people 65 & over)



MOST PEOPLE WITH DISABILITIES

Determining Households for Medicaid

Three categories of individuals:

1 Tax filers not claimed as a tax dependent

2 Tax dependents (with 3 exceptions)

3 Non-filers not claimed as a tax dependent

- Separate determination for each individual
 - Members of a family can have different household sizes
- Based on expected filing status

Medicaid Household Rules

Tax filer not claimed as a dependent

Individual's household is:

- Tax filer and all person whom taxpayer expects to claim as a dependent^{1,2,3,4}

Tax dependent

Individual's household is:

- The household of the tax filer claiming individual as a dependent^{2,3,4}

EXCEPTIONS (apply the rules for non-filer)

- Tax dependents not a child of the taxpayer
- Individuals under 19⁵ living with both parents not expected to file a joint return
- Individuals under 19⁵ claimed as tax dependent by non-custodial parents

Non filer / non-dependent

For individuals age 19 and above:

- Household is the individual plus, if living with individual, spouse and children under age 19^{3,4,5}

For individuals under age 19⁵:

- Households is the individual plus siblings under 19⁵, parents (including step-parents) and children living with individual^{3,4}

¹For married couples filing jointly, each spouse is considered a tax filer

²Married couples living together are always in each other's household regardless of how they file

³A pregnant person is counted as themself plus the number of children they are expecting

⁴For individuals whose household includes a pregnant person, states can count the pregnant person as 1,

2, or 1 plus the number of children they are expecting

⁵States can extend the age limit to include individuals under 21 who are full-time students.

For a printable PDF version of this chart, see [Reference Guide: Medicaid Household Rules](#)

Summary of Medicaid Household Rules

Tax Filer Rules

Does the individual expect to file taxes?

— YES →

Does the individual expect to be claimed as a tax dependent by someone?

— NO →

Household includes the individual, individual's spouse (if living with the individual), all persons the individual expects to claim as a tax dependent, and if pregnant, the number of children individual is expecting

NO

YES

Do any of the following apply?

Individual expects to be claimed as a dependent by someone other than a parent

OR

Individual is a child (under 19) living with both parents, who do not expect to file jointly

OR

Individual is a child (under 19) who expects to be claimed as a dependent by a non-custodial parent

— NO →

Household is the household of the tax filer claiming the individual as a dependent, plus the individual's spouse (if living with the individual) and if pregnant, the number of children the individual is expecting

Does the individual expect to be claimed as a tax dependent?

— YES →

NO

Is the individual aged 19 or older?

YES

NO

YES

Household includes the individual, siblings under age 19, parents and children living with the individual, and if pregnant the number of children the individual is expecting

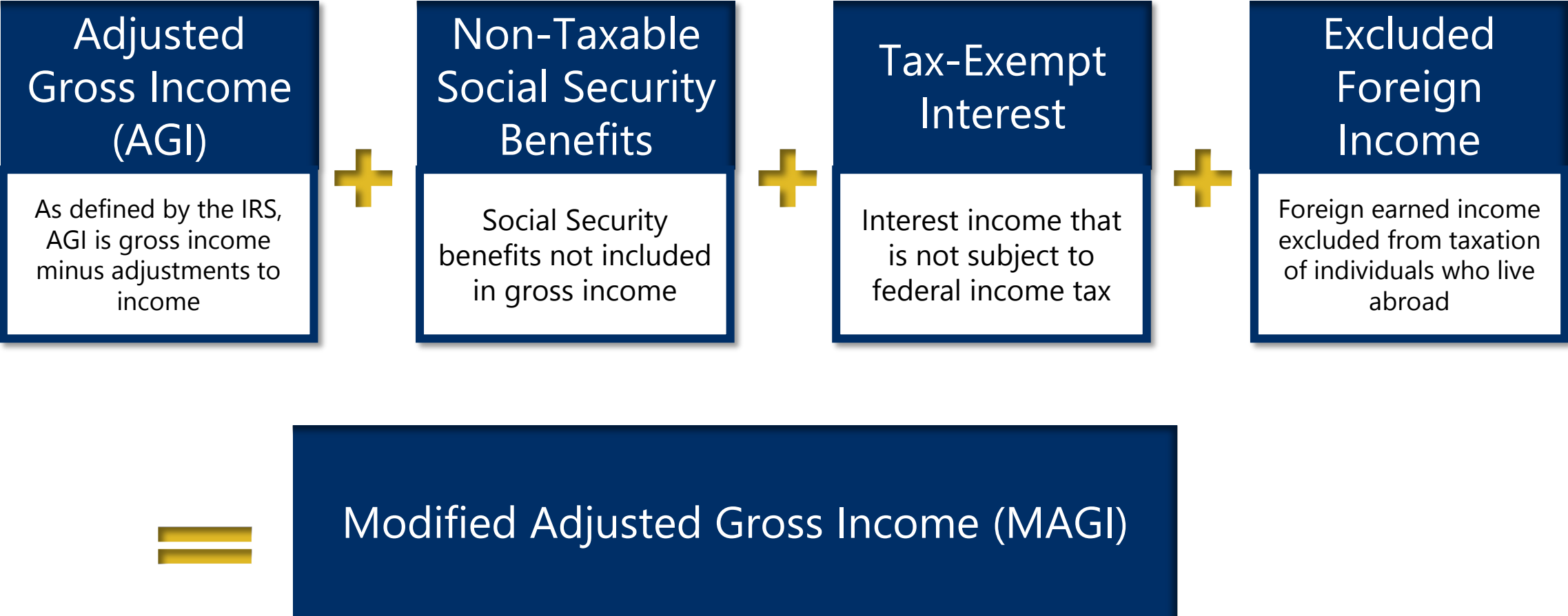
Household includes the individual plus the individual's spouse and children under age 19 living with the individual, and if pregnant, the number of children the individual is expecting

Tax Dependent Rules

Non-Filer, Non-Dependent Rules

For a printable PDF version of this chart, see [Reference Guide: Medicaid Household Rules](#)

What Is Modified Adjusted Gross Income (MAGI)?



General Rules About Counting Income

For more information, see the *Health Reform: Beyond the Basics* [Health Care Assister Guide to Tax Rules](#) (last updated Sept. 2020)

All income is taxable unless specifically excluded by law from taxation

Examples of Taxable Income	Examples of Non-Taxable Income
Wages, salaries, bonuses	Veterans' benefits
Self-employment income	TANF payments
Some Social Security benefits*	Child support payments
Unemployment compensation	Workers' compensation
Most retirement distributions	Supplemental Security Income (SSI)

See IRS Publications 17 and 525 for more details on what income is taxable and not taxable

Pre-tax deductions (such as retirement contributions): Not included in MAGI

***Social security** (including survivor benefits and SSDI): Even the untaxed portion is included in the MAGI of a person with a tax filing requirement

Alimony: For agreements after January 1, 2019, neither spouse can include alimony on the tax return; under older agreements, couples can choose to include or not

Gap-Filling Rule



The “gap filling” rule: When monthly income is too high for Medicaid but annual income is under 100% FPL, **Medicaid eligibility is determined using marketplace household and income counting rules**

Example

- Leah lives in a Medicaid expansion state and starts a seasonal job as a cashier at the mall. She lives alone and has no dependents.
- In November 2024, she applies for coverage at HealthCare.gov and provides this income information:
 - November income is: \$1,800 (143% FPL)
 - Projects 2025 annual income to be: \$14,000 (93% FPL)
- Based on marketplace rules (annual income), Leah’s income is below 100% FPL
- Therefore, Leah will be determined eligible for Medicaid

Q&A



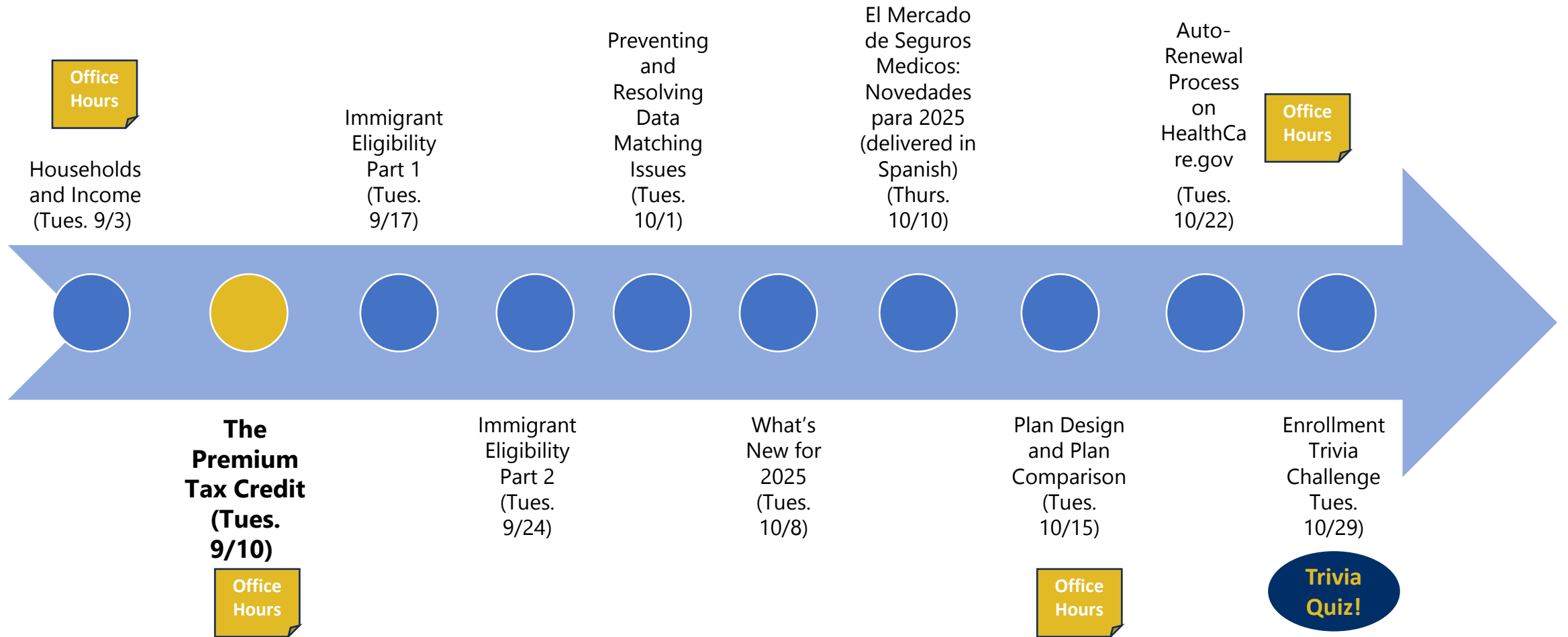
Frequently Asked Questions

- Is there an age limit on who can be claimed as a dependent?
- How are non-MAGI Medicaid household rules different?
- Why does my state Medicaid agency say the eligibility threshold for adults in Medicaid is 133% FPL? Shouldn't it be 138% FPL?
- Are there any circumstances when a couple who is married filing separately can get a PTC?
- When does a dependent's income have to be included in the household income?
- What do you do when you're helping a person who is divorced, and the noncustodial parent claims the child on their tax return?

Resources

- In-depth webinar: [Determining Households & Income](#) (September 2023)
- Reference Guide: [Yearly Guidelines and Thresholds](#)
 - [Coverage Year 2025 \(PDF\)](#)
- Reference Guide: [Medicaid Household Rules](#)
- Guide: [Health Assister's Guide to Tax Rules](#) *(last updated September 2020)*
- Key Facts:
 - [Determining Households for Medicaid and CHIP](#)
 - [Determining Households for PTC](#)
 - [Income Definitions for Marketplace and Medicaid Coverage](#)
 - [Direct Links to 2024 Plan Comparison Tools for State-Based Exchanges](#)

Upcoming Webinars



Register and find recordings and materials from past webinars in the series at:
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