

How the Individual Subsidies Work

| Federal Poverty Level | Individual Income | % Income Contributed | Individual Monthly Premium | Family of 4 Estimated Income | % Income Contributed | Family of 4 Monthly Premium |
|-----------------------|---------------------|----------------------|----------------------------|------------------------------|----------------------|-----------------------------|
| 0% - 133% | \$11,490 - \$15,282 | 0% - 2% | \$0 - \$25 | \$23,550 - \$31,322 | 0% - 2% | \$0 - \$52 |
| 133% - 150% | \$15,282 - \$17,235 | 3% - 4% | \$38 - \$57 | \$31,322 - \$35,325 | 3% - 4% | \$78 - \$117 |
| 150% - 200% | \$17,235 - \$22,980 | 4% - 6.3% | \$57 - \$121 | \$35,325 - \$47,100 | 4% - 6.3% | \$117 - \$247 |
| 200% - 250% | \$22,980 - \$28,725 | 6.3% - 8.05% | \$121 - \$193 | \$47,100 - \$58,875 | 6.3% - 8.05% | \$248 - \$546 |
| 250% - 300% | \$28,725 - \$34,470 | 8.05% - 9.5% | \$193 - \$273 | \$58,875 - \$70,650 | 8.05% - 9.5% | \$546 - \$559 |
| 300% - 400% | \$34,470 - \$45,960 | 9.50% | \$273 - \$364 | \$70,650 - \$94,200 | 9.50% | \$559 - \$745 |

The credit is equal to the lesser of:

1. the total monthly premium for the taxpayer and any covered dependents; or
2. the amount by which the adjusted monthly premium for the second lowest "Silver" plan purchased through the Exchange exceeds a defined percentage of household income

The premium credit is determined in advance based upon the taxpayers' last tax return.

The credit is paid directly to the insurer by Treasury, and the insurer must reflect the payment on the member's premium bill.

For example: A family of four had an annual income of \$47,100, which is 200 percent of the FPL. Assume that the annual premium for their state exchange's benchmark silver insurance plan was \$10,000 a year. This family would have to pay 6.3 percent of its income, or \$2,967.30 or \$247.28 per month, of this premium and would receive a tax credit for the difference: \$7,032.70.

While this tax credit is tied to a silver plan, the family is free to buy any plan in the exchange it can afford. Whatever the premium is for the plan, the family will be able to reduce its payment by the amount of its credit: \$7,032.70. The only exception is that if it decides to buy a cheaper policy with total premiums of less than this amount, it will not get any money back.