

TALKING POINTS

The fix to the Family Glitch resulted in expanded tax credits that may make it possible for families with job-based insurance to qualify for federal assistance with purchasing health insurance through Your Health Idaho

Previously, employees and their families could only qualify for tax credits through Your Health Idaho if the cost of the employer-based coverage was unaffordable based on a threshold set by the IRS each year.

- But the affordability determination was based only on how much the employee would pay for insurance for themselves. The cost of adding family members was not included in the calculation, and family coverage is almost always far more expensive than employee-only coverage.
- These families of employees fell into the Glitch: they would either go uninsured or pay for unaffordable employer-based coverage.

The fix to the Glitch states that eligibility for tax credit must now take into account the cost of family coverage and the cost of employee coverage independently.

- Beginning with 2023 health coverage, employees will be able to qualify for a tax credit if their portion of their premium for their job-based health coverage exceeds 9.12% of their annual household income.
- Now, the cost of adding family coverage will also be taken into account as a separate calculation of whether the job-based health coverage offer (the total cost of the family plan) exceeds 9.12% of annual household income.

Under the new rule, it may be that the employee remains on the employer plan because it's more affordable and family members will qualify for tax credits and enroll with a Your Health Idaho plan.

FAMILY GLITCH FAQ

When can people apply?

- If a spouse and/or dependents are not enrolled in coverage, they can apply during Your Health Idaho's Open Enrollment to find out if they qualify for a tax credit and then enroll.
- If a spouse and/or dependents are enrolled through employer-sponsored coverage, they can apply through Your Health Idaho during their employer's Open Enrollment Period. If approved for a tax credit they can opt to not re-enroll with their employer.

NOTE: Filling out and submitting an application to determine tax credit eligibility does not commit the applicant to enrollment in coverage.

What is considered affordable coverage?

- The cost of employee coverage is deemed affordable if the employee's annual premium does not exceed 9.12% of their annual household income (for 2023).
- The cost of an employer-sponsored family plan for a spouse and/or dependents is calculated separately but uses the same 9.12% of annual income to determine affordability.
- If coverage is deemed unaffordable for any family members, they will most likely be eligible for a tax credit and can shop for plans at YourHealthIdaho.org.

Can people apply while still enrolled with employer-sponsored coverage?

- Yes, but only during their employer's or Your Health Idaho's Open Enrollment.
- Important: People who intend to decline an offer of employer coverage should first apply with Your Health Idaho and ensure they a) are eligible for a tax credit and b) are eligible to enroll either during Open Enrollment or with a Qualifying Life Event.

Do employers have to offer affordable coverage for employees?

- Only if the employer employs more than 50 full-time employees.

Do employers have to offer affordable family coverage?

- No, there are no current rules mandating that employers provide affordable coverage for employees' families. Employers will not face Employer Shared Responsibility Costs if they don't provide affordable coverage for families.

If an employer offers a program that reduces premiums, does this impact affordability?

- Only wellness incentives related to tobacco use are factored into premiums used to determine tax credit eligibility. For example, if an employee is offered a plan at \$200 a month at a smoking rate and the employee secures a \$50 a month wellness benefit which reduces their premium to \$150 a month, affordability would be calculated using the reduced premium of \$150 a month.

If an employee and their spouse have affordable coverage, can their children get a tax credit?

- Yes. If both parents have access to affordable health coverage, the cost of coverage for a family plan could still be deemed unaffordable, making the children eligible for a tax credit.

HOW TO APPLY

Understand your employer’s benefit offerings and premiums for the 2023 plan year

Create an account at YourHealthIdaho.org and apply for a tax credit. There is no risk in applying; you will not automatically be enrolled in coverage by applying

If applying during your employer’s Open Enrollment Period and you are approved for a tax credit: get approved for a Special Enrollment Period through Your Health Idaho by submitting the requested documents.

If applying during Your Health Idaho’s Open Enrollment Period and you’re approved for a tax credit, continue with the application process.

Shop and compare the plans available with a tax credit against the plans offered by your employer.

Compare each plan’s deductibles, co-pays, provider networks, etc. Free help is available from certified professional insurance agents and brokers at no cost to you. Just visit YourHealthIdaho.org/find-help.

Decide which coverage is best for you.

If you decide to proceed with coverage through Your Health Idaho, find out from your HR department what your last day of coverage will be on your current plan.

Finalize and enroll in a plan through Your Health Idaho.

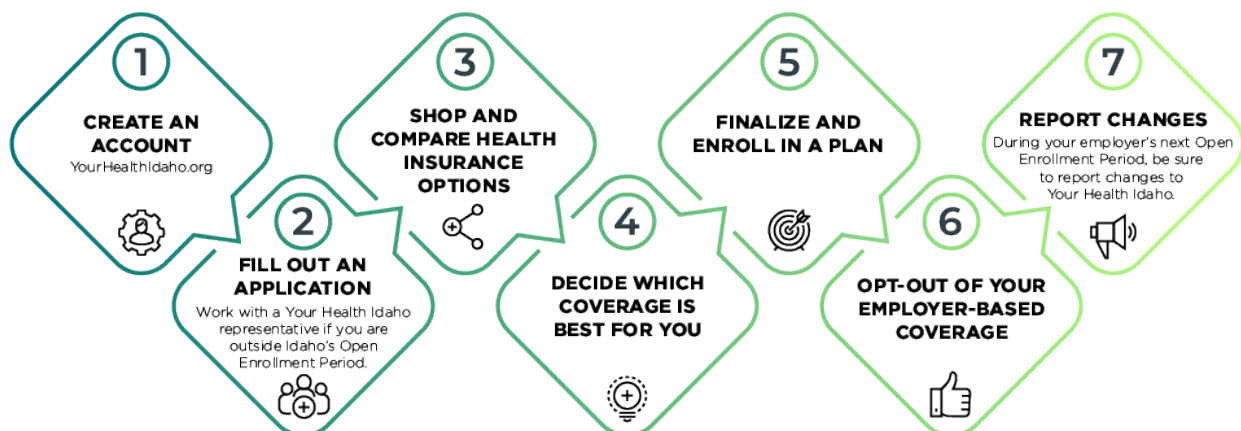
Set up recurring payments with your new insurance carrier for the monthly premium.

Opt-out of your employer-based coverage.

Notify your employer of your decision not to renew your coverage with them.

Report Changes.

If there are ever any changes to your employer’s plan during their Open Enrollment Periods be sure you report those changes to Your Health Idaho. This will ensure that your employer’s plan is still considered unaffordable, otherwise you could be liable for APTC repayment when you file taxes.



FAMILY GLITCH

(EXPANDED TAX CREDITS FOR FAMILIES)

WHEN CAN YOU APPLY FOR TAX CREDITS AND COVERAGE THROUGH YOUR HEALTH IDAHO?



If you are currently going without coverage:

Apply during Your Health Idaho's Open Enrollment Period from October 15 through December 15, 2022, for coverage beginning January 1, 2023.



If you are currently enrolled with employer-sponsored coverage:

When your employer's Open Enrollment Period has begun, you and/or your family can apply through Your Health Idaho to find out if you're eligible for a tax credit. Enrollment with Your Health Idaho must be completed before your employer's Open Enrollment Period ends. To avoid a gap in your coverage, make sure you have secured a coverage start date through Your Health Idaho before you terminate your employer-sponsored coverage.

BEFORE APPLYING FOR A TAX CREDIT AND COVERAGE PLEASE GATHER THE FOLLOWING INFORMATION:

- Employer Name
- Employer HR Contact
- Employer HR Contact Email
- Employer HR Phone
- Employer Address
- City/State/Zip
- Proof of currently having coverage for enrolled family members including: coverage status, carrier, plan name AND documentation of cost of employer coverage being offered
- Documentation that your employer is in an Open Enrollment period
- Does the employer plan offer Minimum Value?*
- Proof of income such as pay stubs
- Social Security card or documentation of lawful presence

Name/Premium Amount/ Premium Frequency for the lowest cost plan offered by the employer for:

- Employee
- Spouse
- Dependent 1
- Dependent 2
- Dependent 3
- Others

*This can be found in the employer's Carrier Plan Summary of Benefits and Coverage



Questions?

Contact us at
YourHealthIdaho.org/contact-us/