



AFFORDABLE CARE ACT

Calculators for Premium Tax Credits for Individuals and Tax Credits for Small Businesses

Calculator for Premium Tax Credits for Individuals

The Kaiser Family Foundation has developed a calculator that people can use to get a rough estimate of the level of premium tax credits in the new Health Insurance Marketplaces they could be eligible for. It is a useful tool that many of your constituents may be interested in. For the calculator, go to:

<http://kff.org/interactive/subsidy-calculator/>

The calculator illustrates health insurance premiums (using average premiums for your type of household) and tax credit subsidies for people purchasing insurance on their own in the new Marketplaces. Beginning in October, 2013, low- and middle-income people can apply for tax credit subsidies when enrolling in a health plan in the Marketplaces if:

- They have incomes up to 400% of the poverty level.
- They are under age 65.
- They are not eligible for coverage through their employer, Medicaid, or Medicare.

To use the calculator, you enter in your income, the number of adults in your household, the number of children in your household, tobacco use, and whether employer coverage is available.

For those who qualify for the tax credit subsidy, the calculator will tell you:

- Your household income as a percentage of the poverty level
- What the unsubsidized health insurance premium would be for your household in 2014
- The maximum percentage of income you have to pay for the premium
- The amount you pay for the premium (and what % of the overall premium that covers)
- The amount of the tax credit subsidy you could receive (and what % of the overall premium that covers)

If your income is under 138% of the poverty level, the calculator will tell you about your potential eligibility for Medicaid, explaining that your eligibility is dependent on whether your state accepted the Medicaid expansion option provided by the Affordable Care Act.

Calculator for Small Business Health Care Tax Credit

The Small Business Majority has developed a calculator that small businesses can use to determine the amount of the Small Business Health Care Tax Credit they qualify for under the Affordable Care Act.

For the calculator, go to: <http://www.smallbusinessmajority.org/tax-credit-calculator/>

To qualify for the Small Business Tax Credit, a small business must:

- Have fewer than 25 full-time equivalent employees

- Pay average annual wages below \$50,000 per full-time equivalent employee
- Contribute at least 50% of each employee's premium

To use the calculator, a small business enters the business's number of full-time equivalent employees, the total annual wages paid for all employees, the total annual employer premium contribution, and whether the employer is a tax-exempt/non-profit employer. The calculator then tells the small business their estimated annual tax credit.

The small business tax credit has been in effect since 2010. For 2010 through 2013, the tax credit has been worth up to 35 percent of a small business's premium costs. In 2014, the tax credit will increase to be worth up to 50 percent of a small business's premium costs. 360,000 small businesses have already used the Small Business Health Care Tax Credit to help provide health insurance to 2 million workers.