

Payment Assistance

Fact Sheet



Kentucky's Healthcare Connection
Quality Health Coverage. For Every Kentuckian.



When you qualify for payment assistance or a tax credit, it helps lower the cost of your health insurance. Payment assistance is also called the Advanced Premium Tax Credit or APTC for short.

Payment assistance may help reduce the total amount of tax you owe the IRS at the end of the year. If you don't owe the IRS, you may get a bigger refund.

You must buy your health insurance coverage through kynect to get payment assistance. kynect is a health insurance marketplace that offers a wide variety of health plans with good benefits. All plans cover prescriptions, hospital stays, doctor visits and more.

The amount of payment assistance you get depends on family income size.

Lower-income families get the most help. You may qualify for payment assistance if:

- Your employer does **not** offer health insurance or employer based income is deemed unaffordable.
- You do **not** receive Medicare
- Your family does **not** make more than the yearly income below

FAMILY SIZE	YEARLY INCOME
1	\$47,080
2	\$63,720
3	\$80,360
4	\$97,000
5	\$113,640
6	\$130,280

If your income is near these amounts you may still qualify.

Payment Assistance is available only to those who qualify and purchase through kynect.

There are two ways to take payment assistance.

Take it Now!

- Sign up for health insurance at kynect.ky.gov
- Choose to take all or part of your credit in advance
- File your taxes the following year, including information about payment assistance

Advantage: Lower your health insurance bill each month!

Example:

"if I take the payment assistance now, I lower my monthly health insurance bill to \$60"

Monthly Premium	\$300
Monthly Tax Credit	\$240
New Monthly Cost	\$ 60

Take it later!

- **Sign up for health insurance at kynect.ky.gov**
- **File your taxes the following year and subtract your tax credit from the tax you owe or get a bigger refund if you don't owe anything.**

Advantage: Lower the amount you pay at tax time!

Example:

"if I take the same payment assistance later, I pay the full \$300 monthly health insurance bill now, but I get a bigger refund after I file my taxes.

Yearly Tax Credit	\$2880
Tax Due amount	<u>-\$ 900</u>
IRS Refund	\$1,980

If you take the payment assistance in advance, changes to your family size or income – or even a new job that offers health insurance – could mean you're getting the wrong amount of payment assistance. To make sure you get the right amount, contact kynect when you have changes. Go online to kynect.ky.gov or call 1-855-4kynect (459-6328), TTY: 1-855-326-4654.

Family size can change when you get married, have a baby or no longer claim your child on your tax return.

If your family size goes DOWN, call to recalculate your credit so you won't owe money. If your family size goes UP, call so you might get more credit.

Your income can change when you get a raise, lose a job or take a salary cut.

If your income goes DOWN, call so you might get more credit. If your income goes UP, call to recalculate your credit so you won't owe any money.

If your income changes each month, talk to kynect about taking a partial credit. Your monthly health insurance bills will still be lower, but not as much. By taking the rest at tax time, there is less chance of owing the IRS money.

Claudia and Patrick's story

"In January, we decided to take the payment assistance in advance. On August 1, I got a new job that increased our income so we no longer qualified for the tax credit. We forgot to tell kynect. At tax time, we had to pay back \$2,000."

Payment assistance they got over 12 months	\$4, 800
Amount they should have gotten since payment assistance ended in August	<u>\$2,800</u>
Amount they must pay back	\$2,000

Remember: You control how much payment assistance you use in advance.

For details on whether you qualify and how much payment assistance you may get, contact kynect at **kynect.ky.gov** or call

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