

# Payment Assistance

## fact sheet



Kentucky's Healthcare Connection

Quality Health Coverage. For Every Kentuckian.



Payment assistance reduces the total amount of tax you owe the IRS. If you don't owe the IRS, you can get a bigger refund. You get payment assistance or a tax credit to help cut the cost of your health insurance. It is also called an APTC, or Advanced Premium Tax Credit.

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

### 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
- You do **not** receive Medicare
- Your family does **not** make more than the yearly income below

FAMILY SIZE	YEARLY INCOME
1	\$45,960
2	\$62,040
3	\$78,120
4	\$94,200
5	\$110,280
6	\$126,360

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

Payment assistance will be available for 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](http://kynect.ky.gov)
- Tell them you want the payment assistance or tax credit "in advance"
- Choose to take all your credit in advance – or just part of it

During 2014

- Pay a lower insurance bill each month in 2014 – and now you are covered

January 2015–April 2015

- File your 2014 taxes, including information about payment assistance

**Jane needs to decide which way works best for her. Either way, she gets the same total tax credit for the year.**

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

Monthly Premium	\$300
<b>Monthly Tax Credit</b>	<b>-\$240</b>
New Monthly Cost	\$60

**ADVANTAGE: Lower your health insurance bill each month!**



[kynect.ky.gov](http://kynect.ky.gov)

1-855-4kynect (459-6328)

## Take it Later!

- Sign up for your health insurance at [kynect.ky.gov](http://kynect.ky.gov)

During 2014

- Pay the full insurance bill each month in 2014 – and now you are covered

January 2015–April 2015

- File your 2014 taxes
- Subtract your tax credit from the tax you owe – or get a bigger refund if you don't owe anything

*"If I take the same payment assistance later, I pay the full \$300 monthly health insurance bill now, but I get a bigger refund in April."*

Tax Due	\$900
<b>Yearly Tax Credit</b>	<b><u>-\$2,880</u></b>
IRS Refund	\$1,980

## ADVANTAGE: Lower the amount you pay at tax time!

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](http://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>
<b>Amount they must pay back</b>	<b>\$2,000</b>

**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](http://kynect.ky.gov) or call 1-855-4kynect (459-6328), TTY: 1-855-326-4654.



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