



FEDERAL PREMIUM ASSISTANCE TAX CREDIT

What is the Federal Premium Assistance Tax Credit?

A Federal Premium Assistance Tax Credit is available to eligible individuals to subsidize the cost of insurance coverage purchased through a state exchange or marketplace. In order to be eligible, the individual's household income must be between 100 percent and 400 percent of the federal poverty level, and the individual must either:

- Not be offered minimum essential coverage by an employer, or
- Be offered minimum essential coverage, but the coverage is (i) unaffordable, or (ii) does not provide the required minimum actuarial value (the plan's share of the total allowed costs of benefits is less than 60 percent).

An employer-sponsored plan generally is affordable if the portion of the annual premium the employee must pay for self-only coverage that satisfies the minimum value requirement does not exceed 9.5 percent of your household income, but this percentage is adjusted annually. For plan years beginning in:

- 2015, the percentage is 9.56 percent – see [Revenue Procedure 2014-37](#)
- 2016, the percentage is 9.66 percent – see [Revenue Procedure 2014-62](#)
- 2017, the percentage is 9.69 percent – see [Revenue Procedure 2016-24](#)
- 2018, the percentage is 9.56 percent – see [Revenue Procedure 2017-36](#)
- 2019, the percentage is 9.86 percent
- 2020, the percentage is 9.78 percent