PY27 Cert Training Module 4

Table of Contents

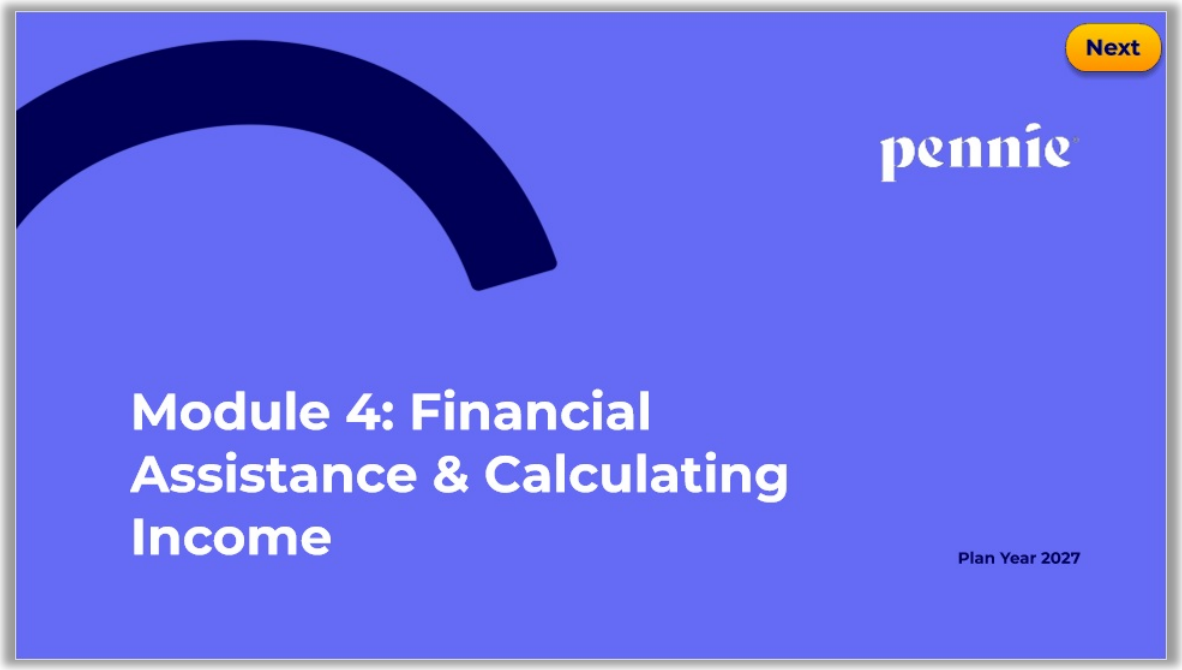
1. Title Slide 3
   1.1 Title Slide 3
2. Types of Financial Assistance 4
   2.1 Types of Financial Assistance 4
   2.2 Financial Assistance 4
   2.3 Eligibility for Financial Assistance 5
   2.4 Premium Tax Credits (PTCs) 5
   2.5 Understanding APTC: Second Lowest Cost Silver Plan 6
   2.6 Understanding APTC: Second Lowest Cost Silver Plan 6
   2.7 Understanding APTC: Second Lowest Cost Silver Plan 7
   2.8 Understanding APTC: Example 1 7
   2.9 Understanding APTC: Example 1 Cont. 8
   2.10 Understanding APTC: Example 2 8
   2.11 Cost-Sharing Reductions (CSRs) 9
   2.12 Cost-Sharing Reductions (CSRs) 9
   2.13 Cost-Sharing Reductions (CSRs) 10
3. Calculating & Reporting Income 10
   3.1 Calculating & Reporting Income 10
   3.2 Reporting Income 11
   3.3 Calculating Income: MAGI 11
   3.4 Calculating Income: MAGI 12
   3.5 Final Adjustments to Household Income 12
4. Marketplace Tax Forms 13
   4.1 Marketplace Tax Forms 13
   4.2 Tax Forms for APTC 13
   4.3 Form 1095-A 14

Published by Articulate® Storyline www.articulate.com

4.4 Form 1095-A 14
4.5 Form 1095-A 15
4.6 Other Tax Notes 15
4.7 Other Tax Notes 16
5. Final Slide 16
5.1 Final Slide 16

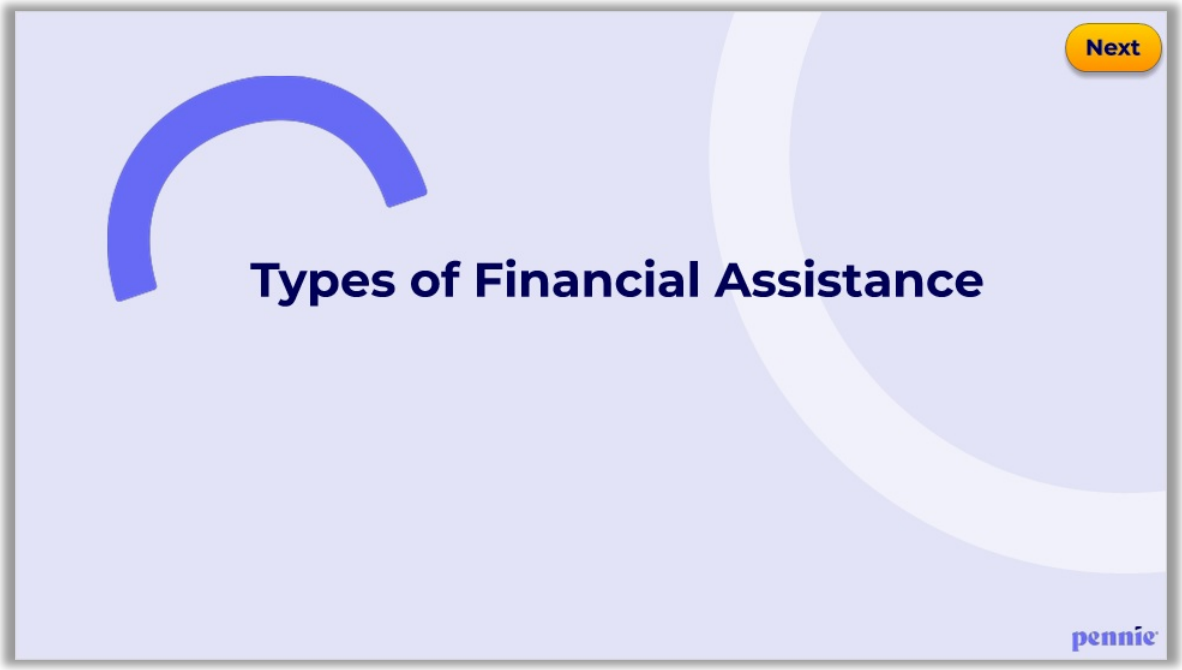
1. Title Slide

1.1 Title Slide

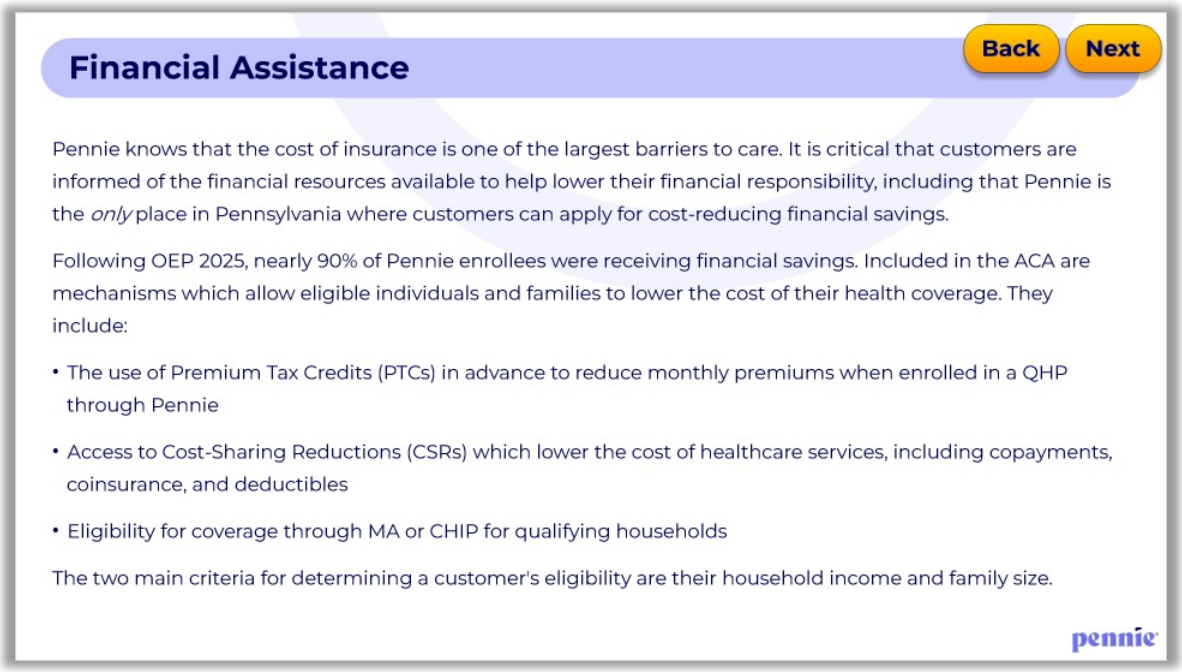


2. Types of Financial Assistance

2.1 Types of Financial Assistance



2.2 Financial Assistance



2.3 Eligibility for Financial Assistance

Eligibility for Financial Assistance

Back Next

A household's income – expressed as a percentage of the Federal Poverty Level (FPL) – is used to determine eligibility for reduced-cost health coverage through Pennie.

If income is below a certain threshold, Pennie will refer the customer's application for review by DHS for MA eligibility.

Note: The 2025 FPL Guidelines will remain in effect through the 2026 plan year. 2026 FPL Guidelines will take effect for the 2027 plan year and can be found here: Poverty Guidelines | ASPE.

2026 POVERTY GUIDELINES FOR THE 48 CONTIGUOUS STATES AND THE DISTRICT OF COLUMBIA	
Persons in family/household	**Poverty guideline**
1	$15,960
2	$21,640
3	$27,320
4	$33,000
5	$38,680
6	$44,360
7	$50,040
8	$55,720
For families/households with more than 8 persons, add $5,680 for each additional person.	

pennie

2.4 Premium Tax Credits (PTCs)

Premium Tax Credits (PTCs)

Back Next

Premium Tax Credits (PTCs) are a refundable tax credit available to eligible customers to help offset some of the cost of their monthly premiums. Qualifying customers can choose to:

Use none of their PTC and opt to receive it when filing their annual tax return

Use all PTC in advance* to lower the cost of their monthly premiums (*Note: When the PTC are used in advance, they are referred to as **Advance Premium Tax Credits [APTCs]**)

Use some, but not all, of their Credits to lower their premium, but still receive a portion when filing their annual tax return

In Pennsylvania, APTC is only available to customers who enroll in QHPs through Pennie.

pennie

2.5 Understanding APTC: Second Lowest Cost Silver Plan

Understanding APTC: Second Lowest Cost Silver Plan

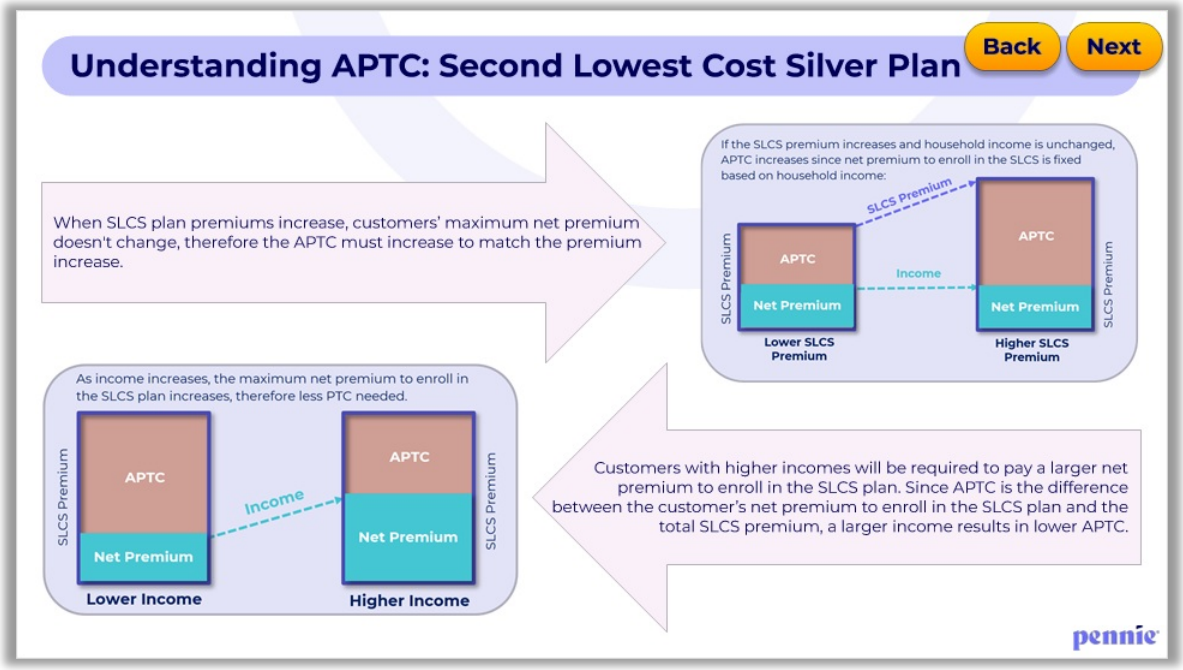
Back Next

APTC is based on the premium of the **Second Lowest Cost Silver (SLCS)** plan available to the customer in their county. Customers eligible for APTC can enroll in any plan they qualify for – if they enroll in a plan that costs more than the SLCS plan, the customer will pay *more*; if they enroll in a plan that costs less than the SLCS plan, the customer will pay *less*.

APTC is designed to cap the net premium a customer must pay to enroll in their area's SLCS plan, as a percentage of household income. This design protects customers financially from rising premium costs since APTC fills in the difference between the customer's maximum net premium and the SLCS plan's total premium.

pennie

2.6 Understanding APTC: Second Lowest Cost Silver Plan



2.7 Understanding APTC: Second Lowest Cost Silver Plan

Understanding APTC: Second Lowest Cost Silver Plan

Back Next

Because customers do not have to use all of their PTC, they can choose how much of their potential PTC they want to utilize as APTC.

While most customers will want to use all available APTC to lower their monthly premiums as much as possible, some customers might want to use less. This includes customers who still want to receive some PTC in the form of a tax refund.

Also, customers whose income estimate may be different from their actual income at the end of the year may choose to take less out of caution. If their actual income is more than they estimated, that means the customer underreported their income and received more APTC than they were eligible for. In that case, **they will have to pay back the excess APTC they received**.

pennie

2.8 Understanding APTC: Example 1

Understanding APTC: Example 1

Back Next

HH size: **3 members**

HH annual income: **$60,000**

Step 1: Determine FPL and corresponding percentage of income

- $60,000 is between $54,641 and $68,301 so CSR level is 04
- Percentage of income is 6.78%

2026 FPL Table

PY2027	Eligibility (FPL)	Household Size				% of Income
		HH 1	HH 2	HH 3	HH 4	
CSR-06	100-133%	$15,960	$21,640	$27,320	$33,000	2.15%
	133.1-138%	$16,476	$22,339	$28,203	$34,066	3.23%
	138.1-150%	$16,525	$22,407	$28,288	$34,169	3.54%
CSR-05	150.1%	$23,941	$32,461	$40,981	$49,501	4.3%
CSR-04	200.1%	$31,921	$43,280	$54,641	$66,001	6.78%
CSR-01	250.1%	$39,901	$54,101	$68,301	$82,501	8.66%
	300.1%	$47,881	$64,921	$81,961	$99,001	10.22%
CHIP (no cost)	213%	$33,994	$46,093	$58,191	$70,290	
CHIP (low cost)	314%	$50,114	$67,949	$85,784	$103,620	

pennie

2.9 Understanding APTC: Example 1 Cont.

Understanding APTC: Example 1 Cont.

Back Next

Step 2: Determine the family's *gross premium* for the Second Lowest Cost Silver plan • Note: Enrolling family members only	Enrollee 1 (52 y/o): Enrollee 2 (50 y/o): Enrollee 3 (14 y/o):	$600/month $500/month $250/month **$1350/month ($16,200/year)**
Step 3: Calculate the family's *net premium* to enroll in the SLCS plan • Multiply the family's annual household income by the FPL income percentage	HH size: 3 HH income: $60,000 CSR-04: 6.78% of income	$60,000 * 6.78% = **$4068/year**
Step 4: Calculate the maximum annual Advanced Premium Tax Credit the household is eligible for • Subtract the annual net premium in Step 3 from the SLCS premium in Step 2	Annual APTC = SLCS premium – Net Premium	**$16,200 – $4068 = $12,132/year ($1011/month)**
	➔ Result is the tax credit amount needed to achieve the *annual net premium of the SLCS plan*	

The family can choose to enroll in the SLCS plan and pay as low as $339 per month ($1350 SLCS premium – $1011 max monthly APTC), or they can use up to $1011 max monthly APTC to reduce their monthly cost to enroll in a different plan should it be more expensive than the SLCS plan.

pennie

2.10 Understanding APTC: Example 2

Understanding APTC: Example 2

Back Next

In this example, let's assume the same family but with a household income of **$80,000**:

Step 1: Determine FPL and corresponding percentage of income	HH size: 3 HH income: **$80,000**	$80,000 = **250.1-300% FPL** CSR-01 = **8.66%**
Step 2: Determine the family's *gross premium* for the Second Lowest Cost Silver plan • Note: Enrolling family members only	Enrollee 1 (52 y/o): Enrollee 2 (50 y/o): Enrollee 3 (14 y/o):	$600/month $500/month $250/month **$1350/month ($16,200/yr)**
Step 3: Calculate the family's *net premium* to enroll in the SLCS plan • Multiply the family's annual household income by the FPL income percentage	HH size: 3 HH income: $80,000 CSR-01: 8.66% of income	$80,000 * 8.66% = **$6928/yr**
Step 4: Calculate the maximum annual Advanced Premium Tax Credit the household is eligible for • Subtract the annual net premium in Step 3 from the SLCS premium in Step 2	Annual APTC = SLCS premium – Net Premium	**$16,200 – $6928 = $9272/yr (~$772.67/mo)**

➔ As a result of the larger household income, the maximum monthly APTC amount decreases.

pennie

2.11 Cost-Sharing Reductions (CSRs)

Cost-Sharing Reductions (CSRs)

Back Next

Customers who apply for coverage through Pennie – and are eligible for APTC – may also be eligible for extra savings called **Cost-Sharing Reductions (CSRs)**. CSRs are a benefit that lowers the out-of-pocket costs associated with accessing healthcare services, including deductibles, copayments, and coinsurance.

To be eligible for CSR based on income, customers in Pennsylvania must meet the following requirements:

- Have a household income within a certain range of the Federal Poverty Level (FPL)
- Be eligible to receive APTC
- Enroll in a Silver-level plan through Pennie

Customers who qualify for CSR and enroll in a Silver plan through Pennie will have lower out-of-pocket costs for covered healthcare services.

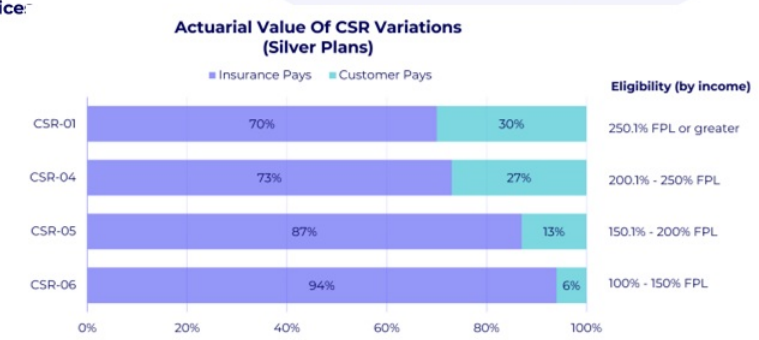
pennie

2.12 Cost-Sharing Reductions (CSRs)

Cost-Sharing Reductions (CSRs)

Back Next

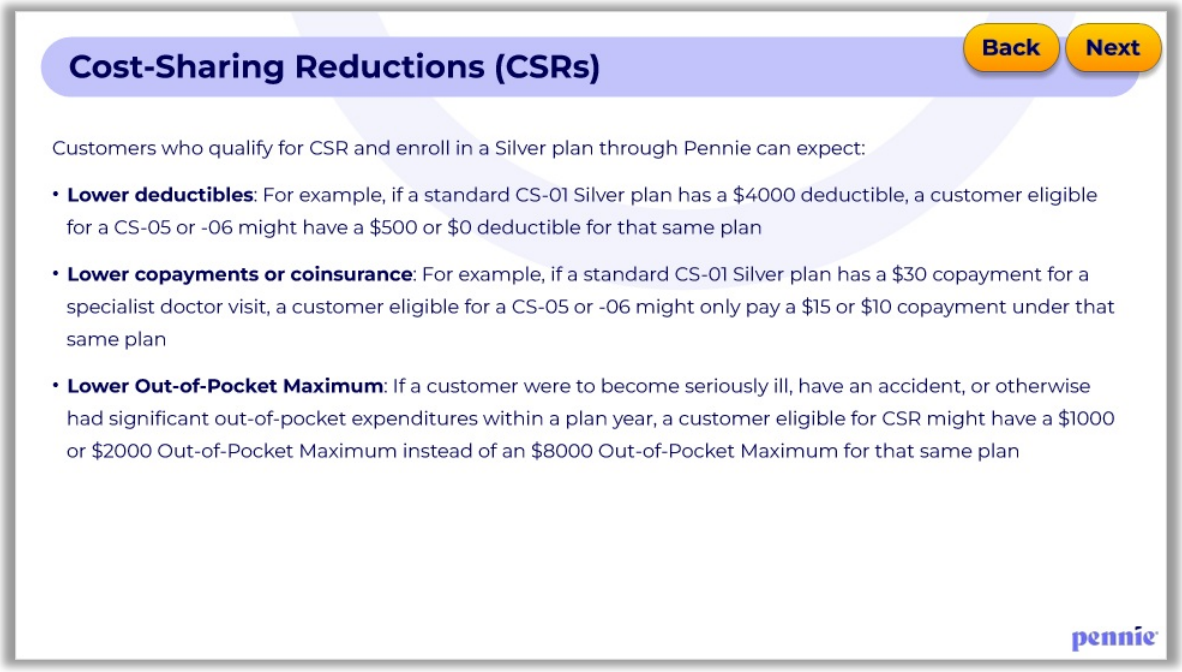
Silver-level plans typically pay an average of 70% of the cost of providing EHB, leaving customers responsible for the remaining 30% in the form of out-of-pocket expenses such as deductibles, copayments, and coinsurance. **CSRs increase the actuarial value of their coverage by decreasing the amount of cost-sharing required by the customer for healthcare service**



Note: CS-02 and CS-03 are reserved for AI/AN individuals

pennie

2.13 Cost-Sharing Reductions (CSRs)



3. Calculating & Reporting Income

3.1 Calculating & Reporting Income

3.2 Reporting Income

Reporting Income

Back Next

When completing the application, customers will need to estimate their expected income for the year in which they are seeking coverage. Customers should give their best estimate of what their income will be, so they qualify for the right amount of financial savings to help pay for the cost of health coverage.

Because the calculation is at the household level, income for all members of the family must be included on the application, even if one or more family members aren't seeking coverage.

Overestimating income will *reduce* the amount of financial savings they may be eligible for, while *underestimating* income may grant *more* assistance than they are eligible for. **If income is under reported, customers may have to pay back excess assistance dollars on their yearly tax return**.

pennie

3.3 Calculating Income: MAGI

Calculating Income: MAGI

Back Next

To determine eligibility for APTC, CSR, most categories of MA, and CHIP, Pennie and DHS determine household income using **Modified Adjusted Gross Income (MAGI)**.

MAGI is a household's Adjusted Gross Income (AGI) plus these federally-required income sources, if applicable:

- Untaxed foreign income
- Non-taxable Social Security benefits
- Tax-exempt interest

Note: Earned wages and unemployment benefits *are counted* in MAGI calculations, while child support and Supplemental Security Income (SSI) *are not*.

Note: State MA and CHIP agencies calculate MAGI using *monthly income*, while the Marketplaces use *annual income*.

pennie

3.4 Calculating Income: MAGI

Calculating Income: MAGI

Back Next

Pennie, MA, and CHIP applications will all ask for the information needed to determine the household size for a customer. Sometimes a customer's household may include people they live with, but are not part of their tax household (e.g., parents, siblings, and/or children). Be sure to only include the information for members of your tax household.

If customers choose to apply for APTC and CSRs to help lower the cost of coverage through Pennie, **they are required to file federal income tax return to qualify**.

The MAGI calculation for Pennie affordability programs and MA/CHIP does not include:

- Educational scholarships, awards, or fellowship grants not used for living expenses
- Certain American Indian/Alaska Native income

pennie

3.5 Final Adjustments to Household Income

Final Adjustments to Household Income

Back Next

Before entering the calculated income, be sure to review the scenarios below and account for all members of the household:

- Expected raises
- New jobs or other employment changes, including changes to work schedule or self-employment income
- Changes in household, like gaining or losing dependents

If a customer needs to change or update their income or other information on their Pennie application that has already been submitted, they can simply click the **Edit Application** button on the member dashboard and navigate to the section they wish to change.

It is critical that customers report any and all changes in household income as soon as they are experienced.

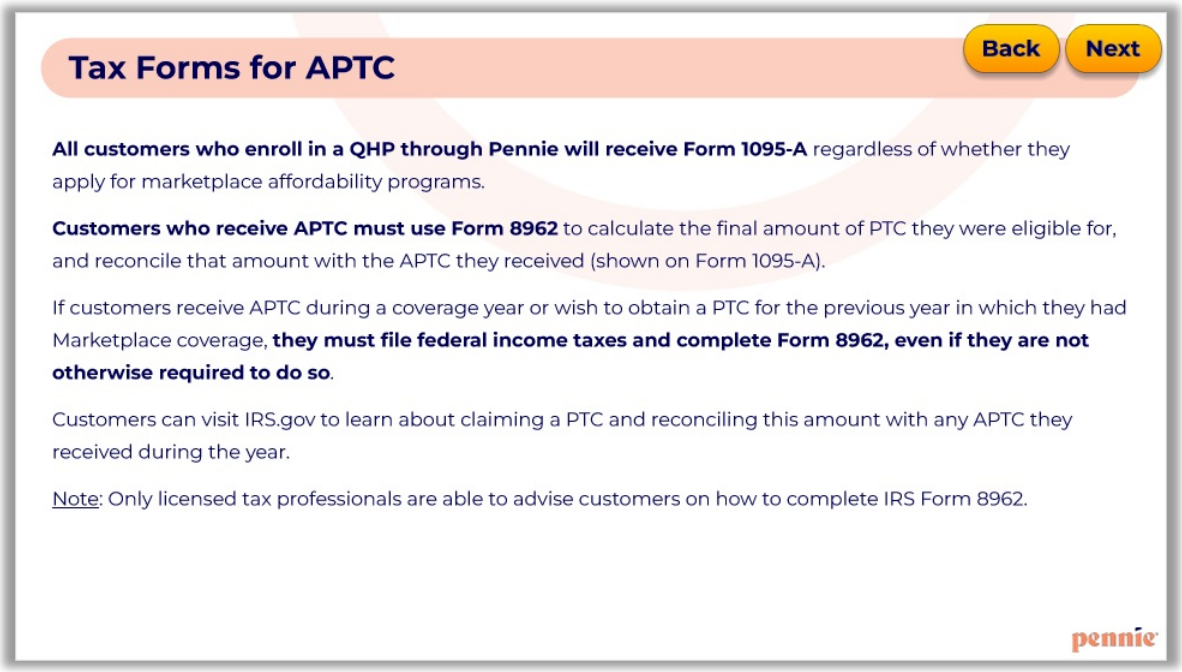
Refer to these FAQs for more details on what to include as income: How to estimate your expected income | Pennie.com and What to include as income | Pennie.com.

pennie

4. Marketplace Tax Forms

4.1 Marketplace Tax Forms

4.2 Tax Forms for APTC



4.3 Form 1095-A

Form 1095-A

Back Next

All customers will receive Form 1095-A by mail in addition to an electronic copy uploaded to their Pennie account inbox.

If household members enroll in different policies during the coverage year, they only need to submit one 1095-A for each policy in a household. Customers should use the information on their Form 1095-A to complete Form 8962.

Form 1095-A contains the following information:

- Names and other information for the customer or family members enrolled in a QHP
- Months enrolled in a QHP
- The QHP premium amount
- The SLCSP premium amount
- Elected monthly APTC amount

Form 1095-A Health Insurance Marketplace Statement VOID CORRECTED OMB No. 1545-2232 2025
Department of the Treasury Internal Revenue Service
Do not attach to your tax return. Keep for your records.
Go to www.irs.gov/Form1095A for instructions and the latest information.
Part I Recipient Information
1 Marketplace identifier | 2 Marketplace-assigned policy number | 3 Policy issuer's name
4 Recipient's name | 5 Recipient's SSN | 6 Recipient's date of birth
7 Recipient's spouse's name | 8 Recipient's spouse's SSN | 9 Recipient's spouse's date of birth
10 Policy start date | 11 Policy termination date | 12 Street address (including apartment no.)
13 City or town | 14 State or province | 15 Country and ZIP or foreign postal code
Part II Covered Individuals
A. Covered individual name | B. Covered individual SSN | C. Covered individual date of birth | D. Coverage start date | E. Coverage termination date
16
17
18
19
20
Part III Coverage Information

pennie

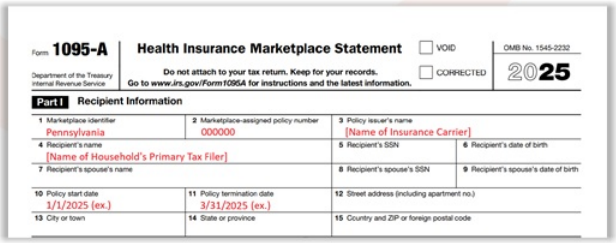
4.4 Form 1095-A

Form 1095-A

Back Next

Part I: Recipient Information includes:

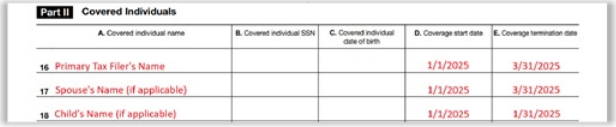
- Primary tax filer name
- Insurance company name
- Coverage start and end date


Form 1095-A Health Insurance Marketplace Statement VOID CORRECTED OMB No. 1545-2232 2025
Department of the Treasury Internal Revenue Service
Do not attach to your tax return. Keep for your records.
Go to www.irs.gov/Form1095A for instructions and the latest information.
Part I Recipient Information

1 Marketplace identifier: Pennsylvania	2 Marketplace-assigned policy number: 000000	3 Policy issuer's name: [Name of Insurance Carrier]
4 Recipient's name: [Name of Household's Primary Tax Filer]		5 Recipient's SSN / 6 Recipient's date of birth
7 Recipient's spouse's name		8 Recipient's spouse's SSN / 9 Recipient's spouse's date of birth
10 Policy start date: 1/1/2025 (ex.)	11 Policy termination date: 3/31/2025 (ex.)	12 Street address (including apartment no.)
13 City or town	14 State or province	15 Country and ZIP or foreign postal code

Part II: Covered Individuals includes:

- All enrollees covered under the policy
- Each enrollee's coverage start and end date


Part II Covered Individuals

A. Covered individual name	B. Covered individual SSN	C. Covered individual date of birth	D. Coverage start date	E. Coverage termination date
16 Primary Tax Filer's Name			1/1/2025	3/31/2025
17 Spouse's Name (if applicable)			1/1/2025	3/31/2025
18 Child's Name (if applicable)			1/1/2025	1/31/2025

pennie

4.5 Form 1095-A

Form 1095-A

Back Next

Part III: Coverage Information includes (per month):

- QHP premium
- SLCS premium
- APTC received

If the customer's QHP was terminated for non-payment, the row for the last month of coverage may show as follows:

- QHP premium = [blank]
- SLCS premium = [blank]
- APTC received = $$$

Part III Coverage Information

Month	A. Monthly enrollment premiums	B. Monthly second lowest cost silver plan (SLCSP) premium	C. Monthly advance payment of premium tax credit
21 January	1234.56	1111.11	1000.00
22 February	987.99	888.88	800.00
23 March	987.99	888.88	800.00
24 April			

Part III Coverage Information

Month	A. Monthly enrollment premiums	B. Monthly second lowest cost silver plan (SLCSP) premium	C. Monthly advance payment of premium tax credit
21 January	1234.56	1111.11	1000.00
22 February	987.99	888.88	800.00
23 March			800.00
24 April			

This is because, when a customer receiving APTC is terminated for non-payment, the termination is retroactive two months. This results in one month of coverage for which *premiums were not paid,* but APTC *was.*

pennie

4.6 Other Tax Notes

Other Tax Notes

Back Next

Customers may also receive other 1095 forms, including Form 1095-B or Form 1095-C. They will receive these forms if they, or someone in their household, had another source of coverage during part of the year.

The SLCS premium on Form 1095-A may be incorrect if:

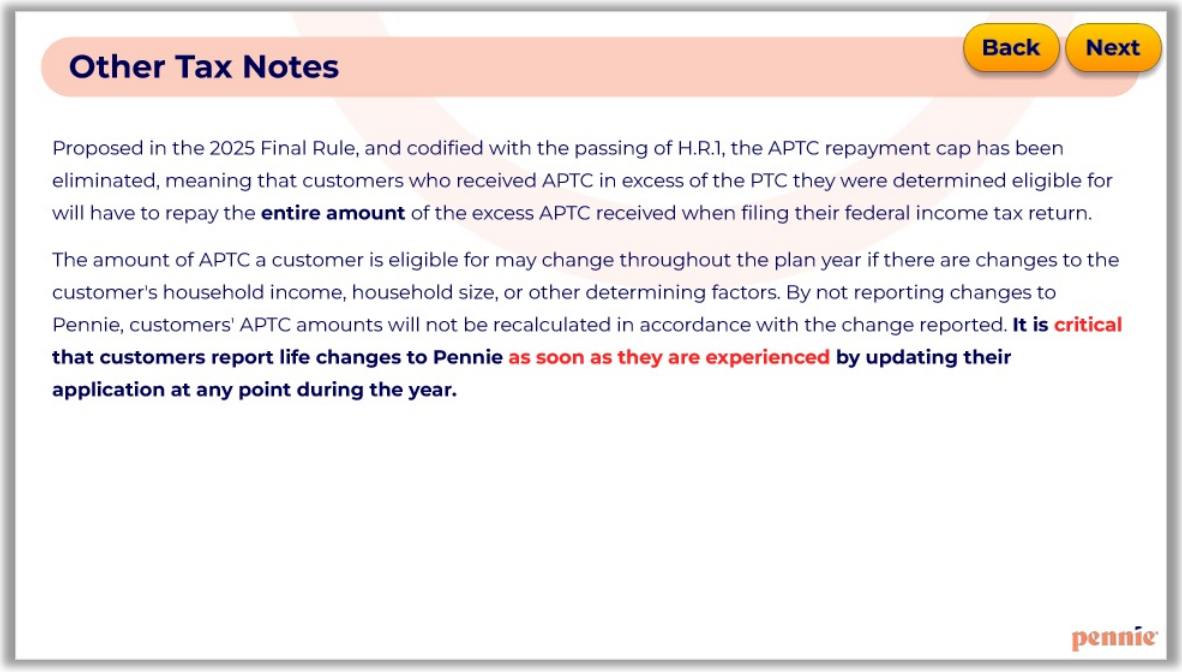
- There is no value or a zero in the cell for a month the customer or family members were enrolled
- The customer did not take APTC or did not apply for financial savings previously
- The customer did not report a household change to the Marketplace

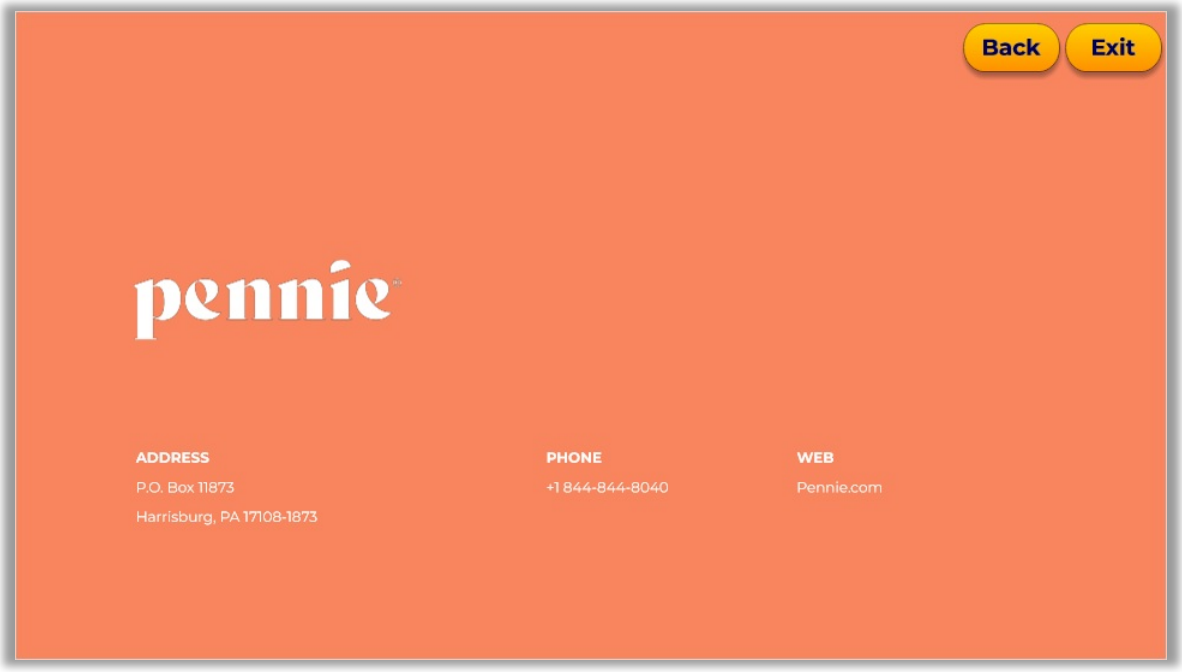
Customers must be referred to licensed tax advisers, tax preparers, or other resources for assistance with tax preparation, tax advice, or consequences related to coverage through Pennie or financial savings.

- The **Volunteer Income Tax Assistance** program offers free tax help to people who generally make $54,000 or less, persons with disabilities, and limited English-speaking taxpayers.
- The **Tax Counseling for the Elderly** program offers free tax help for all taxpayers, particularly age 60 and older, specializing in questions about pensions and retirement-related issues unique to seniors

pennie

4.7 Other Tax Notes



5. Final Slide

5.1 Final Slide