

Important Information About Health Coverage and Premium Tax Credits (PTCs)

Employer Coverage and Premium Tax Credits

- If your employer's health plan meets ACA standards for *minimum value* and *affordability*, you and your family typically aren't eligible for Premium Tax Credits (subsidies) for Individual and Family coverage purchased through Covered California (or another state exchange).
- Premium Tax Credits (PTCs) are generally only available if you don't have an offer of employer coverage that meets ACA standards for minimum value and affordability – meaning the plan your employer offers either isn't affordable or doesn't provide enough coverage by official ACA standards.
- If you are unsure whether your employer's plan meets ACA standards for minimum value and affordability, you can ask your HR/benefits contact or review the Summary of Benefits & Coverage (SBC).
- Those who do not maintain qualifying coverage may face a **state tax penalty** when filing their California return.
- The penalty is generally at least **\$750 per adult** and **\$375 per child** (adjusted annually for inflation), but may be higher depending on income and family size.
- More information, including an online penalty estimator, is available from the California Franchise Tax Board: ftb.ca.gov/healthmandate.

What To Do Next

- Review your employer's coverage options carefully.
- If you're considering purchasing coverage through Covered California, keep in mind that an employer offer of coverage that meets **minimum value and affordability** standards may affect your eligibility for Premium Tax Credits.
- For questions, consult your HR/benefits representative, a tax advisor, or visit coveredca.com.

California Individual Mandate

- In addition to federal requirements, California has its own health coverage mandate.
- California law requires residents to maintain health insurance for themselves and their dependents throughout the year.
- A one-time break in coverage for up to three consecutive months is permitted without penalty.