



Important News

About reconciling your tax credits

You are getting this letter because you are getting help making your insurance more affordable. It is very important for you to understand the financial help you are receiving.

- Premium assistance is a federal tax credit that helps make the amount you pay for your insurance each month lower. How much premium assistance you receive is based on how much money you make, your family size, and where you live.
- You may also be receiving cost-sharing reductions. This type of financial help lowers the part you pay when you visit a doctor or hospital or fill your prescriptions.

Why is it important to accurately report my income and household size?:

If you receive help making your insurance more affordable, you need to file taxes. When you file, the IRS will check to see if the amount of income you reported to Covered California is the same as the amount of income you actually made. The IRS will also check to see if your family size is the same as when you applied. The IRS will then compare the advance premium assistance you received during the taxable year with the premium assistance that you qualify for based on the actual household income and family size you reported on your tax return. This is known as reconciliation.

It is possible that you will qualify for more premium assistance than you received because at the end of the year your income was lower or your household size was larger than what you reported to Covered California. If this happens, you may get money back when you file your taxes.

It is also possible that you qualify for less premium assistance than you received because at the end of the year your income was higher or your family size was smaller than what you reported to Covered California. If this happens you will have to repay the amount you should not have received when you file your taxes.

What can I do to avoid owing money when I file my taxes?:

- If you are worried about owing money at tax time, you can choose to take less of the premium assistance credit each month. Your monthly premiums will still be lower, but not as much. By taking the rest of the credit at tax time, there is less chance you will owe back money.
- You can also choose to pay the full premium amount each month. If you choose this option, when you file your taxes you would subtract your tax credit from the tax you owe – or get a bigger refund if you didn't owe anything.

What do I do if I have a change in my income or application information?:

- You can log on to your existing www.CoveredCA.com account to safely and securely report your changes. Click the "Report a Change" option to report any changes in your income or application information.
- If you need help, a Covered California Certified Enrollment Counselor or Certified Licensed Agent can walk you through the process. You can find someone in your area at: coveredca.com/enrollment-assistance
- You can also call the Covered California Service Center at (800) 300-1506, or (888) 889-4500 (TTY-4500).