

# Reporting Income: Reporting Income on a Marketplace Application

Microlearning Transcript



# Reporting Income on a Marketplace Application

## Let's Get Started

### Your Role

How do I help consumers get the right eligibility outcome on a Marketplace application?

Whose income is counted?

Which income types are counted?

You'll need to help consumers estimate their household income as accurately as possible when they apply for Marketplace coverage and financial assistance.

Fortunately, the Marketplace application is designed to ask questions that will collect the right income information from the right people.

In this module, you'll help the Carter family—including George, Louise, and their 17-year-old son, Leo— as they estimate their annual household income on a Marketplace application.

## What You Need to Know

### Reporting Income

Before we get started, keep in mind that the Marketplace application asks consumers if they have any income in the current month. Then the application asks about total yearly income.

Can you recall how the Marketplace uses consumers' current monthly income and their projected annual income to determine eligibility for financial assistance and other coverage options?

Projected annual income (for the coverage year) is always used to Marketplace (APTC and CSR) eligibility.

Current monthly income is generally used to determine Medicaid and CHIP eligibility

The Marketplace counts income for the primary applicant, their spouse if they have one, and everyone they'll claim as a tax dependent on their federal income tax return (if the dependents are required to file).

As a best practice, advise consumers that they should always include the income of tax dependents (of any age) on the Marketplace application when it is requested.

The Marketplace will determine whether to count their income based on their age and the income types and amounts they include on the application.

You can also review the resources provided throughout this module to learn more about reporting household members' incomes on a Marketplace application.

- [What to include as income](#)
- [How to estimate your expected income](#)

## What You Need to Do

George and Louise Carter live in Michigan with their son Leo. They are married, file a joint federal income tax return, and claim Leo as their dependent. They are applying for coverage

during the annual Open Enrollment Period and have asked for assistance entering their income information.

Let's help George, Louise, and Leo report their income on a Marketplace application. Select continue to proceed to the next screen.

Since all three of the Carters have earned income this year, they each need to input their **monthly** on the Marketplace application. Select the continue button to help the Carter family report their income on their Marketplace application.

Let's start with George.

George earns \$2,000 every month from his job as a construction project manager.

He will also receive a \$4,000 bonus from his employer at the end of the coverage year. Even though that is several months down the road, George still needs to add the bonus to his expected yearly income.

Why is that? Select continue to proceed to the next screen.

Consumers must adjust their expected yearly income for any changes they *expect* for the year they want coverage.

Income changes can include future raises, bonuses, and income from other sources. Consumers must include these types of income changes because eligibility for financial assistance (i.e., premium tax credits and cost-sharing reductions) is calculated using a consumer-provided projection of their annual income for the year. Select continue to proceed to the next screen.

Let's help George enter his income information on the application. George should select Add Income to get started. Select Add income to proceed to the next screen.

Select the correct source of income for George from the drop-down menu and then select the continue button.

Correct answer: Job (like salary, wages, commissions, or tips).

George provided the following information about his job. Help him fill in the fields:

- Employer name: Technology Inc.
- Phone: 616-000-3443
- Monthly pay: \$2,000

Select the Add button after completing the fields.

The income information you helped George enter should appear on this screen. Select Save and continue.

This screen shows George's estimated income for next year, which the Marketplace application calculated based on George's monthly income. Now let's help review his estimated yearly income. Select the Continue button to proceed to the next screen.

George knows he will receive a \$4,000 bonus during the year he's applying for coverage. Should he wait until later in the coverage year to report it?

No, George knows he will receive a \$4,000 bonus during the year he's applying for coverage, so he should include it as part of his expected yearly income.

Consumers should initially include all of their expected yearly income for the year they want coverage, including raises, bonuses, and changes to income from other sources. George should add the bonus to his expected yearly income when he first applies rather than wait to add it until later in the coverage year so that he can receive the right amount of financial assistance right away. For more information on estimating expected income, visit [HealthCare.gov/income-and-household-information/how-to-report](https://www.healthcare.gov/income-and-household-information/how-to-report).

Next, let's help George add information about his bonus to the Marketplace application.

Based on the monthly income information George provided, the Marketplace estimates that his expected yearly income is "About \$24,000 per year".

Is this correct? Use the scroll bar to select Expected to be about this amount or Amount will probably be different than this.

Amount will probably be different than this. While it is true that  $\$2,000 \times 12$  is equal to \$24,000 per year, George needs to add his bonus to this estimate.

Since George indicated his expected yearly income is incorrect, a second question appears asking, "Is George's income for 2023 hard to predict?"

How should George respond?

No.

Since George is receiving a one-time payment in the form of a \$4,000 bonus at the end of the year he's applying for coverage, he can answer that his 2023 income is not hard to predict and simply add the \$4,000 to his current estimated income of \$24,000.

The application will then ask George to make his best estimate for his expected yearly income. What amount should George enter?

Enter the correct amount for George's 2023 income and select Update estimate.

\$28,000. George's expected annual income is \$28,000, which includes his Marketplace yearly income estimate of \$24,000 plus his expected \$4,000 bonus.

Now that you have helped George, let's help Louise.

Louise receives \$750 a month in Social Security Disability Insurance (SSDI).

Should Louise enter her SSDI as a source of income?

Yes. Consumers must report SSDI payments as income on their Marketplace application. The HealthCare.gov application asks whether consumers receive "Social Security benefits." When answering this question, consumers must report the following Social Security benefits: SSDI, Social Security retirement income, and Social Security survivor's benefits. Consumers should

not report Supplemental Security Income (SSI).

Consumers who receive SSDI might have Medicare, Medicaid, or both. If they are under 65, they may also be in a 24-month waiting period before they are entitled to premium-free Medicare Part A, and automatically enrolled in Parts A and B. You can inform consumers who are in a 24-month waiting period for Medicare that they may be eligible for Medicaid or Marketplace coverage while they wait for Medicare coverage to start.

If a consumer is currently enrolled in Medicare, they may not be able to enroll in Marketplace coverage because it's against the law for insurance companies to sell Medicare beneficiaries a Marketplace plan if the insurance company knows that the plan will duplicate the beneficiary's benefits. If a consumer is enrolled in Medicaid, they generally won't be eligible for financial assistance because most forms of Medicaid are considered minimum essential coverage.

For more information on SSDI and SSI, visit [HealthCare.gov/people-with-disabilities/coverage-options](https://www.healthcare.gov/people-with-disabilities/coverage-options).

Let's help Louise add her income. Select the Add income button.

Select the type of income Louise currently gets this month from the drop-down menu.

Correct Answer: Social Security benefits (retirement and disability).

Now enter Louise's monthly income.

Louise receives \$750 each month from SSDI, so enter that amount in the application.

Select the Add button. Then review the monthly amount and use the scroll bar on the right to select Save & continue.

The Marketplace application automatically calculated Louise's estimated income for next year.

You should help Louise confirm whether her expected yearly income is correct.

Louise's only source of income is from SSDI, so use the scroll bar to the right and select Expected to be this amount to confirm her yearly income is about \$9,000. Then select the Save & continue button.

Now we have just one family member left! Let's review Leo's income.

Leo earned \$3,000 working at a summer camp. However, Leo is George and Louise's child and tax dependent, and his income falls below the tax filing threshold for dependents. Should Leo enter his income on this application?

Yes. Consumers should always include the income of tax dependents (of any age) on the Marketplace application when it is requested. The Marketplace will determine whether to count a tax dependent's income based on the tax dependent's age, the type of income, and the amount of income. For more information, visit [HealthCare.gov/income-and-household-information/income](https://www.healthcare.gov/income-and-household-information/income).

Leo selects the Add Income button and then selects his income type from the drop-down menu. Select the continue button to proceed to the next screen after select the correct income type.

Correct Answer: Job (like salary, wages, commissions, or tips)

Leo provides the following information about his job. Enter the following information, then select the Add button

- Employer name: Summer Camp Co.
- Phone number: 616-000-3443
- Pay: \$3,000

After Leo selected the Save & continue button on the previous screen, the Marketplace application automatically calculated an estimated income, assuming the \$3,000 Leo entered for November applies to all 12 months of the year. Leo's only source of income is his summer camp job, so his estimated yearly income is incorrect.

Select Amount will probably be different than this then select Save & continue.

Since Leo indicated his expected yearly income is incorrect, a second question appears, asking "Is Leo's income for 2023 hard to predict?"

Leo should select No to indicate his yearly income is not hard to predict. Leo can enter \$3,000 as his current estimated income for 2023 since he will also work at the summer camp again next year. Select Save & continue to complete Leo's Income portion of the application.

After completing the rest of the application, the Carter family should read the statement and then check the box to agree to it.

George must type his full name to electronically sign the application, and then he selects the Sign & submit button.

Congratulations! You helped George, Louise, and Leo estimate their household income for the year they want coverage.

Good job on those scenarios!

## Wrap Up

Congratulations!

You have completed Reporting Income on a Marketplace Application.

In this module, you helped the Carter family estimate three relatively straightforward types of income:

- Annual salary
- SSDI
- Summer wage

Great job on those scenarios!

Let's cover a few reminders and important notes to consider:

As an assister, you should remind consumers that Marketplace financial assistance is based on their expected household income for the year they want coverage, not last year's income.

Also remind consumers that it's very important to report any income changes as soon as possible. If consumers don't report these changes, they may not receive all of the financial assistance they're eligible for, or they may receive more financial assistance than they're eligible for and may have to pay back excess advance payments of the premium tax credit when they file their federal income tax return for the year.

Disclaimer: The contents of this training module do not have the force and effect of law and are not meant to bind the public in any way, unless specifically incorporated into a contract. This training module is intended only to provide clarity to the public regarding existing requirements under the law. This communication was printed, published, or produced and disseminated at U.S. taxpayer expense.