

Reporting Income

Module 2: Reporting Income on a Marketplace Application

Let's Get Started

Your Role

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

Whose income is counted?

Which income types are counted?

Objectives

After completing this module, you should be able to:

- Assist consumers with reporting their income on a Marketplace application.
- Explain how to estimate projected annual incomes for the following income types: annual salary, Social Security Disability Insurance, (SSDI), and seasonal wages.

You'll 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 collect the right income information from the right people.

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

What You Need to Know

Reporting Income

Before we get started, keep in mind 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 projected annual income to determine eligibility for financial assistance and other coverage options?

Projected annual income (for the coverage year) is always used to determine 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 dependent on their federal income tax return (if the dependents are required to file).

As a best practice, advise consumers to 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. First, the Carters each need to input any current month income.

George

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 from now, George still needs to add the bonus to his expected yearly income.

Why is that?

Consumers must adjust their expected yearly income when they become aware of possible changes.

Income changes can include anticipated raises, bonuses, and income from other sources. Consumers must include these 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.

To get started, George enters his income information on the application by selecting the Add Income option, on the George's Income for this Month screen.

The household section, of the George's Income for this Month screen appears. On the screen, George selects his correct income type from the drop down menu, enters his employer's name and monthly income amount, and then selects Add.

George doesn't have any additional sources of income or expenses, so he selects Save & continue.

The next screen displays George's estimated income for next year, which the Marketplace application calculated based on George's monthly income. He then reviews his estimated yearly income. The Marketplace application calculated that George's estimated income will be \$24,000 (\$2,000 total month income multiplied by 12 months of the year, equals \$24,000).

George expects to receive a \$4,000 bonus during the year he's applying for coverage.

- Knowledge check question: Should he wait until later in the coverage year to report it?
- Answer: No, George expects to 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 include all their expected 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 applies rather than wait to add it so that he can receive the correct amount of financial assistance. Visit [HealthCare.gov's Count income & household size – How to estimate your expected income website](#) for more information on estimating expected income.

Next, George adds information about his bonus to the Marketplace application. Based on the monthly income information George provided, the Marketplace estimates his expected yearly income is "About \$24,000 per year". The Marketplace application asks if \$24,000 is a good estimate for George's yearly income. George selects the "Amount will probably be different than this" option. While it is true that \$2,000 x 12 equals \$24,000 per year, remember George needs to add his bonus to this estimate.

Since George indicated his expected yearly income will be different than the Marketplace's estimate, a second question displays asking, "Is George's yearly income hard to predict?" George selects "No" to answer this question.

Since George already expects the amount of his bonus at the end of the year for which he's applying for coverage to be \$4,000, and his income is otherwise steady from month-to-month, he can answer that his annual income is not hard to predict and simply add the \$4,000 to his current estimated income of \$24,000.

If he wants help adding these amounts, he can use one of the tools provided to calculate his total expected yearly income.

The application will then ask George to make his best estimate for his expected yearly income. George enters, \$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.

After entering \$28,000 underneath Enter your best estimate for next year's total income, George selects the Update estimate button to receive a new yearly income estimate.

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

Louise

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

- Knowledge check question: Should Louise enter her SSDI as a source of income?
- Answer: 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 that 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. Visit [HealthCare.gov's People with disabilities – Coverage options for people with disabilities website](#) for more information on SSDI and SSI.

To get started, Louise enters her income information on the application by selecting the Add Income option, on the Louise's Income for this Month screen.

The household section, of the Louise's Income for this Month screen appears. On the screen, Louise selects her income type from the drop down menu. Remember, Louise receives SSDI, which is a type of Social Security benefit.

On the Louise's Income for this Month page, Add income for November section, Louise enters \$750 as her monthly income amount and then selects Add.

The Marketplace application automatically calculated Louise's estimated income for next year as \$9,000. Louise will need to confirm whether her expected yearly income is correct.

Louise's only source of income is SSDI, so she selects the Expected to be about this amount option to confirm her expected yearly income is about \$9,000. She then selects Save & continue.

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

Leo

Leo earned \$3,000 working at a summer camp and he plans to work there next summer. However, Leo is George and Louise's child and tax dependent, and his income falls below the tax filing threshold for dependents.

- Knowledge check question: Should Leo enter his income on this application?
- Answer: Yes

Consumers should 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 their age, type of income, and amount of income. Visit the [HealthCare.gov's Count income & household size – What to include as income website](#) for more information.

The household section, of the Leo's Income for this Month screen appears. On the screen, Leo selects his income type from the drop down menu. Leo received a taxable wage, so he selects Job (like salary, wages, commissions, or tips) from the drop down menu.

Leo provides the following information about his job, his employer's name: Summer Camp Co. and income of \$3,000. He then selects Add.

The next screen shows Leo's estimated yearly income. The Marketplace application automatically calculated an estimated yearly income, assuming the \$3,000 Leo entered for the month applies to all 12 months of the year. Leo only works at the camp one month a year, though, so his estimated yearly income is incorrect.

The application asks Leo if \$36,000 is a good estimate for his income that year. Leo selects Amount will probably be different than this to confirm his expected yearly income is not \$36,000.

Since Leo indicated his expected yearly income is incorrect, a second question displays, asking "Is Leo's yearly income hard to predict?" he selects No.

The application then asks him to enter his best estimate for next year's total income (minus certain expenses). Leo enters \$3,000 as his estimated income since he plans to work at the summer camp again next year.

He selects Update estimate to generate a new yearly income estimate.

Once Leo's yearly income is updated, he selects Save & continue.

After completing the rest of the application, the Sign and submit page will appear. The Carter family should read the attestation statement and then check the box to agree.

George types in his full name to electronically sign the application, and then selects Sign & submit.

Congratulations! George, Louise, and Leo have estimated their household income. Good job on those scenarios! Continue to the Wrap Up section.

Wrap Up

Congratulations!

You have completed Reporting Income on a Marketplace Application.

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

- Annual salary
- SSDI
- Summer wage

Great job on those scenarios!

Let's review a few reminders and important notes:

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 it's very important to report 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 have to pay back excess advance payments of the premium tax credit when they file their federal income tax return for the year.

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