



Unemployment Compensation, Advance Payments of the Premium Tax Credit (APTC), and Cost-sharing Reductions (CSRs) Under the American Rescue Plan Act of 2021 (ARP)

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Agenda

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- Types of UC and Changes to Federal Pandemic Unemployment Compensation
- Consumers With Income Under 100 Percent FPL Who Are Ineligible for Medicaid
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American Rescue Plan: Impact of Unemployment Compensation on Consumers' Eligibility for APTC

- The American Rescue Plan Act of 2021 (ARP) provides additional subsidies through advance payments of the premium tax credit (APTC) eligibility for some taxpayers who receive or are approved to receive unemployment compensation (UC) for any week beginning during 2021.
- If a taxpayer in the household receives or is approved to receive UC for any week beginning during 2021, the taxpayer may be eligible for a premium tax credit (PTC) that covers the entire premium cost for the benchmark Marketplace plan for the whole household, regardless of the taxpayer's actual household income amount.

American Rescue Plan: Impact of Unemployment Compensation on Consumers' Eligibility for CSRs

- Under the ARP, consumers who receive or are approved to receive UC for any week beginning during 2021, and their households may also qualify for cost-sharing reductions (CSRs) if they enroll in a Silver-level plan and meet other eligibility criteria, such as not being eligible for Medicaid coverage.
- Both the APTC provisions and the CSR provisions apply to households that in the past have not qualified for APTC in states that did not expand Medicaid due to income below 100 percent of the Federal Poverty Level (FPL).
- These provisions adjust APTC and CSR eligibility for 2021 only.

Implementation Date of Changes in APTC and CSR Eligibility Due to UC

- Starting July 1, 2021, a new function is being added to HealthCare.gov to allow consumers who receive or are approved to receive UC for any week beginning during 2021 to access new savings on health insurance coverage, if they qualify.*
- Consumers who have received or been approved to receive UC for any week beginning during 2021 should return to HealthCare.gov after July 1 and resubmit their applications.

*Please note that these new benefits are only available for 2021. Consumers who re-enroll into 2022 coverage may be determined eligible for less financial assistance due to the expiration of these benefits.

Implementation Date of Changes in APTC and CSR Eligibility Due to UC (Cont.)

- If eligible, consumers' new APTC and CSR amounts will be reflected after application submission for future months.* Consumers should proceed through Plan Compare and re-select their plan to have updated APTC/CSR by July 31 to have amounts applied to their plan beginning August 1.
- Consumers who resubmit their application **before** August 15 – when access on HealthCare.gov to the 2021 SEP ends – and consumers who qualify for an SEP after August 15 may also choose to change plans.
- Eligibility determinations based on these new eligibility standards in the Marketplaces using the federal eligibility and enrollment platform will be prospective, but consumers enrolled in a Marketplace plan may be able to receive additional PTC when they file their federal income tax return for 2021.

*Please note that these new benefits are only available for 2021. Consumers who re-enroll into 2022 coverage may be determined eligible for less financial assistance due to the expiration of these benefits.

How Are New APTC Benefits Related to UC Accessed?

- A new question is being added to the Marketplace application so that consumers can attest to having received or having been approved to receive UC for any week beginning during 2021, which then could result in additional savings for the individual or family.
- If a consumer attests to current receipt of UC when reporting income on the Marketplace application, the new question asking if a consumer has received or been approved to receive UC during 2021 will not appear. However, such consumers may still qualify for the new APTC and CSR benefits, if otherwise eligible.
- Eligible consumers can access the new benefits through HealthCare.gov or applications submitted through an approved Enhanced Direct Enrollment entity beginning on July 1.

What Steps Do Consumers Who Have Received UC in 2021 Need to Take?

- Enrollees who may be eligible for additional APTC will not see a change in their premiums unless they log into their Marketplace account and select the option to report a life change, submit an updated version of their application, and confirm their plan selection.
- We encourage all consumers who received or were approved to receive UC during any week beginning during 2021 to return to the Marketplace to update their application as soon as possible after July 1 so they have time to compare their plan options and apply their benefits effective August 1, 2021.

What Steps Do Consumers Who Have Received UC in 2021 Need to Take (Cont.)?

- If a taxpayer doesn't come back to the Marketplace and submit an application, they may still receive the additional PTC amount they qualify for when they file their annual federal income tax return for 2021.
- We will continue to explore the feasibility of an automatic update for consumers who have already attested to receiving UC in 2021 and who do not return to the Marketplace after July 1.

Who Will Qualify for Enhanced APTC?

- In order to qualify for expanded APTC benefits under the ARP, a taxpayer must receive or be approved to receive UC for any week beginning during 2021. Taxpayers may have received UC in 2020 as well but must have also received UC in a week beginning during 2021 to qualify for the enhanced APTC.
- If a taxpayer (non-dependent) household member has received or was approved to receive UC for any week beginning during 2021, the new expanded APTC and CSR benefit amount will be applied to coverage for all members of that consumer's tax household who are otherwise eligible for APTC.

Who Will Qualify for Enhanced APTC (Cont.)?

- In households where **only a tax dependent** received or was approved to receive UC in 2021, the household may still qualify for expanded CSR benefits under the law as long as they are also APTC-eligible. However, the household would not be eligible for the expanded APTC under ARP.
- Consumers who received or were approved to receive UC for any week beginning during 2021 will be treated as if their household income is no greater than 133 percent FPL for purposes of PTCs or CSRs, as applicable.
- However, the household income level provided in the law is used only to calculate a consumer's APTC and CSR benefit if they are otherwise APTC/CSR-eligible. That means consumers still must not be otherwise eligible for Medicaid or CHIP and must meet other APTC/CSR eligibility requirements.

How to Report UC On Marketplace Applications

- The application will ask consumers to include any income that they're receiving in the current month. If a consumer is receiving UC during the month in which they're applying, they should select the income type "unemployment" and indicate the amount.
- For those consumers who are not receiving UC during the month they are filing an application, they will be asked if they received or have been approved to receive UC for any week beginning during 2021.
- Any consumers who received or have been approved to receive UC in 2021 should attest as such.

Does All UC Count?

- Any UC received from a state or federal program may qualify consumers for these new benefits.
- This includes types of UC newly authorized by the Federal Government in COVID-19 relief legislation, such as Pandemic Unemployment Assistance (PUA) and Mixed Earner Unemployment Compensation (MEUC).
- Consumers must have received UC or been approved to receive UC for at least one week beginning in calendar year 2021.

What Changes Are Happening to the Federal Pandemic Unemployment Compensation (FPUC)?

- FPUC authorizes an extra \$300-per-week UC payment through September 6, 2021. This income doesn't count when determining eligibility for Medicaid and CHIP. The treatment of FPUC income for Medicaid and CHIP eligibility is separate from the new APTC and CSR payments available to consumers on July 1.
- Previously, the federal eligibility and enrollment platform automatically subtracted these payments for consumers when determining eligibility for Medicaid and CHIP. However, while FPUC is currently authorized through September 6, 2021, a majority of states using the federal eligibility and enrollment platform have recently announced they will begin terminating the extra \$300-per-week UC payments in advance of that date.

What Changes Are Happening to the FPUC (Cont.)?

- In response to these state decisions and in an effort to ensure the federal eligibility and enrollment platform's income rules are as accurate as possible for most consumers, beginning in July, the federal eligibility and enrollment platform will no longer automatically subtract these payments for consumers when determining eligibility for Medicaid and CHIP.
- If consumers live in states that are still providing the extra FPUC benefit, **they should not include the extra \$300 per week when reporting the amount of UC they are receiving to the Marketplace.** These consumers may also consider applying directly to the state Medicaid or CHIP agency in addition to the Marketplace if they believe they are eligible for Medicaid or CHIP.

Consumers With Income Under 100 Percent FPL Who Are Ineligible for Medicaid

- Taxpayers with household incomes under 100 percent FPL who receive or are approved to receive UC for any week beginning during 2021 and who are otherwise ineligible for Medicaid may receive the enhanced APTC and CSR benefits under the new provisions for their whole household, if otherwise eligible.
- The APTC and CSR eligibility provisions apply to households that in the past have not qualified for APTC due to income below 100 percent FPL in states that did not expand Medicaid.
- These provisions adjust APTC and CSR eligibility for 2021 only.
- The ARP does not expand APTC eligibility for other consumers under 100 percent FPL whose taxpayers did not receive or were not approved to receive UC for any week beginning during 2021.

State-based Marketplaces vs. Federally-facilitated Marketplaces

- The changes to subsidy (APTC and CSR) eligibility apply for all consumers who are otherwise eligible, regardless of which state they live in. Marketplaces not using the federal eligibility and enrollment platform may have different timelines for implementing the new provisions.
- Consumers in states with Marketplaces that do not use the federal eligibility and enrollment platform should contact the Marketplace in their state to learn more about their implementation timeline. Visit [HealthCare.gov/marketplace-in-your-state](https://www.healthcare.gov/marketplace-in-your-state).