

Saving money on health insurance

How to save on your monthly insurance bill with a premium tax credit

When you apply for coverage in the Health Insurance Marketplace®, you'll find out if you qualify for a "premium tax credit" that lowers your premium — the amount you pay each month to your insurance plan.

The amount of your premium tax credit depends on the estimated household income for 2020 that you put on your Marketplace application.

[Find out if your estimated 2020 income is in the range to qualify for a premium tax credit.](#)

You can apply some or all of this tax credit to your monthly insurance premium payment. The Marketplace will send your tax credit directly to your insurance company, so you'll pay less each month. This is called taking an "advance payment of the premium tax credit."

When your income changes, so does your premium tax credit

If your income changes, or if you add or lose members of your household, your premium tax credit will probably change too.

It's very important to report income and household changes to the Marketplace as soon as possible.

- **If your income goes up or you lose a member of your household:** You'll probably qualify for a lower premium tax credit. You may want to reduce the amount of tax credit you take in advance each month. This way you don't wind up taking more credits than you qualify for.
- **If your income goes down or you gain a household member:** You'll probably qualify for a bigger premium tax credit. You may want to increase the amount of tax credit you take in advance so you have a lower premium bill each month.

IMPORTANT

If at the end of the year you've taken more advance payments of the premium tax credit than you're eligible for, you may have to pay money back when you file your federal income tax return. This is called "reconciling" the advance payments of the premium tax credit and the actual premium tax credit you qualify for based on your final 2020 income.