



Frequently Asked Questions about Filing Taxes

1. What do I need to know for filing my 2013 tax return?

Enrolling in a health plan through Vermont Health Connect does not impact your 2013 tax filing.

Advanced Premium Tax Credits (APTC) received in 2014 will be reconciled when you file your 2014 taxes in 2015. For a married couple to take advantage of APTC, they must file a joint income tax return for income earned in 2014.

2. What if my income is different when I file my taxes for 2013 than what I reported on my application?

If you under-report your income, you will likely owe money on your 2014 taxes or receive a reduced refund. If you over-report income, you may receive money back from the IRS. You should report any major changes in income by calling our customer support line at 1-855-899-9600 in order to avoid surprises when you file taxes.

3. How does my APTC get reconciled when I file taxes?

Vermont Health Connect will send an information statement showing the amount of your premiums and advance credit payments by January 31 of the year following the year of coverage. For example, you will receive the 2014 information statement by Jan. 31, 2015, and can use this information to compute your premium tax credit on your 2014 tax return and to reconcile the advance credit payments made on your behalf with the amount of the actual premium tax credit. You can avoid surprises by reporting changes in household income to Vermont Health Connect by calling 1-855-899-9600.

4. Are there limits to the amount of money I will owe the IRS if I under-report my income?

Yes.

Cap on the Amount of Advance Credits That Individuals and Families Must Pay Back

Income as percentage of poverty line	Annual income for an individual (2013 \$)	Single taxpayers	Annual income for a family of four (2013 \$)	Married taxpayers filing jointly
Under 200%	Under \$22,980	\$300	Under \$47,100	\$600
At least 200% but less than 300%	\$22,980 - \$34,470	\$750	\$47,100 - \$70,650	\$1,500
At least 300% but less than 400%	\$34,470 - \$45,960	\$1,250	\$70,650 - \$94,200	\$2,500
400% and above	\$45,960 and higher	Full amount	\$94,200 and higher	Full amount

Source: <http://www.cbpp.org/files/QA-on-Premium-Credits.pdf>.

5. Will Cost-Sharing Reductions and Vermont Premium Reduction be reconciled in 2014?

Vermont will not be reconciling income at the end of the year for purposes of the Vermont's Premium Reduction (also known as Vermont Premium Assistance or VPA). Individuals receiving Vermont's Premium Reduction, like those receiving current premium assistance for Catamount, will be responsible for updating any changes in income through Vermont Health Connect in a timely manner or be subject to the same consequences as those who are currently on other Vermont benefit programs.

6. How do I know which deductions I can take to calculate Modified Adjusted Gross Income (MAGI)?

In general, you can deduct student loan interest, alimony paid, and certain business deductions. Please consult a tax professional if you have specific questions about how to report income. For more information, please visit:

http://laborcenter.berkeley.edu/healthcare/MAGI_summary13.pdf