



Premium and Cost-Sharing Subsidies in the Affordable Care Act

Under the *Affordable Care Act*, low- and moderate-income families without access to affordable employer-sponsored insurance will qualify for sliding-scale tax credits to help them afford health care coverage. These tax credits, available starting in 2014, will lower the cost of premiums and cost-sharing for coverage that qualifying families purchase through the Exchange.

The tables below compare premiums, the value of the benefit packages, and out-of-pocket caps for families that qualify for tax credits. Note that these tables are for families only; individuals would face different out-of-pocket costs.

Premiums: The table below compares premiums for subsidized families by income

Family Income		Premiums	
Income (as a percent of the Federal Poverty Level)	Annual salary (for a family of three)	Premiums (as a percent of income)	Annual premiums (for a family of three)
133%	\$24,352	3.0%	\$731
150%	\$27,465	4.0%	\$1,099
200%	\$36,620	6.3%	\$2,307
250%	\$45,775	8.05%	\$3,685
300%	\$54,930	9.5%	\$5,218
350%	\$64,085	9.5%	\$6,088
400%	\$73,240	9.5%	\$6,958

Value of the benefit package: The table below compares the actuarial values (the percent of health care costs covered by the insurance company for the average enrollee) for subsidized families by income

Family Income		Actuarial Value (percent of health care costs covered by insurance company for the average enrollee)
Income (as a percent of the Federal Poverty Level)	Annual salary (for a family of three)	
133%	\$24,352	94%
150%	\$27,465	94%
200%	\$36,620	87%
250%	\$45,775	73%
300%	\$54,930	70%
350%	\$64,085	70%
400%	\$73,240	70%

Out-of-pocket costs: The table below shows the annual out-of-pocket maximums for subsidized families by income

Family Income		Annual Out-of-Pocket Maximum	
Income (as a percent of the Federal Poverty Level)	Annual salary (for a family of three)	As a percent of income (for a family of three)*	Total*
133%	\$24,352	16.3%	\$3,967
150%	\$27,465	14.4%	\$3,967
200%	\$36,620	10.8%	\$3,967
250%	\$45,775	13.0%	\$5,950
300%	\$54,930	10.8%	\$5,950
350%	\$64,085	12.4%	\$7,933
400%	\$73,240	10.8%	\$7,933

*The law specifies the out-of-pocket caps based on IRS limits for high-deductible plans. The numbers above are calculated based on the 2010 IRS limits, but the 2014 limits will be higher than these.