

Reporting Income: Household Size and Types of Income to Include on a Marketplace Application



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Let's Get Started

Who's Eligible?

Should my entire family apply for coverage? What counts as income on a Marketplace application? How can I tell if I qualify?

Consumers who complete a Marketplace application need to know which family and household members to include, as well as which types of income they should report. The Marketplace calculates a consumer's household income using their modified adjusted gross income (MAGI).

As an assister, you can help consumers by explaining which household members and types of income to include on a Marketplace application.

In this module, you will help four groups of consumers determine which household members and types of income to include on their Marketplace applications.

What You Need to Know

Useful Information

Before you get started, let's review an important concept related to household size and income.

Did you know? Generally, consumers should include their spouse and tax dependents even if they don't need health coverage. The Marketplace application will ask all relevant household members.

Tell me more! Marketplace savings are based on expected income for all household members, not just the ones who need insurance. There are a few limited exceptions to these basic rules. For more information, visit: [HealthCare.gov/income-and-household-information/household-size/](https://www.healthcare.gov/income-and-household-information/household-size/).

This module focuses on helping consumers correctly report their household size and income for Marketplace coverage and financial assistance.

Marketplace premium tax credit household rules are based only on household income and household size, including any tax dependents. Medicaid and CHIP households are based on a person's household income and household size, including other family members living together in the same household. For more information on Medicaid and CHIP households, review [Income Eligibility Using Modified Adjusted Gross Income \(MAGI\)](#).

You can find more information on how to count income and household members at [HealthCare.gov/income-and-household-information/](https://www.healthcare.gov/income-and-household-information/).

The screenshot shows the HealthCare.gov website interface. At the top, there is a navigation bar with the HealthCare.gov logo, a language selector for 'Español', and a 'Log in' button. Below the navigation bar are links for 'Get Coverage', 'Keep or Update Your Plan', 'See Topics', and 'Get Answers', along with a search bar and a 'SEARCH' button. The main content area features the article title 'How to estimate your expected income' with 'EMAIL' and 'PRINT' options. A sidebar on the left lists related topics: 'How to estimate your expected income', 'Who to include in your household', and 'What to include as income'. The main text explains that when filling out a health insurance application, users need to estimate their expected income. It lists two key points: 1) Marketplace savings are based on the **expected household income for the year you want coverage, not last year's income.** 2) Income is counted for the user, their spouse, and everyone they claim as a tax dependent on their federal tax return (if dependents are [required to file](#)). It includes their income even if they don't need health coverage. A link is provided to [See details on who to include in your household.](#)

What You Need to Do

Here are some real-world scenarios you may encounter when working with consumers.

Your first appointment of the day is with Kat Bisset. She's married to Phillippe and has a 12-year-old daughter, Megha, who they claim as a dependent. Kat earns \$13 an hour plus tips at a catering company. She also receives child support from her ex-husband for her daughter, Megha. Megha lives with Kat and Phillippe. Phillippe receives Social Security Disability Insurance (SSDI) and has a 24-month waiting period before he is eligible for Medicare.

Scenario Directions: Select the appropriate individuals and then select **Save & Continue**.

Question: Who should Kat include on the Marketplace application?

Answer: Kat, Phillippe, and Megha. Kat should include all household members who need coverage on the Marketplace application. If there are other household members who do not need coverage, the Marketplace application will ask for their information later. For more information about who to include in a household, visit: [HealthCare.gov/income-and-household-information/household-size/](https://www.healthcare.gov/income-and-household-information/household-size/).

Who needs health coverage?

[Learn more about who not to include.](#)

Needs coverage

[Learn more about editing or removing someone.](#)

✓ Kat	Edit
✓ Phillippe	Edit Remove
✓ Megha	Edit Remove

[Add a person who needs coverage](#)

[Save & continue](#)

Kat also needs to enter income amounts for each household member. Which sources of income should the Bisset family include on their Marketplace application?

1. Question: Kat's wages from her catering job?

Answer: Yes, taxable wages from an employer count as income and Kat should report them on the Marketplace application.

2. Question: Kat's tips from her catering job?

Answer: Yes, tips count as income and Kat should report them on the Marketplace application.

3. Question: Kat's child support?

Answer: No, child support does not count as income and Kat does not have to report it on the Marketplace application.

4. Question: Phillippe's SSDI?

Answer: Yes, SSDI does count as income and Kat should report any payments Phillippe received on the Marketplace application.

Assister Tip: For more information about what to include as income, visit: [HealthCare.gov/income-and-household-information/income/](https://www.healthcare.gov/income-and-household-information/income/).

Scenario Directions: Before leaving the appointment, Kat has one more question. Select the correct answer (yes or no).

Question: When Phillippe's 24-month waiting period expires and he is eligible for Medicare, should Kat keep him on the Marketplace application?

Answer: Yes! A household consists of the tax filer, their spouse if they have one, and their tax dependents, including those who don't need coverage. Kat should keep Phillippe on the Marketplace application as a household member who does not need coverage. You should also advise Kat to contact the Marketplace Call Center before Phillippe's Medicare coverage starts so he can end his Marketplace coverage on that date. Although he would not be required to do so, he would not be eligible to receive APTC/CSRs to pay for his Marketplace plan while on Medicare, so he may want to terminate it. For more information on changing from a Marketplace plan to Medicare, visit: [HealthCare.gov/medicare/changing-from-marketplace-to-medicare/](https://www.healthcare.gov/medicare/changing-from-marketplace-to-medicare/).

Good job on that scenario! Let's head over to your next appointment with a couple who has questions about reporting their income on a Marketplace application.

Thomas and his wife, Emma, want to apply for Marketplace coverage and financial assistance. Thomas receives \$540 a month from Supplemental Security Income (SSI) and will receive a lump sum workers' compensation payment of \$12,000 next year. Emma earns \$23,000 per year from her employer.

Emma proceeds through the application and enters all of their household income.

Question: Emma wants to know which types of income the Marketplace will count when calculating their eligibility for financial assistance. Select all that apply.

- a. SSI
- b. Employment income
- c. Workers' compensation
- d. All of the above

Answer: B. Emma's income from her employer is the only income type that will count on their Marketplace application. Consumers should not include Supplemental Security Income (SSI) payments, veterans' disability payments, or workers' compensation when calculating their income.

To learn more about MAGI calculations and reportable income, visit: [Marketplace.cms.gov/technical-assistance-resources/income-eligibility-using-magi-rules.pdf](https://www.cms.gov/technical-assistance-resources/income-eligibility-using-magi-rules.pdf). For more information about consumers with disabilities, visit: [Marketplace.cms.gov/technical-assistance-resources/consumers-with-disabilities.pdf](https://www.cms.gov/technical-assistance-resources/consumers-with-disabilities.pdf).

Consumers might also ask you whether they should report income earned by their children on a Marketplace application. Let's review another scenario.

You're helping Natasha complete her Marketplace application. Natasha is self-employed and projects that her net income will be \$40,000. Her son, Nathan, and her daughter, Penelope, each earn additional income. They also want to apply for Marketplace coverage.

Scenario Directions: Let's start with Nathan.

Nathan, her 15-year-old son who she claims as a dependent, also needs coverage. He is employed part time at a local swim club in the summer and earns \$3,500. He is not required to file taxes, but he chooses to do so each year and sometimes receives a tax refund.

Natasha completes the income section of the Marketplace application by providing income information for both Nathan and herself.

Scenario Directions: Select the correct answer (yes or no).

Question: Will the Marketplace count Nathan's income to determine whether Natasha's household is eligible for financial assistance?

Answer: No. It is important to include the income of children and tax dependents on the application. However, the Marketplace only counts a tax dependent's income if they're required to file a federal tax return according to IRS rules. Even if they file a tax return when they don't have to (e.g., to get a tax refund), their income won't be counted. For more information about tax filing requirements for dependents, visit: [IRS.gov/pub/irs-pdf/p501.pdf](https://www.irs.gov/pub/irs-pdf/p501.pdf).

Scenario Directions: Remember, Natasha is self-employed and projects that her net income will be \$40,000. Her son, Nathan, and her daughter, Penelope, each earn additional income. They also want to apply for Marketplace coverage.

Let's move on to Penelope.

Penelope, her 28-year-old daughter, recently moved back home and is working full time. She does not have health insurance and wants to enroll in Marketplace coverage. Penelope files her own tax return; Natasha has not claimed Penelope as a dependent for the past four years and will not claim her as a dependent for the upcoming coverage year.

Scenario Directions: Select the correct answer (yes or no).

Question: While living at home, can Natasha add Penelope to her current Marketplace application and re-apply for health insurance and financial assistance for the three of them?

Answer: No. Since Natasha does not claim Penelope as a tax dependent for the upcoming coverage year, Penelope should submit her own separate Marketplace application if she or Natasha wants to enroll in a plan with Marketplace savings, if eligible. For more information about tax filing requirements, visit: [HealthCare.gov/income-and-household-information/household-size/](https://www.healthcare.gov/income-and-household-information/household-size/).

Your last appointment for the day is with a married couple who need help determining who to include on their Marketplace application. In most cases, married couples must file jointly to be eligible for APTCs or CSRs. However, this appointment will illustrate an exception to the rule.

Liam and Amelia Pierce are legally married but will live in different states this year due to their work arrangements. Liam will live with and take care of their daughter, Ava, and plans to claim her as a tax dependent. Therefore, Liam is eligible to file taxes as Head of Household while Amelia will file her taxes separately. The Pierce family wants to enroll in health insurance and apply for financial assistance.

Scenario Directions: Select the correct answer.

Question: How many Marketplace applications should the Pierce family submit?

- a. Only one application because Liam, Amelia, and Ava are all in the same household.
- b. Two applications because Liam and Amelia file as two separate tax households.
- c. Three applications because each household member must submit a separate Marketplace application.
- d. They must submit the same number of applications they submitted last year.

Answer: B. If Liam and Amelia submit one application, the Marketplace could find them eligible for Marketplace savings, but they would need to call the Marketplace Call Center to enroll in coverage since there are multiple tax households on the application. Since Liam and Amelia are filing taxes separately, it is a best practice to advise them to submit two separate applications.

Assister Tip: Inform consumers who want to submit one application that including consumers in separate tax households on the same application will not impact their eligibility for APTC or other programs. For more information on exceptions to file taxes jointly for Marketplace savings, visit: [HealthCare.gov/income-and-household-information/household-size/](https://www.healthcare.gov/income-and-household-information/household-size/).

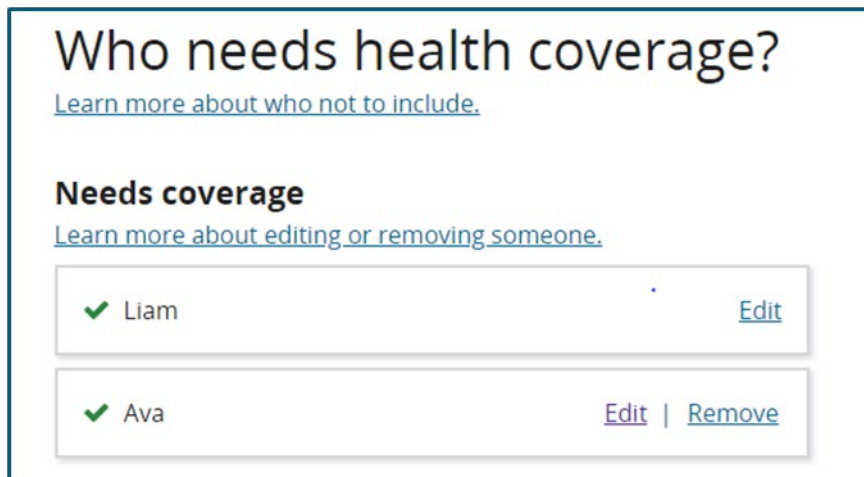
The Pierce family would like to complete Liam’s Marketplace application first.

Question: After talking with you, Liam is pretty sure he should only include himself and their daughter, Ava, as individuals who need coverage on his Marketplace application. Is that correct? (yes or no).

Answer: Yes! Liam should include himself and Ava on his Marketplace application when asked who needs coverage. The application may ask some questions about Amelia since Liam and Amelia are married, but Amelia should not be included as someone who needs coverage. Since Amelia is a part of a separate tax household, Liam should list her as a non-applicant. On Amelia’s application, she should only add herself when asked who needs coverage. The application may ask some questions about Liam since Amelia and Liam are married, but Amelia should not include Liam or Ava as people who need coverage. For more information on who to include in a household on a Marketplace application, visit: [HealthCare.gov/income-and-household-information/household-size/](https://www.healthcare.gov/income-and-household-information/household-size/).

Scenario Directions: After creating his Marketplace account and entering his family and household information, Liam navigates to the “Who needs health coverage?” screen and adds Ava’s information.

Both Liam and Ava are now listed as individuals who need coverage. Select **Save & continue**.



The screenshot shows a web interface titled "Who needs health coverage?". Below the title is a link: "[Learn more about who not to include.](#)". Underneath is a section header "Needs coverage" with another link: "[Learn more about editing or removing someone.](#)". There are two rows of information:

✓ Liam	Edit
✓ Ava	Edit Remove

Scenario Directions: Next, Liam provides information about his marital status. He selects **Married** and then **Save & continue**.

Marital status

[Learn more about marital status.](#)

What's Liam's marital status?

Single

Married

Save & continue

Scenario Directions: Liam enters Amelia's information. Select **Save details** to proceed to the next screen.

What's Liam's marital status?

Single

Married

Tell us about Liam's spouse

First name

Amelia

Middle name

Optional

Last name

Pierce

Suffix

Optional

Date of birth

For example: 3/4/2018

Month Day Year

8 / 16 / 1984

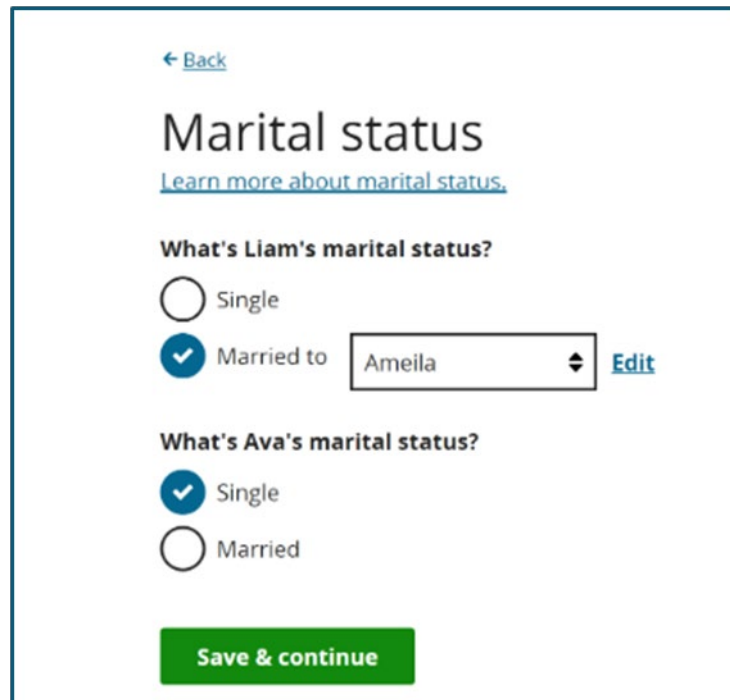
Sex

Female

Male

Save details

Scenario Directions: Amelia's name should now appear in the dropdown next to the radio button that says, "Married to." Liam will also confirm Ava's marital status. He selects **Single**. Select **Save & continue** to proceed to the next screen.



The screenshot shows a mobile application screen titled "Marital status". At the top left is a blue back arrow and the text "Back". Below the title is a link "Learn more about marital status.". The first section is "What's Liam's marital status?". It has two radio buttons: "Single" (unselected) and "Married to" (selected). The "Married to" option is followed by a dropdown menu containing the name "Ameila" and a blue "Edit" link. The second section is "What's Ava's marital status?". It has two radio buttons: "Single" (selected) and "Married" (unselected). At the bottom is a green button with the text "Save & continue".

Scenario Directions: Let's help Liam complete the "Tax Relationship" screen. Select the correct response to each question, then chose **Save & continue** for each question.

1. Question: Will Liam file a 2021 joint federal income tax return with Amelia?
Answer: No.
2. Question: Will Liam file a 2021 federal income tax return?
Answer: Yes.
3. Question: Will Liam claim any dependents on his 2021 federal tax return?
Answer: Yes.
4. Question: Who will Liam claim as a dependent on his 2021 federal tax return?
Answer: Ava.

Tax relationships

Now, tell us about the household's federal income tax returns. We'll use this information to see who's eligible for savings, like premium tax credits.

Liam's tax relationships

Will Liam file a 2021 joint federal income tax return with Amelia?
[Learn more about joint tax filing.](#)

Yes
 No

i Filing taxes separately?

If these spouses plan to file separate tax returns for 2021, they won't be eligible to get premium tax credits or other savings, unless they meet certain exceptions. But, they can still get free or low-cost health coverage if they qualify for Medicaid or the Children's Health Insurance Program (CHIP).

[Learn more about filing taxes separately.](#)

Will Liam file a 2021 federal income tax return?
[Learn more about tax filing.](#)

Yes
 No

Will Liam claim any dependents on their 2021 federal tax return?
[Learn more about dependents.](#)

Yes
 No

Who will Liam claim as a dependent on their 2021 federal tax return?
 Ava

[Add a dependent](#)

[Save & continue](#)

The Marketplace will ask Liam to confirm everyone's place of residence.

Scenario Directions: Liam should select **No** to indicate that everyone does not live together at the provided address. Next, he should select the checkbox next to **Ava** to indicate that only he and Ava live at this address. Then, select **Save & continue**.

Where does everyone live?

Do all of these people live together at this address?

Liam
Ava
Amelia

27628 Brook Dr
Hot Springs, SD 57747-7212

Yes

No

Select everyone who lives at this address with Liam.

Ava

Amelia

None of these people

Save & continue

Scenario Directions: On the following screen, Liam needs to enter and confirm Amelia's address. Once Liam selects **Save & continue**, he has to review and confirm everyone's address is correct. Select **Save & continue**.

Amelia's address

[Learn how home address affects coverage.](#)

What's Amelia's home address?

A new address

No home address

Enter Amelia's home address.

Street address

Street address 2
Optional

City

State

ZIP code

Save & continue

Review everyone's address

Liam and Ava's home address:

27628 Brook Dr
Hot Springs, SD 57747-7212

Amelia's home address:

5911 Granada Blvd
Coral Gables, FL 33146-2616

Save & continue

Now, the “Head of Household” screen appears since Liam indicated that he is living separately from his spouse and has a tax dependent he lives with and takes care of.

Head of household

Will Liam file as Head of Household on their 2020 federal income tax return?

[Learn who's a Head of Household.](#)

Yes

No

Save & continue

Assister Tip: The “Head of Household” screen will appear only for consumers who indicate they’re eligible for Head of Household status—that is, they indicate they’re legally married on their Marketplace application but will file taxes separately from their spouse, provide a separate address from their spouse, and have a tax dependent they live with and take care of. While Amelia is living separately from Liam, she does not have a tax dependent she lives with and takes care of. The “Head of Household” screen will not appear for her.

Great job helping Liam indicate he has Head of Household status! He can now complete, sign, and submit his application to find out whether he is eligible for Marketplace coverage and savings. Amelia will also need to submit her own Marketplace application. She will answer the same series of questions except for whether she will file for Head of Household on her income tax return. Liam should appear on Amelia’s application as a non-applicant.

Good job on those scenarios! Continue to the Wrap Up section or you can go through the scenarios again.

Wrap Up

Congratulations! You have completed Household Size and Types of Income to Include on a Marketplace Application.

You did a great job working through each of those scenarios to determine consumers' household sizes, as well as which types of income they should include on a Marketplace application.

To learn more about this topic refer to the following:

Income Eligibility Using MAGI Rules: [Marketplace.cms.gov/technical-assistance-resources/income-eligibility-using-magi-rules.pdf](https://www.Marketplace.cms.gov/technical-assistance-resources/income-eligibility-using-magi-rules.pdf).

APTC and CSR Basics: [Marketplace.cms.gov/technical-assistance-resources/aptc-csr-basics.pdf](https://www.Marketplace.cms.gov/technical-assistance-resources/aptc-csr-basics.pdf).

IRS Tax Filing Requirements: [HealthCare.gov/glossary/tax-filing-requirement/](https://www.HealthCare.gov/glossary/tax-filing-requirement/).

Serving Consumers with Disabilities: [Marketplace.cms.gov/technical-assistance-resources/consumers-with-disabilities.pdf](https://www.Marketplace.cms.gov/technical-assistance-resources/consumers-with-disabilities.pdf).

How to Count Income and Household Members: [HealthCare.gov/income-and-household-information/household-size/](https://www.HealthCare.gov/income-and-household-information/household-size/).

Income Resource Chart: [Marketplace.cms.gov/technical-assistance-resources/income-resource-chart.pdf](https://www.Marketplace.cms.gov/technical-assistance-resources/income-resource-chart.pdf).