

# Calculation of the Federal Advance Premium Tax Credit



The advance premium tax credit (APTC) lowers monthly premiums for Marketplace health insurance plans. Eligible taxpayers must have a modified adjusted gross income between 100% - 400% of the federal poverty level.

The APTC equals the difference between (1) the cost of the "second-lowest cost silver plan" available to you (based on your age, family size, and county of residence) and (2) the maximum amount you are expected to pay towards your health insurance premiums.

Go to the end of this document for a list of second-lowest cost silver (SLCS) plan rates by county. This list is just for comparison, and only includes rates for single, 21-year-olds.

To find your specific SLCS plan cost, go to: [www.healthcare.gov](http://www.healthcare.gov).

Each year, the federal Internal Revenue Service (IRS) sets the maximum percentage of income expected to be contributed towards premiums. For 2024, individuals/families with incomes between 100% and 400% of the federal poverty level (FPL) will pay no more than 8.5% of their modified adjusted gross income (MAGI):

% of FPL for one person	100%	150%	200%	250%	300%	350%	400%	
<b>MAGI</b>	\$14,580.00	\$21,870.00	\$29,160.00	\$36,450.00	\$43,740.00	\$51,030.00	\$58,320.00	
<b>X</b>	0.00%	0.00%	2.00%	4.00%	6.00%	7.25%	8.50%	
	\$0.00	\$0.00	\$583.20	\$1,458.00	\$2,624.40	\$3,699.68	\$4,957.20	<b>Maximum Annual Contribution</b>
<b>/12</b>	\$0.00	\$0.00	\$48.60	\$121.50	\$218.70	\$308.31	\$413.10	<b>Maximum Monthly Contribution</b>

Note: The APTC amount is calculated based on the SLCS plan, but you can apply the credit to any Marketplace plan.

# Advance Premium Tax Credit (APTC) Examples

The examples below are approximations based on the specific factors used.  
Your amounts may vary based on your specific income, family size and county of residence.

## Example 1:

- Charlie lives in Dane County. Charlie is single, aged 40, and makes \$54,675 annually.
- The second-lowest cost silver plan in Dane County costs \$430.32 per month for a 40-year-old in 2024 ( $\$336.71 * 1.278 = \$430.32$ ).
- Charlie's maximum premium contribution is \$359.03 per month in 2024 ( $\$54,675 * 7.88\% / 12 = \$359.03$ ).
- Charlie's APTC will be \$71.29 per month in 2024 ( $\$430.32 - \$359.03 = \$71.29$ ). This amount can be deducted from his monthly premium even if he doesn't purchase the second-lowest cost silver plan.

## Example 2:

- Becca lives in Brown County. Becca is single, aged 25, and makes \$20,385 annually.
- The second-lowest cost silver plan in Brown County costs \$361.55 per month for a 25-year-old in 2024 ( $\$360.11 * 1.004 = \$361.55$ ).
- Becca's maximum premium contribution is \$0 per month in 2024 ( $\$20,385 * 0\% / 12 = \$0$ ).
- Becca's APTC will be \$361.55 per month in 2024 ( $\$361.55 - \$0.00 = \$361.55$ ). This amount can be deducted from her monthly premium even if she doesn't purchase the second-lowest cost silver plan.

## Example 3:

- James lives in Milwaukee County. James is single, aged 55, and makes \$32,805 annually.
- The second-lowest cost silver plan in Milwaukee County costs \$701.45 per month for a 55-year-old in 2024 ( $\$314.55 * 2.230 = \$701.45$ ).
- James's maximum premium contribution is \$82.01 per month in 2024 ( $\$32,805 * 3.00\% / 12 = \$82.01$ ).
- James's APTC will be \$619.44 per month in 2024 ( $\$701.45 - \$82.01 = \$619.44$ ). This amount can be deducted from his monthly premium even if he doesn't purchase the second-lowest cost silver plan.

## Example 4:

- Brandi lives in Eau Claire County. Brandi is single, aged 34, and makes \$29,153 annually.
- The second-lowest cost silver plan in Eau Claire County costs \$595.90 per month for a 34-year-old in 2024 ( $\$490.86 * 1.214 = \$595.90$ ).
- Brandi's maximum premium contribution is \$48.59 per month in 2024 ( $\$29,153 * 2.00\% / 12 = \$48.59$ ).
- Brandi's APTC will be \$547.31 per month in 2024 ( $\$595.90 - \$48.59 = \$547.31$ ). This amount can be deducted from her monthly premium even if she doesn't purchase the second-lowest cost silver plan.

## Example 5:

- Maggie lives in Rock County. Maggie is single, aged 46, and makes \$41,917 annually.
- The second-lowest cost silver plan in Rock County costs \$523.64 per month for a 46-year-old in 2024 ( $\$349.09 * 1.5 = \$523.64$ ).
- Maggie's maximum premium contribution is \$192.12 per month in 2024 ( $\$41,917 * 5.5\% / 12 = \$192.12$ ).
- Maggie's APTC will be \$331.52 per month in 2024 ( $\$523.64 - \$192.12 = \$331.52$ ). This amount can be deducted from her monthly premium even if she doesn't purchase the second-lowest cost silver plan.