PTC Liabilities for Pregnant Individuals

Health Team, Office of Tax Analysis

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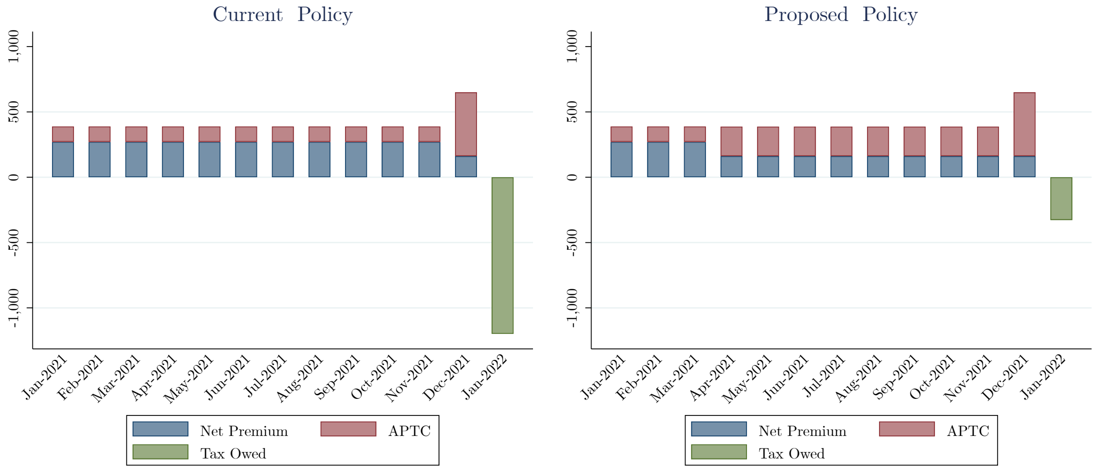
We calculate net premiums, APTC, and PTC owed or refunded at tax filing for households under various assumptions. In all cases, we assume there is a household with a single 30-year-old woman who purchases the second lowest cost silver plan with an unsubsidized premium of $389 per month for self-only coverage. We assume the woman becomes aware she is pregnant in April. If her child is born, the child is added to her policy and the unsubsidized premium increases to $651 per month. PTC contribution percentages are based on 2022 current law. If the child is not born during the calendar year, any APTC must be paid back at tax filing. Figures 1 and 2 assume annual household income of $45,000 and compare payments under each policy rule depending on if the child is born as expected in December. Figures 3 and 4 present similar comparisons for a household with an income of $30,000. In both examples, the scenario where the pregnancy does not result in a live birth by the end of the calendar year results in large PTC repayment liabilities.

Figure 1: Live Birth with Income $45,000 (349% FPL)

Reports Pregnancy in April, Expects Birth in December, Gives Birth in December



Note: Negative Taxes Owed Implies A Refund

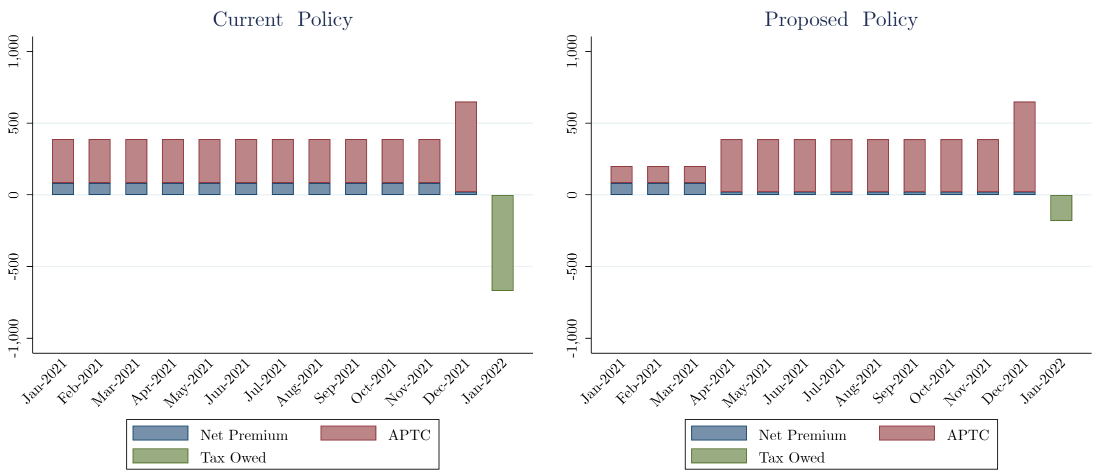
Figure 2: No Birth with Income $45,000 (349% FPL)

Reports Pregnancy in April, Expects Birth in December, No Live Birth in December

Note: Negative Taxes Owed Implies A Refund

Figure 3: Live Birth with Income $30,000 (233% FPL)

Reports Pregnancy in April, Expects Birth in December, Gives Birth in December



Note: Negative Taxes Owed Implies A Refund

Figure 4: No Birth with Income $30,000 (233% FPL)

Reports Pregnancy in April, Expects Birth in December, No Live Birth in December

Note: Negative Taxes Owed Implies A Refund