

# The Family Affordability Glitch

## THE BASIC IDEA -

The Affordable Care Act is helping Coloradans gain access to high quality, affordable health insurance. However, due to the way the IRS interprets the law, some middle class families are prohibited from receiving financial assistance, even when the cost of family coverage is simply unaffordable.

## BREAKING IT DOWN -

### *What Makes Sense:*

If an employee has an offer of affordable health insurance coverage from their employer, the employee and his or her family are barred from receiving financial assistance for private coverage.

### *What Doesn't:*

The IRS made the determination that health insurance coverage is deemed "affordable" if the employee's monthly premium for **individual coverage** is less than 9.5% of family income. **This interpretation fails to take into account the higher cost of family coverage.**

### *As a Result:*

The coverage for the individual employee may be under 9.5% of family income but the cost of covering the entire family will often be much higher. Because their coverage is deemed "affordable," the employee's family will be barred from receiving financial assistance, despite the fact that the cost of family coverage is simply unaffordable.