BeneBrief Benefits information for employees

Individual Subsidies for 2026

November 2025

There are a few different individual coverage subsidies available when purchasing individual medical insurance on your state's Marketplace. Some limitations apply, such as expected household income level and the type of plan being purchased. We break each subsidy down for you, along with their eligibility requirements.

TWO FEDERAL & ONE STATE SUBSIDY

The Federal Government has provided individual medical subsidies since it was allowed over a decade ago under the Affordable Care Act (ACA). The ACA allows for two subsidies: a Premium Tax Credit to help lower the monthly premium cost to purchase a plan, and Cost Sharing Reductions to lower the cost when receiving care. As of 1/1/2023, Washington State also began providing an additional premium subsidy through a program called Cascade Care Savings.

FEDERAL PREMIUM TAX CREDIT

This subsidy lowers your monthly medical plan premiums so that you can afford to purchase coverage. To receive the premium tax credit in 2026, you must:

- Have expected 2026 household income of at least 100% of the Federal Poverty Level (FPL)
- Have U.S. citizenship or proof of legal residency
- File taxes jointly if you are married
- Purchase individual medical coverage on your state's Marketplace
- **Not** be eligible for Medicare, Medicaid, or CHIP (the Children's Health Insurance Program)
- **Not** have access to affordable coverage through an employer (including your family member's employer)

FEDERAL COST SHARING REDUCTION

This subsidy lowers the amount you pay when you need medical care. Depending on your FPL percentage you would have more coverage (based on actuarial value):

- At 100% - 150% of FPL 94% coverage
- At 151% -200% of FPL 87% coverage
- At 201% - 250% of FPL 73% coverage
- Regular silver plans 70% coverage

You are eligible to receive cost sharing reductions if you:

- Are eligible to receive a Federal Premium Tax Credit
- Have 2026 household income that is expected to be from 100% to 250% of FPL
- Enroll on a Marketplace Silver-level medical plan

WA STATE CASCADE CARE SAVINGS

This subsidy provides Washingtonians with an amount per person per month to help lower premiums for certain plans purchased on the Marketplace. For those who qualify for a Federal Premium Tax Credit, the maximum WA State Cascade Care subsidy in 2026 will be $55/month for those receiving federal subsidies, and $250/month for others.

To receive this state-based subsidy, you must:

- Have expected 2026 household income below 250% of FPL
- Enroll on a Marketplace Cascade Care Silver or Gold plan (*Cascade Care* will be in the plan's name)
- Apply for and receive all available Federal subsidies
- Be an eligible resident of Washington state, which in 2026 includes all Washingtonians regardless of immigrant status
- **Not** be eligible for Medicare, Medicaid, or CHIP (the Children's Health Insurance Program)

ELIGIBILITY FOR MEDICAID

Under all three subsidies, being eligible for Medicaid is a disqualification. Under the ACA, states were allowed to expand Medicaid eligibility to all residents who have household incomes less than 138% of FPL.

While not all states expanded Medicaid eligibility, Washington State did. Therefore, if you live in Washington and have expected 2026 household income less than 138% of the FPL, you will not be eligible for the three subsidies outlined in this article. You would instead enroll under Medicaid (Apple Health) to receive the most savings.

Number in household	2026: % of 2025 Federal Poverty Level 100%	138%	150%	200%	250%	300%	400%
1	$15,650	$21,597	$23,475	$31,300	$39,125	$46,950	$62,600
2	$21,150	$29,187	$31,725	$42,300	$52,875	$63,450	$84,600
3	$26,650	$36,777	$39,975	$53,300	$66,625	$79,950	$106,600
4	$32,150	$44,367	$48,225	$64,300	$80,375	$96,450	$128,600
5	$37,650	$51,957	$56,475	$75,300	$94,125	$112,950	$150,600
6	$43,150	$59,547	$64,725	$86,300	$107,875	$129,450	$172,600
7	$48,650	$67,137	$72,975	$97,300	$121,625	$145,950	$194,600
8	$54,150	$74,727	$81,225	$108,300	$135,375	$162,450	$216,600

FEDERAL POVERTY LEVEL (FPL)

Above is a chart showing different FPLs by family size. As noted on the prior page, your eligibility for each type of subsidy depends on your 2026 *expected* household income as a percentage of the FPL.

MODIFIED ADJUSTED GROSS INCOME (MAGI)

When enrolling on your State's Marketplace, they will ask you for your household's *expected* 2026 Modified Adjusted Gross Income (MAGI). You have to estimate this number – typically you will use your last tax filing to get a ballpark figure. You will need to include your entire household's earnings. This includes your earnings plus that of your spouse and all tax dependents.

To calculate your MAGI, grab your last tax filing and add up these lines:

- Form 1040 line 11 (adjusted gross income)
- Form 1040 line 2a (tax-exempt interest)
- Form 2555 line 45 (foreign earned income exclusion)
- SSA-1099 box 5 (net Social Security benefits)

Be careful! Your Federal Premium Tax Credit will be "trued up" when you file your taxes for the year. ***If your actual household income for 2026 is greater than what you estimated when enrolling on a Marketplace plan, you could end up owing back some of the credit you received throughout the year.***

On the flip side, if you received less credit than you should have, you will receive that additional amount back from the Federal government at tax filing time.

It is important to go back onto the Marketplace throughout the year to report any changes to your household income to avoid tax surprises.

For more information about Cascade Care Savings, go **here**.

Use this **link** to see if your state expanded Medicaid eligibility.

AFFORDABLE COVERAGE

To qualify for the Premium Tax Credit, you must not have "affordable" coverage available to you through an employer. This can be your employer, or your spouse's employer. If you are under 26, it can also include your parent's employer.

The Marketplace has a tool online to determine eligibility. See this **CMS worksheet** to help obtain information you'll need from the employer.

Is Your Employer Plan Affordable *for You*?

If your employer offers you medical coverage, the government considers that plan "affordable" if your portion of the cost (for employee-only coverage) is less than 9.96% of your expected 2026 household MAGI.

Is That Plan Affordable *for Your Family*?

The government looks at the *full cost of your and your dependents' coverage that you would need to pay to enroll all of you onto your employer's plan*. If that would be more than 9.96% of your expected 2026 household MAGI, then your family members may be eligible for the premium tax credit (even if you yourself are not eligible for the credit).

Amount of Premium Tax Credit Available

You are expected not to pay more than a pre-set percent for your household income, based on the sliding scale below.

MAGI as % of FPL	2025 ARP-level[1]	2026 ACA-level
133% or less of FPL	0.0%	2.10%
133% - 150% of FPL	0.0%	3.14% - 4.19%
150% - 200% of FPL	0.0% - 2.0%	4.19% - 6.60%
200% - 250% of FPL	2.0% - 4.0%	6.60% - 8.44%
250% - 300% of FPL	4.0% - 6.0%	8.44% - 9.96%
300% - 400% of FPL	6.0% - 8.5%	9.96%
Over 400% of FPL	8.5%	N/A

[1] 2025 percentages will not continue into 2026 if the Federal Government does not vote to extend these subsidy levels.

Use this **link** to estimate your insurance subsidies. It will give you an estimate under both 2025 and 2026 levels.

Use this **link** to see your Marketplace plan options.