

Count income & household size

What to include as income

When you fill out a Marketplace application, you'll need to estimate what your household income is likely to be for the year.

- Marketplace savings are based on your **expected household income for the year you want coverage, not last year's income**. You must make your best estimate so you qualify for the right amount of savings.
- You will be asked about your current monthly income and then about your yearly income.

Whose income to include in your estimate

For most people, a household consists of the tax filer, their spouse if they have one, and their tax dependents, **including those who don't need coverage**.

The Marketplace counts estimated income of all household members.

[Learn more about who's counted in a Marketplace household.](#)

What income is counted

The Marketplace uses an income number called modified adjusted gross income (MAGI) to determine eligibility for savings. It's not a line on your tax return.

See what's included in MAGI and how to estimate it.

Your MAGI is the total of the following for each member of your household who's required to file a tax return:

- Your [adjusted gross income \(AGI\)](#) on your federal tax return
- Excluded foreign income
- Nontaxable Social Security benefits (including tier 1 railroad retirement benefits)
- Tax-exempt interest


- MAGI **does not** include Supplemental Security Income (SSI)

[See how to make an estimate of your MAGI based on your Adjusted Gross Income.](#)

The chart below shows common types of income and whether they count as part of MAGI. If you expect income types not shown or have additional questions, see [details on what the IRS counts as income](#).

Types of income to include in your estimate

Income type	Include as income?	Notes
Federal Taxable Wages (from your job)	Yes	If your pay stub lists “federal taxable wages,” use that. If not, use “gross income” and subtract the amounts your employer takes out of your pay for child care, health insurance, and retirement plans.
Tips	Yes	
Self-employment income	Yes	Include “net self-employment income” you expect — what you’ll make from your business minus business expenses. Note: You’ll be asked to describe the type of work you do. If you have farming or fishing income, enter it as either “farming or fishing” income or “self-

Income type	Include as income?	Notes
		employment," but not both.
Unemployment compensation	Yes	Include all unemployment compensation that you receive from your state. Visit CareerOneStop's Unemployment Benefits Finder  for more information about unemployment in your state.
Social Security	Yes	Include both taxable and non-taxable Social Security income. Enter the full amount before any deductions.
Social Security Disability Income (SSDI)	Yes	But do not include Supplemental Security Income (SSI).
Retirement or pension Income	Yes	Include most IRA and 401k withdrawals. (See details on retirement income in the instructions for IRS publication 1040). Note:

Income type	Include as income?	Notes
		Don't include qualified distributions from a designated Roth account as income.
Alimony	Depends	Divorces and separations finalized before January 1, 2019: Include as income. Divorces and separations finalized on or after January 1, 2019: Don't include as income.
Child support	No	
Capital gains	Yes	
Investment income	Yes	Include expected interest and dividends earned on investments, including tax-exempt interest.
Rental and royalty income	Yes	Use net rental and royalty income.

Income type	Include as income?	Notes
Excluded (untaxed) foreign income	Yes	
Gifts	No	
Supplemental Security Income (SSI)	No	But do include Social Security Disability Income (SSDI).
Veterans' disability payments	No	
Worker's Compensation	No	
Proceeds from loans (like student loans, home equity loans, or bank loans)	No	
Child Tax Credit checks or deposits (from the IRS)	No	

⊕ Do I need to include income of people in my household who don't need insurance?

- ⊕ Do I include my dependents' income from things like summer jobs, work-study, and limited part-time work?
- ⊕ Can I take any deductions to my income?
- ⊕ What if my income is hard to predict (like if I work irregular hours or seasonally)?

Report income changes to the Marketplace

Can we improve this page?

Once you have Marketplace health insurance, it's very important to report any income changes to the Marketplace as soon as possible.

[Give feedback](#)

If you don't report these changes, you could miss out on savings or wind up having to pay money back when you file your federal tax return for the year.

[Learn how to report changes to the Marketplace.](#)

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