

## NOTICE

### Tax Year 2024 Low-Income Exemption Eligibility Thresholds

This notice is published pursuant to D.C. Official Code §47-5102(b)(2)(B).

Starting January 1, 2019, all DC residents must maintain minimum essential health coverage, qualify for an exemption, or pay a tax penalty for the months that they do not have coverage. For more information on exemptions that are available, go to

<https://www.dchealthlink.com/individual-responsibility-requirement#exemption>.

Each DC resident that does not have minimum essential health coverage, and does not want to pay the penalty, must qualify for an exemption. One of the exemptions you can claim on your DC tax return is based on having low income, which is defined as having income at or below 222% of the federal poverty level for adults age 21 and older; or 324% of the federal poverty level for children under age 21. Below are the eligibility amounts for the low-income exemption for tax year 2024. Eligibility is based on the age that the applicant will be as of the last day of 2024 and the adjusted gross income (before deductions) for the **entire household** which the individual applying for the exemption was a member of during 2024. If your adjusted gross income for tax year 2024 is lower than the amounts noted in the charts below based on your household size, you may be eligible for the low-income exemption. You can claim that exemption on your 2024 DC Income Tax Return, on Schedule HSR. Which you will file in calendar year 2025.

#### Age 21 and over

Tax Household Size	Adjusted Gross Income
1	\$33,433.20
2	\$45,376.80
3	\$57,320.40
4	\$69,264.00
5	\$81,207.60
6	\$93,151.20
7	\$105,094.80
8	\$117,038.40
Add \$11,943.60 for each additional member	

#### Under Age 21

Tax Household Size	Adjusted Gross Income
1	\$48,794.40
2	\$66,225.60
3	\$83,656.80
4	\$101,088.00
5	\$118,519.20
6	\$135,950.40
7	\$153,381.60
8	\$170,812.80
Add \$17,431.20 for each additional member	

**Comparison to Medicaid Eligibility** – The eligibility standards for the low-income exemption are similar to, but not the same as, the standards to be eligible for Medicaid in the District of Columbia. Medicaid eligibility is based on whether you meet categorical and financial

circumstances at the time of application whereas the low-income exemption is based on your total household income for the tax year in which you want the exemption. This exemption reviews income for the whole tax year because you file your tax return and apply for the exemption after the tax year is over. If you believe your income for the 2024 tax year will be in the ranges indicated in the above chart before December 31, 2024, you are strongly encouraged to contact District Direct at <https://districtdirect.dc.gov/> to apply for Medicaid to see if you are eligible and can enroll in coverage.

Medicaid offers comprehensive health coverage, at no cost, for low-income District residents, with a wide range of providers. Enrolling in Medicaid satisfies the requirement to have minimum essential health coverage and would eliminate the need for an exemption for any month that the individual is enrolled in Medicaid. Individuals who enroll in Medicaid can also directly benefit from having health coverage.

#### EXAMPLE 1

Joe will be 29 years old as of 12/31/2024. He files his own taxes in DC, is not married, and does not claim any dependents on his taxes. He is therefore a tax household of one. In 2024, he earns \$1,100 every two weeks in wages (before deductions) and also earns \$100 per year in interest on his checking account. In total, that is \$28,700 in federal adjusted gross income. He would be eligible for a low-income exemption as a taxpayer age 21 and over as of 12/31/2024 because he has a federal adjusted gross income below \$33,433.20. However, the District Government would strongly encourage Joe to contact District Direct at <https://districtdirect.dc.gov/> during 2024\_or as soon as possible to apply for Medicaid. If he enrolls in Medicaid, he will satisfy the DC requirement to have health coverage for the months he is enrolled.

#### EXAMPLE 2

Mark and Lucy are married and do not claim any dependents on their DC taxes. They are therefore a tax household of two. Mark will be 35 years old and Lucy will be 38 years old as of 12/31/2024. Mark lost his job at the end of March 2024. His wages through the end of March totaled \$12,200. Lucy earned wages throughout the year; \$500 each week. Mark has been living off of withdrawals from his Individual Retirement Account (IRA). In 2024, he withdrew \$9,000. Mark and Lucy's total federal adjusted gross income is \$47,200. This means that they would not be eligible for the low-income exemption because \$47,200 is more than \$45,376.80. The household would have to pay a penalty based on the months Mark and Lucy went without health coverage unless they qualified for another exemption. However, the District Government would strongly encourage Mark and Lucy to contact District Direct at <https://districtdirect.dc.gov/> during 2024\_or as soon as possible to apply for Medicaid. The Medicaid program has slightly different income-counting rules and the household might still be eligible for Medicaid for the months after Mark lost his job. If they enroll in Medicaid, Mark and Lucy not only satisfy the DC requirement to have health coverage for the months they are enrolled, but will actually have coverage for medical needs.

### EXAMPLE 3

Frank and Mary are married and have a son named Luke and a daughter named Heather, who they claim as tax dependents on their DC taxes. Frank will be 63 years old, Mary will be 49 years old, Luke will be 15 years old, and Heather will be 17 years old as of 12/31/24. Mary is self-employed and has annual net self-employment income (after expenses) of \$56,130. Frank has a private pension of \$1,020 per month. Frank also receives Social Security payments of \$770 per month. Therefore, the household's total adjusted gross income is \$77,610. Based on this amount, neither Frank nor Mary would qualify for the low-income exemption, but both Luke and Heather would. That is because their adjusted gross income in 2024 (\$77,610) is more than the threshold for persons over 21 (\$69,264), but lower than the threshold for persons under 21 (\$101,088) based on a tax household of 4. The household would have to pay a penalty based on the months Frank and Mary went without health coverage unless they qualified for another exemption. The District Government would strongly encourage the family to contact District Direct at <https://districtdirect.dc.gov/> during 2024 to apply for Medicaid. At a minimum, Luke and Heather may be able to get Medicaid to cover their medical needs.

CONTACT INFORMATION - For more information regarding the content of this notice contact Alexander Alonso, Deputy General Counsel and Policy Advisor at the D.C. Health Benefit Exchange Authority at (202) 741-0827.