Self-Employed Coverage Checklist

What changes about health coverage when nobody else is buying it for you - including the income estimate that quietly drives everything else.

WHO THIS IS FOR - Freelancers, contractors, consultants, and sole proprietors

Work down the list and tick what you have confirmed. Anything left unticked is a question worth asking before you enrol.

The income estimate is the whole game

Marketplace premium tax credits are based on your estimated household income for the year you are covered - not last year's, and not what you have earned so far. For someone with variable income, this is the highest-leverage number on the application.

Estimate too low and you may owe some of the credit back at tax time. Estimate too high and you pay more each month than you needed to. Neither is a penalty; both are reconciliation.

Because income moves, the Marketplace lets you update your estimate during the year. Doing that when your work changes materially is the practical way to keep the two numbers close.

Documents worth assembling first

- [ ] Last year's tax return, as a starting reference point.
- [ ] Year-to-date profit and loss, or a realistic reconstruction of it.
- [ ] Expected contracts, retainers, or seasonal patterns for the rest of the year.
- [ ] Deductible business expenses - these affect the income figure the Marketplace uses.
- [ ] Household composition, including anyone you claim as a dependent.

Coverage routes worth understanding

- [ ] ACA Marketplace individual coverage - the route where premium tax credits are available, if your income and circumstances fall within the rules.
- [ ] A spouse's employer plan, if one exists. Often the least expensive option and the most commonly overlooked.
- [ ] COBRA from a previous employer, if you recently left one and are still inside the election window.
- [ ] Private off-Marketplace major medical, where available - no premium tax credit applies, but plan design and network may differ.
- [ ] Small-group coverage, if you have employees. Being self-employed with no employees generally does not qualify for a small-group plan.

Products that are not major medical

Short-term plans, fixed-indemnity products, and health-care sharing ministries are marketed alongside major medical and are frequently cheaper monthly. They are not the same thing: they can decline you, exclude preexisting conditions, cap what they pay, and are not required to cover essential health benefits.

They are not automatically wrong - but they should be chosen deliberately, understanding what has been given up, rather than because a premium looked attractive next to a real plan.

A tax point worth raising with your accountant

Self-employed people may be able to deduct health insurance premiums, subject to rules about eligibility for other coverage and the amount of self-employment income. This interacts with premium tax credits in genuinely intricate ways. It is a question for a tax professional - a broker should flag it, not answer it.

Your notes

What this checklist does not do

- Nothing here determines your eligibility for Marketplace coverage, a premium tax credit, Medicaid, or CHIP.
- This is not tax advice. The deduction and reconciliation points need a qualified tax professional.
- Product availability varies by state and by county, and changes each plan year.

Official sources

Health insurance for the self-employed - Centers for Medicare & Medicaid Services
https://www.healthcare.gov/self-employed/coverage/

Reporting income and household changes to the Marketplace - Centers for Medicare & Medicaid Services
https://www.healthcare.gov/income-and-household-information/how-to-report/

HealthCare.gov - Health Insurance Marketplace - Centers for Medicare & Medicaid Services
https://www.healthcare.gov/

QUESTIONS ABOUT YOUR OWN SITUATION

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