



Affordability of Employer Coverage – The “Family Glitch” Fix Toolkit for Enrollers

Overview

On October 13, 2022, the U.S. Department of Treasury, bureau of Internal Revenue Service (IRS), released a final rule to address the “[family glitch](#)” issue. The family glitch deemed employer-sponsored coverage to be “affordable” for the employee even it was not for their family members, which disqualified those family members from eligibility for financial assistance through marketplace coverage (Advance Premium Tax Credits and Cost Sharing Reduction). The new rule, effective December 12, 2022, **extends the Affordable Care Act (ACA) affordability definition** from being based solely on employee-only coverage, **to include family members** of the tax household. Beginning plan year 2023, if an employee must pay more than a predetermined affordability threshold of household income towards the premium for the lowest cost family plan offered by their employer, the plan is considered unaffordable, and the employee's family members may therefore qualify for financial assistance for health coverage through Covered California. The affordability threshold for plan year 2023 is 9.12% and will be updated every year.

The table below includes key resources to help you better understand the fix to the family glitch and assist consumers with affordability and eligibility determinations.

Affordability of Employer Coverage Resources

Resource	Type	Description	Date Posted or Updated
Frequently Asked Questions (FAQ)	FAQ	Comprehensive list of common questions and answers regarding the family glitch.	12/9/2022
Employer-Sponsored Coverage Worksheet	Worksheet	Worksheet to help gather information needed for the Affordability Tool on the Covered California website.	12/9/2022
Employer Coverage Affordability Tool	Website Tool	Tool on the Covered California website used to check if a consumer and their family have an offer of employer-sponsored health coverage that meets the minimum value standard and is affordable.	12/9/2022
Employer Coverage Affordability Tool – Process Guide	Guide	Steps showing the process to use the Affordability Tool on the Covered California website to determine if a consumer and their family have an offer of employer-sponsored health coverage that meets the minimum value standard and is affordable.	12/9/2022
Employer Coverage Affordability Tool – Common Scenarios	Guide	Common scenarios of Affordable, Not Affordable, and Mixed affordability determinations.	12/9/2022