

Reconciling the Premium Tax Credit on Form 8962

Tips and Tricks for Tax Preparers

FORM 1095-A

Is Form 1095-A correct?

Scrutinize Form 1095-A to make sure it reflects the taxpayer's account of coverage. Look for critical errors that will affect the PTC calculation, such as errors in premium, SLCSPP, or APTC.

The taxpayer *should seek a corrected 1095-A if enrollment related information is incorrect*. This includes:

- Policy issuer's name (Part I)
- Policy start or end date (Part I, Part II)
- Premium cost (Part III, Column A)
- APTC received (Part III, Column C)

Do not seek a correction for:

- Errors in demographic information, such as name, date of birth or social security number (Part I)
- Errors to the SLCSPP (Part III)—Use a marketplace Tax Tool to figure out the correct amount and use that on Form 8962.

Special Rules Related to Coverage Information (Part III)

Column A: This is the full premium, including the amount paid with APTC.

- It excludes the value of certain "extra" benefits, such as adult dental.
- If the premium is -0- but there is an APTC, the person likely didn't pay their premium. If they pay it by the last day of the tax filing season, they can claim PTC for the month. If they do not, they must repay the APTC received for that month. (Enter as written on Form 1095-A.)
- If there are multiple rows with -0- and an APTC value, this is likely an error. Seek a corrected Form 1095-A.

Column B: This is the benchmark plan that helps establish the PTC amount. It's based on family size, ages, and location.

You may need to look up the SLCSPP if:

1. It is incorrect, perhaps because a change in family size was not reported.
2. It is missing. This happens when someone paid the full premium. Other marketplaces routinely leave this space blank.
3. There are multiple Forms 1095-A with conflicting information or the taxpayer otherwise thinks it's incorrect.

See healthcare.gov/tax-tool or your state's tax tool.

Column C: Advance payment of PTC.

Form 1095-A
Health Insurance Marketplace Statement VOID CORRECTED
OMB No. 1545-2232
2017
Department of the Treasury Internal Revenue Service
Do not attach to your tax return. Keep for your records.
Go to www.irs.gov/Form1095A for instructions and the latest information.

Part I Recipient Information

1 Marketplace identifier	2 Marketplace-assigned policy number	3 Policy issuer's name
4 Recipient's name	5 Recipient's SSN	6 Recipient's date of birth
7 Recipient's spouse's name	8 Recipient's spouse's SSN	9 Recipient's spouse's date of birth
10 Policy start date	11 Policy termination date	12 Street address (including apartment no.)
13 City or town	14 State or province	15 Country and ZIP or foreign postal code

Part II Covered Individuals

A. Covered individual name	B. Covered individual SSN	C. Covered individual date of birth	D. Coverage start date	E. Coverage termination date
16				
17				
18				
19				
20				

Part III Coverage Information

Month	A. Monthly enrollment premiums	B. Monthly second lowest cost silver plan (SLCSPP) premium	C. Monthly advance payment of premium tax credit
21 January			
22 February	Column A	Column B	Column C
23 March			
24 April			
25 May			
26 June			
27 July			
28 August			
29 September			
30 October			
31 November			
32 December			
33 Annual Totals			

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 60703Q Form 1095-A (2017)

Remember: A person may be entitled to PTC even if no APTC was received. Do not assume someone is ineligible. If there is a premium amount in Column A for a month and no SLCSPP or APTC and they appear eligible for the credit, enter the SLCSPP to calculate the correct PTC.

FORM 1095-A

Multiple Forms 1095-A

Some taxpayers will have multiple Forms 1095-A. This will happen if the taxpayer:

- Changed marketplace plans during the year.
- Had family members enrolled in different marketplace plans.
- Had more than 5 family members in the same plan.

Entering Multiple Forms 1095-A on One Form 8962

Make sure everyone on the Forms 1095-A is also on the tax return. If not, this may be a Shared Policy Allocation.

Column A: Add the premiums together.

Column B: If everyone is in the same state, the SLCSP should be the same on all Forms 1095-A for a given month. Enter that amount. If the enrollees are in different states, add the SLCSPs. When in doubt, look it up in the Tax Tool for your marketplace.

Column C (entered in Column F of Form 8962): Add the amounts together.

Form 1095-A				
Form 1095-A Health Insurance Marketplace Statement			<input type="checkbox"/> VOID	OMB No. 1545-2232
Department of the Treasury Internal Revenue Service			<input type="checkbox"/> CORRECTED	2017
Do not attach to your tax return. Keep for your records. Go to www.irs.gov/Form1095A for instructions and the latest information.				
Part I Recipient Information				
1 Marketplace identifier	2 Marketplace-assigned policy number	3 Policy issuer's name		
4 Recipient's name		5 Recipient's SSN	6 Recipient's date of birth	
7 Recipient's spouse's name		8 Recipient's spouse's SSN	9 Recipient's spouse's date of birth	
10 Policy start date	11 Policy termination date	12 Street address (including apartment no.)		
13 City or town	14 State or province	15 Country and ZIP or foreign postal code		
Part II Covered Individuals				
A. Covered individual name	B. Covered individual SSN	C. Covered individual date of birth	D. Coverage start date	E. Coverage termination date
16				
17				
18				
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Part III Coverage Information				
Month	A. Monthly enrollment premiums	B. Monthly second lowest cost silver plan (SLCSP) premium	C. Monthly advance payment of premium tax credit	
21 January				
22 February	Column A	Column B	Column C	
23 March				
24 April				
25 May				
26 June				
27 July				
28 August				
29 September				
30 October				
31 November				
32 December				
33 Annual Totals				

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 60703Q Form 1095-A (2017)

FORM 8962: Tips and Tricks for Complex Cases

Is this return in scope?

Yes, for someone with advanced certification unless:

- There is a **Shared Policy Allocation**: Form 1095-A covers at least one person on the taxpayer's return and one person not on the return. This may happen when taxpayers divorce or separate, or when the taxpayer enrolls in coverage with a non-dependent, such as an older child who has a tax-filing requirement.
- The **Alternative Calculation for the Year of Marriage** applies: The taxpayer got married during the tax year, someone on the tax return had APTC, and the normal PTC calculation results in a repayment of APTC. Unlike the Shared Policy Allocation, the taxpayer is not required to use this calculation. It is most useful if: the spouses' incomes are different and the lower-income taxpayer received the APTC, and if the marriage occurred late in the year.

Is the taxpayer eligible for PTC at all?

PROBLEM: The taxpayer is Married Filing Separately

What you'll see: A filing status of Married Filing Separately on the 1040 and a Form 1095-A.

What to do: In general, the taxpayer is ineligible for the PTC and must repay the APTC, up to the cap. However:

Does an exception apply? Check the box at the top of Form 8962 if the taxpayer is either a survivor of domestic abuse or has been abandoned by their spouse.

If no exception applies:

- **Does Form 1095-A include someone in the taxpayer's family and someone on another tax return?** If so, it is a shared policy allocation and out of scope.
- **Does Form 1095-A include only people on the taxpayer's return?** The taxpayer is not eligible for PTC and must repay any APTC. On Form 8962, calculate Lines 1 - 5, skip Lines 6 - 8b. Complete lines 9 and 10. On Line 11 or Lines 12-23, only enter information in Column F. Do not enter the other columns of Form 1095-A.

PROBLEM: The taxpayer has income at or above 401% FPL

What you'll see: An FPL of 401% or higher on Line 5 of Form 8962.

What to do: In general, the taxpayer is ineligible for the PTC and must repay all APTC, with no cap. However:

- **Did you check the Alaska/Hawaii/Other 48 States box on Line 4?** You must check one of those boxes to get a poverty line calculation.
- **Can household income be reduced to 400% FPL or below through income adjustments?** Consider the IRA or tuition and fees deductions.
- **Did you consider Married Filing Separately?** Filing separate returns may reduce income to under 401% FPL and, while APTC must still be repaid, the repayment caps will apply. Factor in other effects of MFS, such as elimination of certain credits and the higher tax rate.

If none of these options are available and income remains at 401% FPL or above:

- If no APTC, stop. Do not complete the rest of Form 8962.
- If APTC, skip lines 7 and 8. Complete lines 9 and 10. On Line 11 or Lines 12-23, only enter information in Column F. Do not enter the other columns of Form 1095-A.

Form 8962

Form 8962

Premium Tax Credit (PTC)
► Attach to Form 1040, 1040A, or 1040NR.
► Go to www.irs.gov/Form8962 for instructions and the latest information.

OMB No. 1545-0074
2017
Attachment Sequence No. 73

Department of the Treasury
Internal Revenue Service

Your social security number

You cannot take the PTC if your filing status is married filing separately unless you qualify for an exception (see instructions). If you qualify, check the box

Part I Annual and Monthly Contribution Amount

1	Tax family size. Enter the number of exemptions from Form 1040 or Form 1040A, line 6d, or Form 1040NR, line 7d				
2a	Modified AGI. Enter your modified AGI (see instructions)	2a			
b	Enter the total of your dependents' modified AGI (see instructions)	2b			
3	Household income. Add the amounts on lines 2a and 2b (see instructions)				
4	Federal poverty line. Enter the federal poverty line amount from Table 1-1, 1-2, or 1-3 (see instructions). Check the appropriate box for the federal poverty table used. <input type="checkbox"/> Alaska <input type="checkbox"/> Hawaii <input type="checkbox"/> Other 48 states and DC				
5	Household income as a percentage of federal poverty line (see instructions)			%	
6	Did you enter 401% on line 5? (See instructions if you entered less than 100%.) <input type="checkbox"/> No. Continue to line 7. <input type="checkbox"/> Yes. You are not eligible to take the PTC. If advance payment of the PTC was made, see the instructions for how to report your excess advance PTC repayment amount.				
7	Applicable Figure. Using your line 5 percentage, locate your "applicable figure" on the table in the instructions				
8a	Annual contribution amount. Multiply line 3 by line 7. Round to nearest whole dollar amount	8a	b Monthly contribution amount. Divide line 8a by 12. Round to nearest whole dollar amount	8b	

Part II Premium Tax Credit Claim and Reconciliation of Advance Payment of Premium Tax Credit

	9 Are you allocating policy amounts with another taxpayer or do you want to use the alternative calculation for year of marriage (see instructions)? <input type="checkbox"/> Yes. Skip to Part IV, Allocation of Policy Amounts, or Part V, Alternative Calculation for Year of Marriage. <input type="checkbox"/> No. Continue to line 10. <input type="checkbox"/> See the instructions to determine if you can use line 11 or must complete lines 12 through 23. <input type="checkbox"/> Yes. Continue to line 11. Compute your annual PTC. Then skip lines 12-23 and continue to line 24. <input type="checkbox"/> No. Continue to lines 12-23. Compute your monthly PTC and continue to line 24.				
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	Annual Calculation	(a) Annual enrollment premiums (Form(s) 1095-A, line 33A)	(b) Annual applicable SLCSPP premium (Form(s) 1095-A, line 33B)	(c) Annual contribution amount (line 8a)	(d) Annual maximum premium assistance (subtract (c) from (b), if zero or less, enter -0-)	(e) Annual premium tax credit allowed (smaller of (a) or (d))	(f) Annual advance payment of PTC (Form(s) 1095-A, line 33C)
11	Annual Totals						
12	January						
13	February						
14	March						
15	April						
16	May						
17	June						
18	July						
19	August						
20	September						
21	October						
22	November						
23	December						
24	Total premium tax credit. Enter the amount from line 11(e) or add lines 12(e) through 23(e) and enter the total here						
25	Advance payment of PTC. Enter the amount from line 11(f) or add lines 12(f) through 23(f) and enter the total here						
26	Net premium tax credit. If line 24 is greater than line 25, subtract line 25 from line 24. Enter the difference here and on Form 1040, line 69; Form 1040A, line 45; or Form 1040NR, line 65. If line 24 equals line 25, enter -0-. Stop here. If line 25 is greater than line 24, leave this line blank and continue to line 27						

Part III Repayment of Excess Advance Payment of the Premium Tax Credit

27	Excess advance payment of PTC. If line 25 is greater than line 24, subtract line 24 from line 25. Enter the difference here			
28	Repayment limitation (see instructions)			
29	Excess advance premium tax credit repayment. Enter the smaller of line 27 or line 28 here and on Form 1040, line 46; Form 1040A, line 29; or Form 1040NR, line 44			

For Paperwork Reduction Act Notice, see your tax return instructions. Cat. No. 37784Z Form 8962 (2017)

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Health Reform: **Beyond the Basics**

FORM 8962: Tips and Tricks for Complex Cases

Is the taxpayer eligible for PTC for a particular month?

PROBLEM: The taxpayer stopped paying premiums

What you'll see: Numbers in Columns B and C but no premium in Column A (-0-) for a month on Form 1095-A, Part III.

What to do:

- The taxpayer can only collect APTC if the premium is paid by the tax return due date (without extensions). If the APTC is high and covers most of the premium, can the taxpayer make the (late) premium payment? It may be more cost-effective to pay the premium than to repay the APTC! When the premium is paid, ask for a corrected Form 1095-A.
- If the premium payment has not and will not be made, enter the SLCSP and APTC and leave Column A blank. Note: There should never be consecutive months like this. If so, there is an error on Form 1095-A.
- Even if the taxpayer isn't eligible for PTC, he or she is still considered to have coverage for the month, despite nonpayment of premium.

Part III Coverage Information			
Month	A. Monthly enrollment premiums	B. Monthly second lowest cost silver plan (SLCSP) premium	C. Monthly advance payment of premium tax credit
21 January			
22 February	\$301	\$288	\$87
23 March	\$301	\$288	\$87
24 April	\$301	\$288	\$87
25 May	- 0 -	\$288	\$87
26 June			
27 July			
28 August			
29 September			
30 October			
31 November			
32 December			

PROBLEM: The taxpayer paid the full premium for one or more months but may be eligible for PTC

What you'll see: A premium in Column A but nothing in Columns B or C on Form 1095-A, Part III.

What to do:

- The taxpayer might have paid the full premium because he or she was disputing an eligibility determination or reported a change in circumstances that adjusted the APTC to zero.
- **The taxpayer may still be eligible for a premium tax credit for that month!**
- First, ensure the person is otherwise eligible for the premium tax credit for the month (see Form 8962 Instructions, p.2). Then, enter the SLCSP in Column B, using the Tax Tool for your marketplace. Tax software will calculate the PTC amount.

Part III Coverage Information			
Month	A. Monthly enrollment premiums	B. Monthly second lowest cost silver plan (SLCSP) premium	C. Monthly advance payment of premium tax credit
21 January	\$301		
22 February	\$301		
23 March	\$301		
24 April	\$301		
25 May	\$301		
26 June	\$301		
27 July	\$301		
28 August			
29 September			
30 October			
31 November			
32 December			

PROBLEM: The taxpayer has multiple Forms 1095-A for the same month

What you'll see: Multiple forms 1095-A with an overlapping month for at least one person in the tax household.

What to do: This happens when the taxpayer's eligibility or plan changed or when family members enrolled in different plans. See Form 8962 Instructions for Lines 12-23.

- In Columns A and C, add the monthly premiums and APTC from the Forms 1095-A.
- In Column B, if individuals in your coverage family enrolled in separate policies in the same state, you will receive a Form 1095-A for each policy. The marketplace should have entered the same SLCSP premium. If the enrollees are in different states, add the SLCSPs. When in doubt, look it up in the Tax Tool for your marketplace.

PROBLEM: The taxpayer is enrolled in other (non-marketplace) coverage in the same month

What you'll see: A Form 1095-B or -C with coverage or eligibility months that overlap with marketplace coverage on Form 1095-A.

What to do: In general, PTC is allowed if the marketplace previously approved APTC. See Form 1095-B or -C instructions, Form 8962 instructions, or Publication 974 for more information.

FORM 8962: Handling Large PTC Overpayments

Form 8962: Part III		
Part III Repayment of Excess Advance Payment of the Premium Tax Credit		
27	Excess advance payment of PTC. If line 25 is greater than line 24, subtract line 24 from line 25. Enter the difference here	27
28	Repayment limitation (see instructions)	28
29	Excess advance premium tax credit repayment. Enter the smaller of line 27 or line 28 here and on Form 1040, line 46; Form 1040A, line 29; or Form 1040NR, line 44	29

To minimize repayment, consider the following strategies:

Make sure Form 1095-A is correct and complete.

- Ask the taxpayer to contact the marketplace if the form doesn't reflect premiums that were paid or if there are other errors.
- See tips and tricks for complex cases when a taxpayer may be eligible for PTC for a particular month.

Consider income adjustments to reduce household income.

- If the taxpayer is eligible to claim an IRA deduction, remember that taxpayers can contribute to an IRA until the tax filing deadline.
- If someone on the taxpayer's return has tuition expenses, consider the Tuition and Fees deduction instead of an education credit.

Consider Married Filing Separately.

- The taxpayer will technically be ineligible for the PTC, but filing separately may cap repayment at a lower level based on income.

Repayment Caps for PTC, 2017		
Income (as % of federal poverty line)	Taxpayers Filing as SINGLE	Taxpayers Using Other Filing Statuses
Under 200%	\$300	\$600
200% – 299%	\$750	\$1,500
300% – 399%	\$1,275	\$2,550
400% and above	No cap (full repayment)	No cap (full repayment)

Explanation: Why do overpayments happen?

For several reasons:

- Income or household may have changed since the application for subsidies was submitted. For example, someone may have gotten a new job or worked additional hours or someone who was expected to be a dependent was not claimed on the tax return.
- There was an error in calculating the APTC amount because of an inaccurate income or family size calculation, not keeping the application current when circumstances changed, or a technical error by the marketplace.
- The taxpayer allowed coverage to auto-renew without updating income or household information.

Important! If the taxpayer is currently enrolled in marketplace coverage and has a repayment, they should contact the marketplace to adjust their current APTC now to avoid similar repayment in the next tax year.