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, SLCSP, 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 1)
- Errors to the SLCSP (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 SLCSP 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.

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 SLCSP or APTC and they appear eligible for the credit, enter the SLCSP to calculate the correct PTC.
**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.

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**Form 1095-A**

### Column A

<table>
<thead>
<tr>
<th>Covered individual name</th>
<th>Covered individual SSN</th>
<th>Covered individual date of birth</th>
<th>Coverage start date</th>
<th>Coverage termination date</th>
</tr>
</thead>
</table>

### Column B

- **SLCSP:** 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

- **SLCSP:** Add the amounts together.
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.
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.

**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.

**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.
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.

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### Form 8962: Part III

**Repayment of Excess Advance Payment of the Premium Tax Credit**

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Formula</th>
</tr>
</thead>
<tbody>
<tr>
<td>27</td>
<td>Excess advance payment of PTC. If line 25 is greater than line 24, subtract line 24 from line 25. Enter the difference here.</td>
<td>27</td>
</tr>
<tr>
<td>28</td>
<td>Repayment limitation (see instructions)</td>
<td>28</td>
</tr>
<tr>
<td>29</td>
<td>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.</td>
<td>29</td>
</tr>
</tbody>
</table>

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### Repayment Caps for PTC, 2017

<table>
<thead>
<tr>
<th>Income (as % of federal poverty line)</th>
<th>Taxpayers Filing as SINGLE</th>
<th>Taxpayers Using Other Filing Statuses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 200%</td>
<td>$300</td>
<td>$600</td>
</tr>
<tr>
<td>200% – 299%</td>
<td>$750</td>
<td>$1,500</td>
</tr>
<tr>
<td>300% – 399%</td>
<td>$1,275</td>
<td>$2,550</td>
</tr>
<tr>
<td>400% and above</td>
<td>No cap (full repayment)</td>
<td>No cap (full repayment)</td>
</tr>
</tbody>
</table>

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### 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.