HCTC Health Coverage Tax Credit
Federal • State • Private Industry

Newsletter for Health Plan Administrators

July 30, 2003

Issue 3

Topic: HCTC Candidate Letter

This newsletter explains what information the HCTC Candidate Letter contains and how health plan administrators (HPA) can use the information. A sample of the letter is contained in this newsletter.

Background

The HCTC program sends the HCTC Candidate Letter to potentially eligible individuals who receive a Program Kit. The letter contains questions that the candidate can use to determine his or her eligibility status.

What Does This Mean For You?

When an HCTC candidate calls to enroll in your health plan, you may request a copy of the HCTC Candidate Letter from the candidate. If the candidate signs the letter, the candidate is attesting to the information as being true, correct, and complete.

If you have questions, please call the HCTC Customer Contact Center at:

1-866-628-HCTC

Evaluating the HCTC Candidate Letter

To be eligible for the HCTC, the candidate must:

1. Check at least one of the options under the question, "Which of the following describes you?"

2. Check "No" next to every option under the question, "Are you any of the following?"

The last eligibility criteria the candidate must meet is to be enrolled in a qualified health plan. The HCTC candidate may provide you the signed letter to attest to their eligibility for the credit.

Frequently Asked Questions

Question: Do health plan administrators have to request a copy of the HCTC Candidate Letter?

Answer: No, it is not a requirement that HPAs obtain a copy of the HCTC Candidate Letter. However, requesting a copy is currently the best option HPAs have to determine an HCTC candidate's eligibility for the credit.

Question: An individual wishing to enroll in our plan said they never received an HCTC Candidate Letter, how can he or she request a new copy?

Answer: Individual's may contact the HCTC Customer Contact Center at 1-866-628-HCTC to request a copy.

The next two pages of the newsletter provide a sample of the Candidate Letter for your review.

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HCTC Letterhead

June 30, 2003

<FIRST NAME><LAST NAME>
<ADDRESS LINE 1>
<ADDRESS LINE 2>
<ADDRESS LINE 3 [Conditional]>
<CITY>, <STATE> <POSTAL CODE>

HCTC candidate's name and address

Dear HCTC Candidate:

The Trade Act of 2002 (the Act) created a federal tax credit that covers 65% of the premium amount that eligible individuals pay for qualified health insurance coverage. Displaced workers certified to receive certain trade adjustment assistance (TAA) benefits and individuals receiving benefits from the Pension Benefit Guaranty Corporation (PBGC) may be eligible to claim the credit. This credit is known as the Health Coverage Tax Credit (HCTC). The Internal Revenue Service (IRS) is responsible for administering the HCTC program.

The Act provides two options to receive the benefit. Eligible individuals may choose to pay 100% of their premiums throughout the year and claim the credit when they file their federal tax return. Beginning in August 2003, they may choose to have the 65% credit paid monthly on their behalf to their health plan administrator. Eligible individuals must pay 35% of their premium monthly to the HCTC program if they choose this advance payment option.

This letter identifies you as a candidate for the HCTC. You should keep a copy of this letter for your records. HCTC-qualified health plans may request to see a copy of this letter prior to health plan enrollment.

By completing, signing, and sharing the attached checklist with a qualified health plan, you are claiming your eligibility for the HCTC program. If you have any questions about completing the attached checklist, please contact the HCTC Customer Contact Center at 1-866-628-HCTC (4282).

Enrolling in an HCTC-qualified health plan is one step in registering with the HCTC program. Please see your HCTC Program Kit for more detailed information about the HCTC program and registration process.

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Candidate must check at least one of these three options.

Candidate must check "NO" for all of these options.

Candidate should sign here to attest that the information provided is true, correct, and complete.

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Which of the following describes you? (Check the box next to all that apply.)

- ☐ Receiving a Trade Readjustment Allowance (TRA) under the Trade Adjustment Assistance (TAA) program or would be receiving a TRA except that you have not used up your unemployment insurance (UI) benefits
- ☐ Receiving benefits under the Alternative Trade Adjustment Assistance (ATAA) program
- ☐ Receiving a pension benefit from the Pension Benefit Guaranty Corporation (PBGC) and are at least 55 years old

Yes	No	Are you any of the following? (Check Yes or No for each.)
☐	☐	Enrolled in a health plan maintained by an employer or former employer that pays at least 50% of the cost of coverage
☐	☐	Entitled to Medicare Part A or enrolled in Medicare Part B
☐	☐	Enrolled in Medicaid or the State Children's Health Insurance Program (SCHIP)
☐	☐	Enrolled in the Federal Employees Health Benefits Program (FEHBP)
☐	☐	Entitled to health coverage through the U.S. military health system (TRICARE/CHAMPUS)
☐	☐	Enrolled in a plan maintained by your spouse's current or former employer that pays at least 50% of the cost of coverage
☐	☐	Claimed as a dependent on someone else's federal tax return this year
☐	☐	Imprisoned under federal, state or local authority

Under penalties of perjury, I declare that the information furnished on this form with regard to myself is true, correct, and complete. I understand that a knowingly and willfully false statement can result in action.

Signature (sign in black ink)	Full Name (type or print legibly)	Date Signed

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