

Premium Tax Credit: Form 1095-A Overview

A person who purchased insurance through the Marketplace will receive Form 1095-A. Anyone who received the benefit of advance payments of the premium tax credit (APTC) must complete Form 8962. **You cannot prepare the return for taxpayers who received the benefit of APTC without Form(s) 1095-A.**

Carefully examine 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 enrollment premiums, SLCSPP premiums, 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)

Marketplace call center: 1-800-318-2596 (TTY: 1-855-889-4325) For states not using Healthcare.gov, look up state Marketplace at healthcare.gov

To obtain an original or corrected Form 1095-A the taxpayer can log into his or her online account, or call the Marketplace call center.

Column A - Monthly Premium: These are the total monthly enrollment premiums for the policy in which the individuals are covered. **This is the full premium, including the amount paid by APTC but it includes only the premiums for essential health benefits. The amount does not include the cost of certain “extra” benefits such as adult dental coverage.**

Column B - Monthly SLCSPP premium: If this column is blank and the individuals enrolled in a plan through a Federally-facilitated Marketplace, go to www.Healthcare.gov and use the tax tool to find the SLCSPP premium to enter in Column B. If the individuals enrolled through a State-based Marketplace, go to the state's website to determine the SLCSPP premium. In some cases, the state will send a table with the information. If the State-based Marketplace does not have a look-up tool to find the SLCSPP premium, call the Marketplace to obtain a correct SLCSPP premium. The SLCSPP premium is the premium for the second lowest cost silver-level plan that covers all the members of the coverage family.

Column C - Advance payment of PTC

You may need to look up the SLCSPP premium if:

- It is incorrect, perhaps because a change in family size was not reported.
- It is missing. This happens when someone paid the full premium because he or she did not request advance payment of the premium tax credit. Marketplaces routinely leave this space blank.
- 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.

TIP: A person may be entitled to PTC even if no APTC was paid for the coverage. Do not assume someone is ineligible for PTC just because Columns B and C of Form 1095-A are blank. If an individual meets all the eligibility rules in the Form 8962 instructions but only the enrollment premium amounts in Column A appear on Form 1095-A and Columns B and C are blank, look up the person's SLCSPP premiums and enter them in Column B of Form 8962 to calculate the correct PTC.

For taxpayers who purchased insurance through the Marketplace, complete the screen below using their Form 1095-A

Advanced Premium Tax Credit (1095-A)

Did you receive a 1095-A statement or any Premium Tax Credits to assist you in paying for your health care for 2015? Yes No

Do all Forms 1095-A include coverage for January through December, with no changes in monthly amounts? Yes No

Please enter your monthly Advance Premium Tax Credit information

Month	Monthly Premium Amount (Form 1095-A, Part III, Column A)	Monthly Premium Amount of SLCSP (Form 1095-A, Part III, Column B)	Monthly Advance Payment of PTC (Form 1095-A, Part III, Column C)
January	\$	\$	\$
February	\$	\$	\$
March	\$	\$	\$
April	\$	\$	\$
May	\$	\$	\$
June	\$	\$	\$
July	\$	\$	\$
August	\$	\$	\$
September	\$	\$	\$
October	\$	\$	\$
November	\$	\$	\$
December	\$	\$	\$

Caution: Enter dependent's MAGI only if the dependent has a tax filing requirement. Do not enter the MAGI of taxpayer or spouse as it is already included.

Dependents' Modified AGI (if filing requirement)

Enter the AGI for your dependents from Form 1040, line 38; Form 1040A, line 22; Form 1040EZ, line 4; and Form 1040NR, line 37

Enter any tax-exempt interest for your dependents from Form 1040, line 8b; Form 1040A, line 8b; Form 1040EZ, the amount written to the left of the line 2 entry space; and Form 1040NR, line 9b

Enter any amounts for your dependents from Form 2555, lines 45 and 50, and Form 2555-EZ, line 18

Enter for each of your dependents the difference, if any, between Form 1040, lines 20a and 20b; and Form 1040A, lines 14a and 14b

Premium Tax Credit: Form 8962

See Form 8962 Instructions for line-by-line directions

Check here if taxpayer is Married Filing Separately but cannot file a joint return because of spousal abuse or abandonment in the last year. See Form 8962 Instructions for details. If a taxpayer is Married Filing Separately and is not eligible for relief, he/she must repay APTC, subject to the repayment limitation. Enter the APTC amounts in column F.

Line 2b: Enter dependents' MAGI ONLY (not taxpayer or spouse) **IF dependents' gross income is above the filing threshold.** See page ACA-9 for dependents' filing threshold chart.

For purposes of Form 8962, MAGI includes dependents' AGI, Social Security benefits not included in income, tax-exempt interest, and excluded foreign earned income.

Line 6: If income is below 100% FPL, check NO if:
 (1) Taxpayer or an individual in taxpayer's tax family enrolled in a qualified health plan through the Marketplace and
 (2) APTC was paid for coverage for one or more months, and
 (3) The Marketplace estimated at the time of enrollment that the taxpayer's household income would be between 100%-400% of the FPL for the family size for year of coverage. (Note: Advance payments are evidence that the Marketplace estimates meets this criteria)

—OR—
 (1) Taxpayer or an individual in taxpayer's tax family enrolled in a qualified health plan through the Marketplace, and the enrolled individual is a lawfully present individual ineligible for Medicaid due to immigration status.

Line 9: If the following situations apply, a shared policy allocation may be required and the return is out of scope:

- The 1095-A lists a covered person who is not on this tax return or,
- A person on the tax return was enrolled in another taxpayer's Marketplace coverage. (The person is listed on someone else's Form 1095-A)

If the following situation applies, an Alternative Calculation for Year of Marriage may be elected. If the taxpayer elects this option, the return is out of scope.

- Taxpayers got married during the year and are filing a joint return, and taxpayers were both unmarried as of December 31, 2015 or 2016
- A member of the taxpayers' tax family was enrolled in a qualified health plan for which APTC was paid for months prior to the first full month of marriage, and
- Taxpayers have excess APTC that must be repaid

Line 11 OR Lines 12-23: Complete line 11 if Form 1095-A shows the same monthly amounts for all 12 months and the taxpayer's SLCSPP is the same for each month of the year. Otherwise, complete lines 12-23. Do not complete both.

Caution: Complete only column F if the household income is above 400% of the FPL or if the taxpayer is using filing status married filing separately and an exception does not apply.

Form **8962** Premium Tax Credit (PTC)

Department of the Treasury Internal Revenue Service

OMB No. 1545-0074

2016 Attachment Sequence No. 73

▶ Attach to Form 1040, 1040A, or 1040NR.

▶ Information about Form 8962 and its separate instructions is at www.irs.gov/form8962.

Name shown on your return Your social security number

You cannot claim 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 **1**

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 **3**

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. Alaska Hawaii Other 48 states and DC **4**

5 Household income as a percentage of federal poverty line (see instructions) **5** %

6 Did you enter 401% on line 5? (See instructions if you entered less than 100%).
 No. Continue to line 7.
 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 **7**

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)?
 Yes. Skip to Part IV, Allocation of Policy Amounts, or Part V, Alternative Calculation for Year of Marriage. No. Continue to line 10.

10 See the instructions to determine if you can use line 11 or must complete lines 12 through 23.
 Yes. Continue to line 11. Compute your annual PTC. Then skip lines 12-23 No. Continue to lines 12-23. Compute your monthly PTC and continue to line 24.

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						
Monthly Calculation	(a) Monthly enrollment premiums (Form(s) 1095-A, lines 21-32, column A)	(b) Monthly applicable SLCSPP premium (Form (s) 1095-A, lines 21-32, column B)	(c) Monthly contribution amount (amount from line 8b or alternative marriage monthly calculation)	(d) Monthly maximum premium assistance (subtract (c) from (b), if zero or less, enter -0-)	(e) Monthly premium tax credit allowed (smaller of (a) or (d))	(f) Monthly advance payment of PTC (Form(s) 1095-A, lines 21-32, column C)
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						24
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						25
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 zero. Stop here. If line 25 is greater than line 24, leave this line blank and continue to line 27.						26

Line 26: The net premium tax credit a taxpayer can claim (the excess of the taxpayer's premium tax credit over APTC). This carries to Form 1040, line 69. This amount will increase taxpayer's refund or reduce the balance due.

Line 27: The amount of excess APTC (amount by which APTC exceeds the taxpayer's premium tax credit) that needs to be repaid. Because there is a repayment limitation, all of the excess APTC may not have to be repaid.

Premium Tax Credit – Special Situations

See Instructions for Form 8962 and Publication 974, *Premium Tax Credit*, for additional information.

Multiple Forms 1095-A

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

- Changed Marketplace plans during the year
- Updated their application with new information that resulted in a new enrollment
- 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 and enrolled in the same policy, the SLCSP premium 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 SLCSP premiums. 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.

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			

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 claim a PTC for a month of enrollment if the premium for the month 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.

Sample Form 1095-A: PART III			
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			

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.

Premium Tax Credit (continued)

Handling Large APTC Repayments

Many tax preparers are seeing clients with large repayments of APTC that they must repay on Form 8962, Line 29.

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

Important! If the taxpayer is currently enrolled in Marketplace coverage and has a 2016 repayment, the taxpayer should contact the Marketplace **now** to adjust their 2017 APTC to avoid similar repayments for the 2017 tax year!

Income (as % of federal poverty line)	Repayment Caps for APTC	
	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)