

Form 1095-A

Reconciling the Premium Tax Credit on Form 8962

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 I)
- 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 April 18, 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

Form 1095-A				
Form 1095-A		Health Insurance Marketplace Statement		VOID
Department of the Treasury Internal Revenue Service		Information about Form 1095-A and its separate instructions is at www.irs.gov/form1095a .		CORRECTED
				OMB No. 1545-2232 2015
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 (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				

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.

Form 1095-A

Reconciling the Premium Tax Credit on Form 8962

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 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		OMB No. 1545-2232
Department of the Treasury Internal Revenue Service		Information about Form 1095-A and its separate instructions is at www.irs.gov/form1095a .		2015
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 (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				

Form 8962, Premium Tax Credit

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?** 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
Department of the Treasury
Internal Revenue Service

Premium Tax Credit (PTC)
▶ Attach to Form 1040, 1040A, or 1040NR.
▶ Information about Form 8962 and its separate instructions is at www.irs.gov/form8962.

OMB No. 1545-0074
2015
Attachment
Sequence No. 73

Name shown on your return _____ Your social security number _____

You cannot claim the PTC if your filing status is married filing separately unless you are eligible 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: **a** Alaska **b** Hawaii **c** 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%.) **6** _____

No. Continue to line 7.
 Yes. You are not eligible to receive 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 **8a** _____ **b** Monthly contribution amount. Divide line 8a by line 2 by line 7 **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, Shared Policy Allocation, 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 SLCSP 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 SLCSP premium (Form(s) 1095-A, lines 21-32, column B)	(c) Monthly contribution amount (amount from line 8b or alternative marriage monthly contribution)	(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 you elected the alternative calculation for marriage, enter zero. 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 _____

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** _____

Troubleshooting: IRS Reject F8962-038: Form 8962, Line 24 'TotalPremiumTaxCreditAmt' must be equal to Line 11E 'AnnualPremiumTaxCreditAllowAmt' or (the sum of Lines 12E through 23E 'MonthlyPremiumTaxCreditAllowAmt').

Correction: If the person is ineligible for PTC (because they have income over 400% FPL or because they are MFS), for lines 12-23, enter only the numbers in column E (advanced PTC). Do not enter the premium cost or SLCSP, even though those values appear on Form 1095-A.

SECTION: RECONCILING THE PTC, Page 3

Form 8962, Premium Tax Credit

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 SLCSPP 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.

Sample Form 1095-A: PART III			
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	\$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 SLCSPP in Column B, using the Tax Tool for your marketplace. TaxWise will calculate the PTC amount.

Sample Form 1095-A: PART III			
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	\$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 updated their income or household members with the Marketplace or made a plan change. It's also possible that 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 SLCSPP premium. If the enrollees are in different states, add the SLCSPPs. 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, Premium Tax Credit

Handling Large PTC Overpayments

Many tax preparers are seeing clients with large overpayments of PTC 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 will technically be ineligible for the PTC, but filing separately may cap repayment at a lower level based on income.

Repayment Caps for APTC		
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%	\$1,250	\$2,500
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.
- Technical error in calculating the 2015 PTC amount, such as certain income being entered but not counted in the PTC calculation.
- The taxpayer allowed 2014 coverage to auto-renew for 2015. For the federal marketplace, this meant that the 2014 PTC was kept the same for 2015, even though income, household and plan cost may have changed. (This process has been improved for 2016.)

Important! If the taxpayer is currently enrolled in Marketplace coverage and has a 2015 repayment, they should contact the Marketplace to adjust their 2016 APTC **now** to avoid similar repayments for the 2016 tax year!