



CARPENTER COLLECTIVE, LLC

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carpentercollective.org

APTC Income & Deductions Checklist

Pennie | Modified Adjusted Gross Income (MAGI) | 2026 coverage

Check every item that applies. Estimate income for the entire calendar year, including income already received and income expected through December 31, even if coverage starts later.

Household: you, your spouse and tax dependents, including those not seeking coverage. A dependent's income counts only if they are required to file a federal income tax return.

1 | Income to report

- ☐ Job income: federal taxable wages, salary, tips, commissions, overtime and bonuses.
- ☐ Employer payouts: taxable PTO/vacation cash-outs, severance and other final pay. Verify gross amounts and when payment will be received.
- ☐ Self-employment, gig work, farming or fishing: net profit after allowable business expenses, not total sales or receipts.
- ☐ Unemployment compensation: state unemployment benefits received or expected.
- ☐ Social Security retirement, survivor benefits and SSDI: include taxable and nontaxable benefits before Medicare or other deductions. Do not include SSI.
- ☐ Retirement income: taxable pension/annuity payments and taxable traditional IRA or 401(k) withdrawals, including Roth conversions.
- ☐ Investments: interest, dividends and realized capital gains from stocks, property or digital assets. Include tax-exempt interest.
- ☐ Rentals, royalties and pass-through income: net taxable rental/royalty income and taxable partnership, S-corporation, estate or trust income.
- ☐ Alimony received: generally counts under pre-2019 divorce/separation agreements; certain later modifications change the treatment.
- ☐ Other taxable income: prizes, gambling winnings, taxable scholarships, taxable debt cancellation and other income included in federal AGI.
- ☐ Foreign income: include excluded foreign earned income and applicable foreign housing exclusions/deductions in the MAGI calculation.

2 | Amounts generally excluded from MAGI

Do not count SSI; child support; gifts; loan proceeds; veterans' disability benefits; workers' compensation; qualified Roth distributions; or alimony under post-2018 agreements. An inheritance itself is generally excluded, but taxable earnings or inherited retirement distributions may count.

Roth distributions: qualified withdrawals are excluded. Nonqualified Roth IRA withdrawals of regular contributions are generally tax-free; earnings may be taxable. Roth workplace withdrawals have different allocation rules. Include any taxable portion; review Form 1099-R and applicable tax records.

Wages: use federal taxable wages when available. Eligible pre-tax payroll benefits can already reduce this amount. Do not subtract the same amounts again, and do not use take-home pay.



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MAGI = federal adjusted gross income (AGI) + tax-exempt interest + nontaxable Social Security + applicable excluded foreign income. Do not double-count amounts already included in AGI.

3 | Above-the-line deductions to review

These may reduce AGI and APTC MAGI only when you qualify under federal tax rules. Provide the expected deductible amount for the coverage year, not just the amount paid.

- ☐ Pre-tax retirement contributions: traditional 401(k), 403(b), governmental 457(b) and similar payroll deferrals reduce federal taxable wages. Already excluded? Do not deduct again.
- ☐ Deductible traditional IRA contributions. Roth IRA and Roth workplace contributions are post-tax and do not reduce AGI or APTC MAGI.
- ☐ Eligible HSA contributions not already excluded through payroll; Archer MSA deductions.
- ☐ Student loan interest (not principal), subject to eligibility and income limits.
- ☐ Deductible portion of self-employment tax.
- ☐ Self-employed SEP, SIMPLE and qualified retirement plan contributions.
- ☐ Self-employed health insurance deduction: special coordination with the premium tax credit is required; do not simply deduct the full premium.
- ☐ Eligible educator expenses.
- ☐ Penalty on early withdrawal of savings (not an IRA early-distribution penalty).
- ☐ Alimony paid under eligible pre-2019 agreements, subject to modification rules.
- ☐ Qualifying military moving expenses and certain business expenses of reservists, performing artists or fee-basis government officials.
- ☐ Other eligible Schedule 1 adjustments, such as jury-duty pay turned over to an employer or qualifying legal fees; request an individual review.

Do not subtract the standard deduction, itemized personal deductions, tax credits or the qualified business income deduction from APTC MAGI. Schedule 1-A deductions for qualified tips, overtime, car-loan interest and seniors also do not reduce AGI/APTC MAGI. Foreign housing deductions must be added back when applicable.

4 | Documents & annual estimate

- ☐ Recent paystubs showing year-to-date and federal taxable wages; expected remaining pay.
- ☐ Prior-employer confirmation of PTO/vacation or severance payout amount and payment date.
- ☐ Benefit statements, business profit/loss records and investment/retirement income records.
- ☐ Deduction records and latest federal tax return; update estimates for this coverage year.

Coverage year: _____ Estimated annual household MAGI: \$ _____

Notes / expected changes: _____

Report income and household changes promptly. APTC is an estimate; the final credit is reconciled on your federal return using Form 8962. This checklist covers common items, not every special tax situation.

Sources: Pennie income/MAGI guidance; HealthCare.gov; IRS Schedule 1 and PTC FAQs.