

More About

PREMIUM TAX CREDIT

What are advance payments of the premium tax credit?

The premium tax credit is a “credit” paid in advance toward your Marketplace plan premiums each month. You’ll see this credit when you choose a plan, and it’s applied toward your premium when you enroll. If you use less than the full amount you qualify for, you may get the difference back at the end of the year when you file your taxes.

When do I get the tax credit?

The Marketplace sends advance payments of the premium tax credit directly to your insurance company, not to you. **You must file a federal income tax return to report the tax credit you used. You must report this tax credit even if you don’t usually file taxes.**

How do I qualify for the tax credit?

The Marketplace checks your income, household size, and other information to see if you qualify. You can only get the premium tax credit if you enroll in coverage through the Marketplace. Visit [HealthCare.gov/lower-costs](https://www.healthcare.gov/lower-costs) for information about how income affects your premium tax credit.

If your results say you’re eligible for a premium tax credit, it means you don’t appear to be eligible for Medicaid or CHIP.

If your job offers health coverage or help with health care expenses through a Health Reimbursement Arrangement (HRA), you can only get the tax credit if that coverage isn’t affordable, or isn’t considered qualifying health coverage. Visit [HealthCare.gov/have-job-based-coverage](https://www.healthcare.gov/have-job-based-coverage) to learn more.

How was my tax credit calculated?

Your premium tax credit amount is based on these factors:

- The number of people in your household. This includes the person who files taxes, their spouse, and any dependents claimed on the tax return.
- How much income your household expects to report on your federal income tax return for the year you want coverage. This is the amount that you put on your application, or that came from other recent information sources.
- The amount you’re expected to pay for premiums.
- The cost of the second-lowest cost Silver category Marketplace health plan in your area. This is also known as the “benchmark” cost.

The Marketplace determines your premium tax credit based on your *estimated* household income, but the final amount of tax credit you get will be based on your actual year-end tax filing.

Why is my tax credit amount \$0?

You may be eligible for \$0 premium tax credit if you’re otherwise eligible to get the tax credit, but the cost of the second-lowest cost Silver category Marketplace health plan in your area (the benchmark cost) is less than the amount you’re expected to pay for monthly plan premiums. A \$0 tax credit means you won’t get a reduction in the amount you pay for your premiums.

Estimating your income

If you checked for savings when you applied, the Marketplace asked you to estimate your income. Enter any income that you include on your federal income tax return, like money from a job or self-employment. For a full list of income sources to include on your application, visit [HealthCare.gov/income-and-household-information/income](https://www.healthcare.gov/income-and-household-information/income).

When you file your tax return, the IRS will compare the information from your application to your tax return. If your income is higher than what you entered on your Marketplace application, or your household size decreases, you may have to pay back some or all of the advance payments of the premium tax credit. So, it’s important to make your best guess when estimating your income and keep this information up to date in your Marketplace application.

What if I made a mistake on my income?

If you made a mistake when you estimated your income or your income changed, you can report a life change to update your application with the right amount. See “How to report changes on your application” on page 3 for more information. Or, call the Marketplace Call Center at **1-800-318-2596**.



Health Insurance Marketplace

What if I file a separate tax return from my spouse?

If you're married, you must file a joint federal income tax return with your spouse for the year you want the premium tax credit. There are some exceptions, like if you claim "head of household" status on your tax return, you're a victim of domestic violence, or you're an abandoned spouse. Call the Marketplace Call Center at **1-800-318-2596** for more information.

Reporting the premium tax credit on your tax return

If you use advance payments of the premium tax credit to reduce your health plan costs, the person who files taxes for your household must report these payments on a federal tax return by the tax filing deadline using "IRS Form 8962, Premium Tax Credit." This is true even if you don't usually have to file taxes. If you don't take this step, you won't continue to be eligible for the premium tax credit.

- You must file a tax return for each year you get the premium tax credit. Complete IRS Form 8962 using the information from "Form 1095-A, Health Insurance Marketplace Statement," which you get from the Marketplace early each year.
- To get Form 1095-A, visit HealthCare.gov, log into your Marketplace account, and check your notices from the Marketplace. You can also call the Marketplace Call Center at **1-800-318-2596**.
- For more information on filing a tax return using IRS Form 8962, visit HealthCare.gov/taxes or IRS.gov/aca.
- Filing electronically can help avoid mistakes and find credits and deductions that may be available. In many cases filing electronically is free. For information about Free File and e-file, visit IRS.gov.

If you filed the tax return but didn't include IRS Form 8962, you may need to file an amendment to your tax return (Form 1040X). To learn more, call the IRS at 1-800-829-1040. TTY users can call 1-800-829-4059.

Do I need to apply for a new premium tax credit each year?

To make sure you stay eligible for the tax credit, keep your income and other information updated in your Marketplace application. When you completed your application, you had an option to let the Marketplace use income data (including tax return information) to help with your eligibility renewal. If you chose not to allow this, make sure to update your information each year during Open Enrollment. You can change this agreement in your Marketplace account by selecting your most recent application and choosing "Report a life change." Step through your application, read the statement allowing the Marketplace to use income data to help with your renewal in future years, and click if you agree.

Steps to make sure you get the right amount of financial help

Your household won't be eligible for financial help with Marketplace plan costs if we don't have complete and current information about your taxes. If your results say you don't qualify for help with costs, take these steps so the Marketplace can check your eligibility:

- 1. If you told us you don't plan to file a tax return, or you're married but planning to file separately, update your application to see if you can get help with costs.**

Visit HealthCare.gov, log into your Marketplace account, and select your most recent application. Then select "Report a life change" and update your household and income information. You can also call the Marketplace Call Center.

- 2. If you chose not to allow the Marketplace to use information from tax returns to help renew your eligibility, you can change this for future renewals.**

You can update your application and click a statement to show your agreement. Call the Marketplace Call Center if you need help.

- 3. Did you qualify for the tax credit last year and already complete the steps above?**

Visit HealthCare.gov to update your application with your most current information to see if you might qualify.

