Reporting Income: Resolving an Income Data Matching Issue

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Let’s Get Started

Your Role

What happens if my actual income is higher than I estimated when I submitted my Marketplace application during Open Enrollment?

Can I submit last year’s pay stubs to verify my income?

What is exactly is a DMI?

A DMI is a Data Matching Issue. Consumers may encounter a DMI when there’s a difference between information they entered on a Marketplace application and information the Marketplace has from other trusted data sources.

As an assister, you should be able to help consumers identify the types of documents the Marketplace will accept and explain how to submit these documents.
What You Need to Know

Important Info

What triggers an income DMI?

If a consumer reports an estimated annual income amount that varies significantly from income information the Marketplace verifies with trusted data sources, the consumer will encounter an income DMI.

Consumers whose estimated income is not within +/- 25 percent or $6,000 of their previously-earned income as reported by the Marketplace’s data sources may encounter an income DMI.

For more information on triggering an income DMI, visit: HealthCare.gov/verify-information/.

For more information on resolving DMIs, refer to:

- The webinar How to Resolve Data Matching Inconsistencies (DMIs)
- When the Marketplace needs more information

You can also review the resources provided throughout this module to learn more about actions consumers can take to resolve a DMI.
What You Need to Do
Meet Dan and Carla Howard

Dan is a self-employed commercial plumber who earned $42,000 last year. Carla is a full-time dog walker.

During the Open Enrollment Period, the Howards enrolled in a Marketplace plan with advance payments of the premium tax credit (APTC). Dan’s biggest client just went out of business, so he estimates that he’ll earn $32,000 during the upcoming year.

The Howards recently submitted a Marketplace application for the upcoming year. Their eligibility determination notice stated that they’re eligible for APTC; however, they must submit documents to verify their annual household income. Let’s help the Howards resolve this DMI. Select Continue.

The Howards forgot to bring a copy of their eligibility notice to the appointment, but you can help them review their eligibility results online at HealthCare.gov and walk them through the steps to upload the necessary documents to resolve the DMI.

Scenario Directions: First, let’s help Dan locate a copy of their eligibility notice online. After logging in and selecting their current application, which button should Dan select to find their eligibility results?

Correct action: Select Eligibility & appeals.
Scenario Directions: Now let’s help Dan review their eligibility results for instructions on how to resolve the DMI.

On this screen, consumers can find next steps, like the example shown here. Consumers who have a DMI will find language in red that says, “Your eligibility is temporary. By [the deadline shown on the screen], you must submit documents to confirm some information. See your eligibility notice for details and deadlines.”

Their eligibility notice will provide more information. It will also include a list of documents consumers can send to the Marketplace.
What do you think? Could Dan and Carla lose their financial assistance if they don’t submit additional income information to the Marketplace?

Assister Tip: Yes! If the Marketplace can’t verify a consumer’s expected annual household income, they may lose some or all of their financial assistance. The Marketplace will make multiple attempts to reach consumers through notices, phone calls, emails, and text messages, depending on their communication preferences. For more information on how the Marketplace confirms household income information, visit: [Marketplace.cms.gov/outreach-and-education/household-income-data-matching-issues.pdf](https://marketplace.cms.gov/outreach-and-education/household-income-data-matching-issues.pdf).

Scenario Directions: Let’s review Dan and Carla’s eligibility letter. Select View Eligibility Notice (PDF).
Scenario Directions: Where in the Howards’ eligibility notice will Dan find their projected annual household income, which they submitted on their Marketplace application? Select that bullet on the screen.

Correct action: Select the sixth bullet in the Results column: “This is based on the yearly household income of $60,368.32—the amount that you put on your application, or that came from other recent information sources.”

<table>
<thead>
<tr>
<th>Household member(s)</th>
<th>Results</th>
<th>Next steps</th>
</tr>
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<td>Dan Howard, Carla Howard</td>
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| Dan Howard, Carla Howard | Eligible to buy a 2022 Marketplace plan, but we need more information.  
Eligible for advance payments of the premium tax credit to help pay for a Marketplace plan. You can use up to this much of the tax credit:  
• $1,018.00 each month which is $12,216.00 for the year, for your tax household.  
• This is based on the yearly household income of $60,368.32 - the amount that you put on your application, or that came from other recent information sources.  
• Can choose a Silver plan with lower copayments, coinsurance, and deductibles (cost-sharing reductions). | Choose a plan by December 25, 2021.  
You must choose a Silver plan to get cost-sharing reductions, which provide extra savings on out-of-pocket costs. Choosing a Silver plan instead of a Bronze plan may save you thousands for dollars if you use a lot of medical services.  
By February 21, 2022, send documents to confirm:  
• your household income |
Scenario Directions: The “Next Steps” column states that Dan and Carla have until February 21, 2022 to send documents to confirm their household income.

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Take action to enroll & use your financial help

Continue
Scenario Directions: Let’s review the next page of the eligibility notice. It lists examples of documents consumers can upload or mail to the Marketplace to confirm their projected yearly income. Review this list carefully, then select Continue.

Send household income information
Dan Howard—Send documentation by February 21, 2022. We need confirmation of your household’s annual income, including income earned by every member of your household, even if they’re not seeking health coverage. If you don’t send it, you may have to pay more for coverage and covered services, because Marketplace financial help will change or end. You may need to submit more than one document depending on your household’s situation (for example, you’ll submit multiple documents if more than one person has income in the household).

The document you send should reflect the income amount shown on your Marketplace application.

Examples of documents you can send include:
- 1040 tax return (federal or state versions), including Schedule 1 if you file one with your taxes—Must contain first name, last name, income amount, and tax year.
- W2s and/or 1099s (includes 1099 MISC, 1099G, 1099R, 1099SA, 1099DIV, 1099S, 1099INT)—Must contain first name, last name, income amount, year, and employer name (if applicable)
- Pay stub—Must contain first name, last name, income amount, and pay period or frequency of pay with date of payment. If a pay stub includes overtime, indicate average overtime amount per paycheck.
- Self-employment documentation containing first name, last name, company name, and income amount. This can be 1040 Schedule C, F, or E; Schedule K-1 (Form 1120-S); Schedule K1 (Form 1065); personal tax return (business tax returns are not acceptable); bookkeeping records; receipts for all allowable expenses; signed time sheets and receipt of payroll (if you have employees); most recent quarterly or year-to-date profit and loss statement; or self-employment ledger showing dates covered by the ledger, and the net income from profit/loss.
- Social Security Administration statements (Social Security Benefits Letter)—Must contain first name, last name, benefit amount, and frequency of pay
- Unemployment letter or Trade Readjustment benefits letter—Must contain first name, last name, source/agency, benefit amount, and duration (start and end date, if applicable)
Scenario Directions: Select the correct answer.

Question: What are some types of documents Dan can send to the Marketplace to confirm his self-employment income?

a. IRS Form 1040 Schedule C
b. Most recent quarterly or year-to-date profit and loss statement
c. Self-employment ledger
d. All of the Above

Answer: D. Dan can submit any of these three documents to confirm his self-employment income.

Assister Tip: Remember, the documents a consumer submits to the Marketplace to confirm their income must show a yearly income amount that closely matches the yearly income amount entered on their application. Consumers can use this income worksheet to find out which documents they may need to submit. If they select “Other” from the drop-down menu, they can include this completed worksheet when they submit documents. The Marketplace may be able to confirm their income and process their application faster if current and accurate income information is provided on this worksheet. For more information on documents that a consumer can submit to resolve data matching issues, visit: HealthCare.gov/help/how-do-i-resolve-an-inconsistency/#household-income.

It turns out that Dan keeps a self-employment ledger, so he plans to submit this to the Marketplace to verify his projected income.

Question: How would you advise Dan if he did not have any of these documents? Select the best answer.

a. You can’t resolve the DMI without supporting documents and you may lose financial assistance.
b. You should report a change in income and update your projected income to match last year’s income, even if that is not an accurate estimate.
c. You can send the Marketplace a letter explaining why your household income is different from the information in the Marketplace’s data sources.
d. You should attach a written explanation to your tax return when you file federal income taxes.

Answer: C. If consumers can’t get the documents they need, they can send the Marketplace a letter explaining why their annual household income is different from the information in the Marketplace’s data sources. For more guidance on confirming income information, visit: Marketplace.cms.gov/outreach-and-education/household-income-data-matching-issues.pdf.

Dan didn’t bring his income ledger to the appointment, so he plans to upload it at home. However, he would like to walk through the steps with you to make sure he’s able to do it on his own.
Scenario Directions: The “Application details” screen shows all the DMIs that apply to a household. Select the button that will allow Dan to upload his income information.

Correct action: Select **Upload Documents**.
Scenario Directions: Now let’s help Dan select the correct Document Type from the drop-down menu. Correct action: Select Self-employment documentation. Dan can submit his self-employment ledger to verify his income. For a list of documents consumers can submit to resolve a DMI, visit: HealthCare.gov/help/how-do-i-resolve-an-inconsistency/#household-income.
Scenario Directions: Dan can now choose Select File to Upload. He will need to locate and select the document on his computer. Select Select File to Upload.
Scenario Directions: Once Dan selects the file, a table will appear under **Select File to Upload** with the document name, document type, and actions. Dan should select the green **Upload** button to submit his ledger to the Marketplace.
Dan asks what will happen if he forgets to submit supporting documents by the deadline.

Question: What do you tell him?

a. He should still submit his documents.

b. If he made a good faith effort to get the required documents, but needs more time beyond the normal 90 days, he may request more time to submit them.

c. If the document he uploads isn’t sufficient, or if more information is required, he will receive a notice that will include details for the next steps.

d. All of the above.

Answer: D. Consumers generally have 90 or 95 days from their eligibility decision to resolve a DMI.

Assister Tip: The Marketplace will send a notice after it reviews consumers’ document(s). If the documents verify their income information, the notice will tell them that nothing further is needed. If the documents aren’t sufficient, or if more information is required, the notice will include details, making C correct. If consumers made a good faith effort to get the required documents, but need more time beyond the normal 90 or 95 days, they may request more time to submit them, making B also correct. Consumers should still submit their documents if they miss the deadline since their Marketplace coverage and savings may depend on it, making A also correct.
What about Carla? Does she need to submit documents to verify her income as well?

Question: What should you tell Dan?

Answer: Yes! The Marketplace needs to verify consumers’ total annual household income when they encounter an income DMI. Both Dan and Carla need to submit documents to verify their annual household income. Even if a member of a consumer’s tax household isn’t applying for coverage, it’s important to submit their information so the Marketplace can verify the total annual household income.

What if Dan and Carla want to mail their documents to the Marketplace? What should they do?

Assister Tip: Consumers should not send original documents. Instead, they should mail photocopies of each document to the Marketplace and include the printed bar code page (i.e., the last page of their eligibility notice). If consumers don’t have a bar code, they should include their printed name and the application ID. Mail documents to:

- Health Insurance Marketplace®
- Attn: Supporting Documentation
- 465 Industrial Blvd.
- London, KY 40750-0001

For more information on how to submit documents to the Marketplace, visit: HealthCare.gov/verify-information/send-more-info/.

Great job! You’ve successfully walked Dan through the process of resolving an income DMI.

Good job on those scenarios! Continue to the Wrap Up section or you can go through the scenarios again.
Wrap Up

Congratulations! You have completed Resolving an Income Data Matching Issue.

Consumers may encounter an income DMI for a variety of reasons. As an assister, you should be able to help consumers identify the types of documents the Marketplace will accept and explain how to submit those documents.

Here are a few tips for helping consumers confirm their household income information:

- When assisting consumers who qualify for financial assistance, make sure to remind them that they MUST file their federal income tax returns and reconcile any APTC they received even if they typically do not file taxes. For PY 2020 only, repayment of excess APTC for the 2020 tax year is not required. The IRS will provide taxpayers with additional guidance on those provisions that could affect their 2020 return.

- When working with consumers who are self-employed, encourage them to track their income in a detailed self-employment ledger.

- Act quickly—consumers usually have 90 days to resolve an income DMI. If they do not do so, their financial help could change or end.

- Remind consumers that the Marketplace will send them a notice (usually around one month after the Marketplace receives their documents) to let them know whether their income DMI was resolved or if more information is needed.

You can refer to the CMS Guide to Confirming your Income Information for background information and resources to use when assisting consumers in addressing income DMIs.