

MARKETPLACE ASSISTER TOOLKIT

Standard Operating Procedures Manual for Assisters in the Individual Federally-facilitated Marketplaces

SOP 12- REPORTING MINIMUM ESSENTIAL COVERAGE AND RECONCILING ADVANCE PAYMENTS OF THE PREMIUM TAX CREDIT





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SOP 12—Reporting Minimum Essential Coverage and Reconciling Advance Payments of the Premium Tax Credit

A. Introduction

The Patient Protection and Affordable Care Act's (PPACA's) individual shared responsibility provision requires individuals and families to have qualifying health coverage known as minimum essential coverage (MEC) or qualify for a health coverage exemption. For tax years 2014-2018, individuals and families must make an individual shared responsibility payment for months they went without coverage or claim an exemption when they file federal income tax returns. Examples of coverage that qualify as MEC include Marketplace plans, job-based plans, Medicare Part A coverage, Medicare Advantage plans, most Medicaid coverage, and coverage through the Children's Health Insurance Program (CHIP). MEC does not include stand-alone vision and dental plans, workers' compensation coverage, coverage limited to a specified disease or illness, Medicaid programs that provide limited benefits, or plans that offer only discounts on medical services. For more information on the types of coverage that qualify as MEC and those that do not, refer to Appendix B: Health Coverage that Qualifies as MEC.

When taxpayers file their annual federal income tax returns, they need to provide certain information about their health coverage. The information needed depends on the type of coverage the taxpayer had during that tax year. Refer to Exhibit 1 for more information.

Exhibit 1 –Tax Filing Requirements Based on Coverage

Consumer Coverage	Required Action When Filing Taxes	Additional Resources
Marketplace coverage with advance payments of the premium tax credit (APTC)	Reconcile APTC with premium tax credit (PTC) that is allowed for the year.	Reconciling Advance Payments of the Premium Tax Credit SOP 8 – Compare, Save, & Select Health Plans
Marketplace coverage without APTC	Compute PTC, if eligible.	Applying for Premium Tax Credits when Filing Taxes
Employer-sponsored or other non-Marketplace coverage	Tax year 2018: Check the “full-year coverage” box on federal income tax form. Tax year 2019 and beyond: Don't need to report full-year coverage.	Reporting Minimum Essential Coverage When Filing Annual Federal Income Tax Returns and Calculating the Individual Shared Responsibility Fee
No coverage for all or part of the year	Tax year 2018: May claim an exemption from the requirement to have health insurance; otherwise, make an individual shared responsibility payment. Tax year 2019 and beyond: Don't need to claim an exemption from the requirement to have health insurance because the individual shared responsibility payment is reduced to \$0.	Reporting Minimum Essential Coverage When Filing Annual Federal Income Tax Returns and Calculating the Individual Shared Responsibility Fee SOP 11 – Exemptions

This information is intended only for the use of entities and individuals certified to serve as Navigators or certified application counselors in a Federally-facilitated Marketplace. The terms “Federally-facilitated Marketplace” and “FFM,” as used in this document, include FFM where the state performs plan management functions. Some information in this manual may also be of interest to individuals helping consumers in State-based Marketplaces and State-based Marketplaces using the Federal Platform.



Exhibit 3 – 2018 Form 8965 Shared Responsibility Payment Tax Worksheet

Shared Responsibility Payment

Use the following flowchart to see if you need to make a shared responsibility payment, and if so, the amount.

- Follow Steps 1 through 5 next.
Complete Worksheet A and Worksheet B if you are directed to them as you complete Steps 1 through 5.
Complete the Shared Responsibility Payment Worksheet as directed by Steps 1 through 5 or Worksheets A and B.

Step 1 All Filers

Step 2 Flat Dollar Amount

- Multiply \$695 by the number of people in your tax household who were at least 18 years old.* 1

*For purposes of figuring the shared responsibility payment, an individual is considered under age 18 for an entire month if he or she didn't turn 18 before the first day of the month. An individual turns 18 on the anniversary of the day the individual was born.

The individual shared responsibility fee for 2018 is the higher amount of either:

- \$695 per adult and \$347.50 per child without coverage with a maximum annual fee of \$2,085; or
2.5 percent of the annual household income.

Consumers who did not have coverage or a coverage exemption for some but not all months of 2018 should divide the annual fee by 12 to determine the monthly amount of the fee and multiply that amount by the number of months without coverage or a coverage exemption. A consumer is considered covered for an entire month if they had coverage for even one day of that month. Refer to SOP 11 – Exemptions for more information on the individual shared responsibility requirement and claiming exemptions from the payment.

Step 2. Consumers enter their individual shared responsibility fee amount on 2018 Form 1040 Schedule 4, as shown in Exhibit 4.

Exhibit 4 – 2018 Form 1040 Schedule 4

SCHEDULE 4 (Form 1040) Other Taxes. Includes fields for 57-64, with line 61 highlighted in red. Includes OMB No. 1545-0074, 2018 Attachment Sequence No. 04, and Department of the Treasury Internal Revenue Service information.

Step 3. Consumers submit Form 1040 Schedule 4 to IRS to complete their 2018 tax return.

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SOP 12—Reporting Minimum Essential Coverage and Reconciling Advance Payments of the Premium Tax Credit

For tax year 2019, consumers no longer need to report whether they had full-year health care coverage, qualify for an exemption, or make an individual shared responsibility payment. This is because the individual shared responsibility payment is \$0 for years after 2018.

2. Verifying Form 1095-A and Determining Second-Lowest-Cost Silver Plan for APTC Reconciliation

Each year, taxpayers enrolled in Marketplace coverage will receive Form 1095-A in the mail by January 31; they can also access Form 1095-A online from the "Tax Forms" section of each year's Marketplace application.

Consumers will use information from Form 1095-A to file their taxes, reconcile APTC, and claim a PTC, if eligible. If Form 1095-A is not posted to a consumer's Marketplace account, direct the consumer to call the Marketplace Call Center.

The form contains the following information:

- Names and other personal information for "recipient" and "covered individuals." These are the consumer or family members enrolled in a Marketplace health plan (known internally as a qualified health plan, or QHP) (Refer to Exhibit 5 and Exhibit 6).

Exhibit 5 – Form 1095-A Part I: Recipient Information

Form 1095-A	Health Insurance Marketplace Statement	<input type="checkbox"/> VOID	OMB No. 1545-2232
Department of the Treasury Internal Revenue Service	<p>▶ Do not attach to your tax return. Keep for your records.</p> <p>▶ Go to www.irs.gov/Form1095A for instructions and the latest information.</p>	<input type="checkbox"/> CORRECTED	2019
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	

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Exhibit 6— Form 1095-A Part II: Covered Individuals

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				

- Coverage information for a QHP (refer to Exhibit 7) including:
 - Monthly enrollment premiums;
 - Monthly second-lowest-cost Silver plan (SLCSP) premium; and
 - Monthly APTC, if any. If no APTC was paid for the coverage, the FFM will report \$0 in that column.



Exhibit 7– Form 1095-A Part III: Coverage Information

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			
23 March			
24 April			
25 May			
26 June			
27 July			
28 August			
29 September			
30 October			
31 November			
32 December			
33 Annual Totals			

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 60703Q

Form 1095-A (2019)

Consumers should review the information provided on Form 1095-A to make sure it's accurate. If a consumer believes enrollment-related information may be incorrect, they should contact the Marketplace Call Center or visit [HealthCare.gov/taxes](https://www.healthcare.gov/taxes) to find out how to get a corrected Form 1095-A. They may also contact the Marketplace Call Center if they did not receive Form 1095-A by mail or through their Marketplace account.

Consumers should also make sure the SLCSP premium information is correct. The SLCSP premium is the second-lowest-cost Silver plan premium available to a consumer and any family members in their geographic area at the time they enrolled in Marketplace coverage. This isn't necessarily the plan a consumer or family member enrolls in; rather, it's the premium for a benchmark plan that is used to determine the amount of PTC the consumer is eligible for when purchasing QHP coverage. Also, only those consumers and family members who are both enrolled in a QHP and aren't eligible for certain other health coverage are considered in determining the consumer's SLCSP premium. The SLCSP information provided on Form 1095-A may be inaccurate if:

- A "0" or blank is in the column for any month consumers or their family members were enrolled in a Marketplace plan.
- Consumers had a change in their household that they did not report to the Marketplace, such as having a baby.

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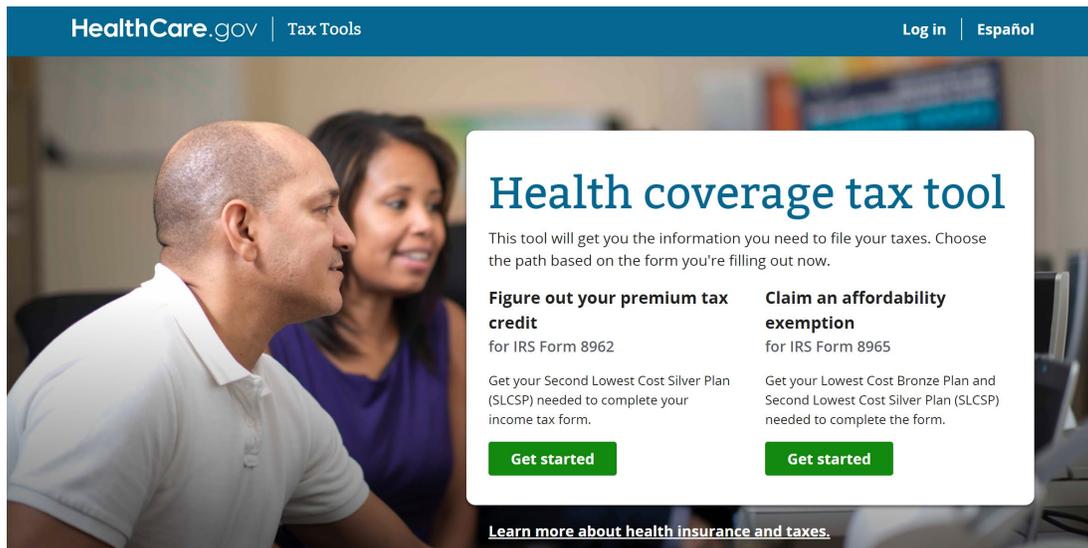
SOP 12—Reporting Minimum Essential Coverage and Reconciling Advance Payments of the Premium Tax Credit

- Consumers didn't apply for financial assistance when completing their Marketplace application.
- Consumers didn't use APTC to lower their premium amount.

The following steps describe how consumers can verify whether the SLCSP premium amount listed on Form 1095-A is accurate.

Step 1. The consumer navigates to the [Health Coverage Tax Tool](#) at HealthCare.gov for help determining their SLCSP premium. The web page for the tax tool is shown in Exhibit 8.

Exhibit 8— Health Coverage Tax Tool Web Page



Step 2. Consumers select the tax year and the state in which they enrolled in coverage, as shown in Exhibit 9. Note that the examples shown in Exhibits 9, 13, and 20 are for the 2018 tax year. Consumers will see very similar screens for 2019.



Exhibit 9— Health Coverage Tax Tool Year and State Information

Step 1 of 4: Tax year [View steps](#)

What year and state do you need information for?

Please note: Your information will not be saved if you close your browser. You will be able to save your results at the end.

What tax year are you working on?

- 2019
- 2018
- 2017

What state did your household live in during 2019?

Add another state

Continue

Step 3. In the next screen, consumers input household information, as shown in Exhibit 10.



Exhibit 10 – Health Coverage Tax Tool Household Information

Step 2 of 4: Enter household details [View steps](#)

Tell us about your household

Include in your household only members to whom ALL of the following apply.
The person:

- Will be included in your [tax family](#) for 2019
- And was enrolled in a 2019 Marketplace plan
- And wasn't eligible for coverage outside the Marketplace for at least one of the months they were enrolled in a Marketplace plan.
 - "Coverage outside of the Marketplace" includes Medicare, Medicaid, and job-based plans. It doesn't include *individual plans* bought outside the Marketplace.

If you're unsure, see "Minimum Essential Coverage" in [IRS Publication 974, Premium Tax Credit \(PTC\)](#), for more information on when an individual is considered eligible for coverage outside the Marketplace.

How many people in your household meet all of the above requirements?

Be sure to include yourself if you meet all the requirements.

Do all of these household members meet the requirements listed above?

- Yes
 No

First name of the primary person

The primary person is the primary taxpayer of the household.
If a married couple files a joint return, either spouse may be the primary taxpayer.

First name of person 2 and their relationship to Susan

 Is Susan's

Step 4. The consumer answers questions about health care coverage for themselves and any other members of the tax household. Refer to Exhibit 11.



Exhibit 11 – Health Coverage Tax Tool Health Coverage Information

Step 2 of 4: Enter household details [View steps](#)

Tell us about Susan

Date of birth

Example: 4 / 17 / 1970

Month	Day	Year
05	10	1965

Tell us where Susan lived during all of 2019

You indicated Susan's household lived in Georgia.

In what ZIP code did Susan live in 2019?

[Clear search](#)

Susan lived in another country or passed away.

What months did Susan live in Fulton County, GA?

- Jan
- Feb
- Mar
- Apr
- May
- Jun
- Jul
- Aug
- Sep
- Oct
- Nov
- Dec

Continue



Step 2 of 4: Enter household details [View steps](#)

Susan: Marketplace coverage

Select all months Susan was enrolled in a Marketplace plan, paid the premium, AND wasn't eligible for other health coverage

- Jan
- Feb
- Mar
- Apr
- May
- Jun
- Jul
- Aug
- Sep
- Oct
- Nov
- Dec

Step 2 of 4: Enter household details [View steps](#)

Tell us about Sam

Date of birth

Example: 4 / 17 / 1970

Month Day Year

/ /

Tell us where Sam lived during all of 2019

You indicated Susan's household lived in Georgia.

Did this person live in the same location(s) at the same time as Susan?

Residence months: All year

Residence location: 30309, Fulton County, GA

- Yes
- No



Step 2 of 4: Enter household details [View steps](#)

Sam: Marketplace coverage

Select all months Sam was enrolled in a Marketplace plan, paid the premium, AND wasn't eligible for other health coverage

<input checked="" type="checkbox"/> Jan	<input checked="" type="checkbox"/> Feb	<input checked="" type="checkbox"/> Mar	<input checked="" type="checkbox"/> Apr
<input checked="" type="checkbox"/> May	<input checked="" type="checkbox"/> Jun	<input checked="" type="checkbox"/> Jul	<input checked="" type="checkbox"/> Aug
<input checked="" type="checkbox"/> Sep	<input checked="" type="checkbox"/> Oct	<input checked="" type="checkbox"/> Nov	<input checked="" type="checkbox"/> Dec

Step 5. The tax tool will display the SLSP premium amounts for each month specifically for Marketplace coverage in the consumer's state. Refer to Exhibit 12.



Exhibit 12 – Health Coverage Tax Tool Results – Monthly SLCSPP

Step 4 of 4: View SLCSPP premium results [View steps](#)

Your results

These monthly premiums are used to calculate your premium tax credit. They're not necessarily the premiums you paid.

Enter these amounts on IRS Form 8962 when you prepare your 2019 Income tax return.

Monthly SLCSPP premiums	
Jan	\$1,316.54
Feb	\$1,316.54
Mar	\$1,316.54
Apr	\$1,316.54
May	\$1,316.54
Jun	\$1,316.54
Jul	\$1,316.54
Aug	\$1,316.54
Sep	\$1,316.54
Oct	\$1,316.54
Nov	\$1,316.54
Dec	\$1,316.54

[Are any months missing above?](#)

We recommend you save this information. It won't be saved when you close the browser.

[Print](#) [Email](#) [Save as PDF](#)

If the SLCSPP premium results and the amounts listed on the consumer's Form 1095-A are different, the consumer does not need to request a new Form 1095-A. They can print out their results from the tax tool and use that information to complete their Form 8962, Premium Tax Credit.

Step 6. The tax tool also provides information about how the consumer uses the SLCSPP premium results to complete Form 8962 as well as links to Form 8962 and instructions. Refer to Exhibit 13.



Exhibit 13 – Health Coverage Tax Tool Results – Form 8962

Use this information to fill out Form 8962

Enter these amounts on Form 8962, Part II, column b. View the Form 8962 instructions, starting p. 10, for important information.

Form 8962 - 2019 (PDF)

Instructions for Form 8962 - 2019 (PDF)

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						
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						
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 -0-. Stop here. If line 25 is greater than line 24, leave this line blank and continue to line 27						

This is the column on Form 8962 where you'll enter the SLCSPP results we've provided.

Step 7. The consumer includes their completed Form 8962 when filing their federal income tax return.

3. Reconciling Advance Payments of the Premium Tax Credit

Consumers who have Marketplace coverage and have APTC paid on their behalf during any tax year must use Form 8962 to reconcile their APTC when filing their annual federal income tax returns. This means that the amount of APTC paid on their behalf based on projected annual household income is compared with the final PTC the enrollee is eligible for based on actual annual household income. If there is a difference between the two amounts, the amount of a consumer's refund or tax bill will be affected by this difference. If consumers don't file and reconcile, they won't be eligible for APTC in the next plan year. The following steps describe the reconciliation process.

Step 1. Consumers download Form 8962 (refer to Exhibit 14) and use the information from their Form 1095-A to complete Part II as shown in Exhibit 15.



SOP 12—Reporting Minimum Essential Coverage and Reconciling Advance Payments of the Premium Tax Credit

Exhibit 14 – Form 8962

Form **8962** **Premium Tax Credit (PTC)** OMB No. 1545-0074

Department of the Treasury Internal Revenue Service

► Attach to Form 1040, 1040-SR, or 1040-NR. ► Go to www.irs.gov/Form8962 for instructions and the latest information.

2019 Attachment Sequence No. 73

Name shown on your return _____ Your social security number _____

Exhibit 15 – Form 8962 Part II

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 and continue to line 24.
 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 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 Schedule 3 (Form 1040 or 1040-SR), line 9, or Form 1040-NR, line 65. If line 24 equals line 25, enter -0-. Stop here. If line 25 is greater than line 24, leave this line blank and continue to line 27						26	

In Part II, consumers report their net PTC, if any, which is the excess of their PTC over their APTC. The net PTC either increases their tax refund or reduces the amount of tax they would otherwise owe. In Part III, consumers report their excess APTC, if any, which is the excess of their APTC over their PTC. They must repay some or all of the excess APTC by either reducing their refund or increasing the tax they would otherwise owe. Certain consumers are allowed a repayment limitation, which may reduce the amount of excess APTC they must repay. Part III is shown in Exhibit 16.



SOP 12—Reporting Minimum Essential Coverage and Reconciling Advance Payments of the Premium Tax Credit

Exhibit 16 – 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 Schedule 2 (Form 1040 or 1040-SR), line 2, or Form 1040-NR, line 44	29

Step 2. Consumers enter excess APTC received on [Form 1040 Schedule 2](#) (Exhibit 17), if applicable.

Exhibit 17 – Form 1040 Schedule 2

SCHEDULE 2 (Form 1040 or 1040-SR) Department of the Treasury Internal Revenue Service	Additional Taxes ▶ Attach to Form 1040 or 1040-SR. ▶ Go to www.irs.gov/Form1040 for instructions and the latest information.	OMB No. 1545-0074 2019 Attachment Sequence No. 02
	Name(s) shown on Form 1040 or 1040-SR	
Part I Tax		Your social security number
1	Alternative minimum tax. Attach Form 6251	1
2	Excess advance premium tax credit repayment. Attach Form 8962	2
3	Add lines 1 and 2. Enter here and include on Form 1040 or 1040-SR, line 12b	3

Repayment of excess APTC is subject to the limitations shown in Exhibit 18.

Exhibit 18 – Excess APTC Repayment Limitations

Household Income as a Percent of the Federal Poverty Level (FPL)	Limitation of Excess APTC Repayment for 2019 – Single Filing Status	Limitation of Excess APTC Repayment for 2019 – Any Other Filing Status
Less than 200%	\$300	\$600
200% - 299%	\$800	\$1,600
300% - 399%	\$1,325	\$2,650
400% or more	No repayment limitation	No repayment limitation

A consumer's household income as a percentage of the FPL is calculated using Part I of Form 8962 (Exhibit 19) and the FPL tables included in the [instructions for Form 8962](#) and in [Appendix C: 2019 Federal Poverty Guidelines](#).



Exhibit 19 – Form 8962 Part I

Form 8962	Premium Tax Credit (PTC)	OMB No. 1545-0074
Department of the Treasury Internal Revenue Service	▶ Attach to Form 1040, 1040-SR, or 1040-NR. ▶ Go to www.irs.gov/Form8962 for instructions and the latest information.	2019 Attachment Sequence No. 73
Name shown on your return	Your social security number	

You cannot take 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 your tax family size (see instructions)		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 (see instructions)		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 <input type="checkbox"/> Alaska b <input type="checkbox"/> Hawaii c <input type="checkbox"/> 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%.) <input type="checkbox"/> No. Continue to line 7. <input type="checkbox"/> 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	

Step 3. Consumers with an excess APTC repayment also report the repayment on Form 1040 Schedule 2, which they attach to their tax return. Consumers with a net PTC must submit Schedule 5 for 2018 or Schedule 3 for 2019 instead of Schedule 2. Taxpayers reconciling APTC or claiming APTC may also file Form 1040-NR or, for 2019, Form 1040-SR.

4. Applying for Premium Tax Credits when Filing Taxes

Consumers with Marketplace coverage who did not apply for APTC or were previously determined ineligible for APTC but are eligible for a PTC claim the PTC when filing their federal income tax returns. The following steps outline the procedure.

Step 1. Consumers download the 2018 [Form 8962](#) and complete Part II as described in the previous section.

Step 2. Consumers record their net PTC amount from Form 8962 on [Form 1040 Schedule 3](#) (Schedule 5 for 2018 tax returns) (Exhibit 20), if applicable. Any PTC the consumer is eligible for will either increase their tax refund or reduce their tax bill.



Exhibit 20 – Form 1040 Schedule 3

SCHEDULE 3
(Form 1040 or 1040-SR)

Department of the Treasury
Internal Revenue Service

Additional Credits and Payments

▶ Attach to Form 1040 or 1040-SR.
▶ Go to www.irs.gov/Form1040 for instructions and the latest information.

OMB No. 1545-0074
2019
Attachment Sequence No. **03**

Name(s) shown on Form 1040 or 1040-SR _____ Your social security number _____

Part I Nonrefundable Credits

1	Foreign tax credit. Attach Form 1116 if required	1	
2	Credit for child and dependent care expenses. Attach Form 2441	2	
3	Education credits from Form 8863, line 19	3	
4	Retirement savings contributions credit. Attach Form 8880	4	
5	Residential energy credits. Attach Form 5695	5	
6	Other credits from Form: a <input type="checkbox"/> 3800 b <input type="checkbox"/> 8801 c <input type="checkbox"/> _____	6	
7	Add lines 1 through 6. Enter here and include on Form 1040 or 1040-SR, line 13b	7	

Part II Other Payments and Refundable Credits

8	2019 estimated tax payments and amount applied from 2018 return	8	
9	Net premium tax credit. Attach Form 8962	9	
10	Amount paid with request for extension to file (see instructions)	10	
11	Excess social security and tier 1 RRTA tax withheld	11	
12	Credit for federal tax on fuels. Attach Form 4136	12	
13	Credits from Form: a <input type="checkbox"/> 2439 b <input type="checkbox"/> Reserved c <input type="checkbox"/> 8885 d <input type="checkbox"/> _____	13	
14	Add lines 8 through 13. Enter here and on Form 1040 or 1040-SR, line 18d	14	

For Paperwork Reduction Act Notice, see your tax return instructions. Cat. No. 71480G Schedule 3 (Form 1040 or 1040-SR) 2019

Step 3. Consumers include Form 1040, Form 1040 Schedule 3 (Schedule 5 for 2018 returns), and Form 8962 when submitting their federal income tax return to the IRS. On Form 1040-NR, taxpayers can claim PTC, although they don't submit any schedules. For 2019, senior taxpayers may file Form 1040-SR. Form 1040-SR filers use the same schedules as Form 1040 filers.

5. Failure to File and Reconcile

After filing their annual federal income tax return and reconciling APTC, consumers should return to the Marketplace during Open Enrollment (OE) to update their application, attest that they filed and reconciled past APTC, and receive an updated eligibility determination. FTR occurs when consumers who have Marketplace coverage with APTC don't file their annual federal income tax return or reconcile APTC. Marketplace regulations in 45 CFR 155.305(f)(4) specify that these consumers may not be eligible for APTC for the next plan year. From September through the following spring each year, the Marketplace performs a number of checks and rechecks of IRS data to identify consumers in the FTR category. For a timeline of Marketplace checks and actions, refer to Exhibit 21. For Plan Year 2020, the Marketplace uses coverage and tax data from tax year 2018, since 2019 federal income tax returns will generally not be filed until April 2020.



Exhibit 21 – FTR Check/Re-check Timeline

Month	Marketplace Action
September	<ul style="list-style-type: none"> Marketplace performs the first check of IRS data to identify non-filers and/or non-reconcilers. <ul style="list-style-type: none"> The IRS needs 3-12 weeks to process a tax return. The IRS updates, on a weekly basis, the information shared with the Marketplace as to whether a tax filer has filed and/or reconciled past APTC. The Marketplace sends a Marketplace Open Enrollment Notice (MOEN) with special messaging to each household with current enrollees who are at risk for losing APTC for the upcoming plan year. These include consumers who: <ul style="list-style-type: none"> Did not authorize the Marketplace to request updated tax information for annual eligibility redetermination; Have income over 500 percent FPL according to IRS data; Didn't file and reconcile for the most recent tax year (2018); or Have been re-enrolled the past two years into coverage with APTC and have no tax data available for 2018 or 2017.
November (Open Enrollment)	<ul style="list-style-type: none"> The Marketplace mails a print notice to tax filers who have not filed a tax return, have not reconciled associated APTC, and are currently enrolled (or are the tax filer for household members who are currently enrolled) in the Marketplace with APTC. The notice: <ul style="list-style-type: none"> Warns tax filers that their household is at risk for losing APTC for upcoming plan year coverage; Urges tax filers to file and reconcile APTC immediately and update their application to attest that they have filed; and Informs tax filers that they will have the opportunity to file an appeal with the Marketplace if their APTC is removed and they disagree with the removal.
Mid-December (end of Open Enrollment)	<ul style="list-style-type: none"> The Marketplace rechecks IRS data for all enrollees who did not return to the Marketplace and were initially flagged by the IRS as not having filed a tax return or reconciled APTC before Open Enrollment. The Marketplace is able to re-enroll with APTC any enrollees whose tax returns have been newly processed by IRS since the first check. The Marketplace will re-enroll APTC-eligible consumers for next plan year coverage with APTC, if otherwise eligible, if they either attested to their tax filer having filed and reconciled or the December recheck of IRS data indicates their tax filer had filed and reconciled.
February	<ul style="list-style-type: none"> The Marketplace performs a third check of IRS data for the filing status of consumers (recheck population): <ul style="list-style-type: none"> Who are enrolled in a Marketplace plan with APTC; and For whom IRS data indicated they received APTC two years previous but had not filed a tax return and reconciled APTC received in that year. The Marketplace mails FTR warning notices to the affected households, urging them to file and reconcile immediately or risk losing APTC. <ul style="list-style-type: none"> First notice: Direct Notice is sent via U.S. mail to tax filers. Second notice: Combined Notice is sent to the household contact for the Marketplace application and is also available in the consumer's Marketplace account.



Month	Marketplace Action
Spring	<ul style="list-style-type: none"> • The Marketplace rechecks IRS data one final time for the current plan year to confirm the filing status of consumers who received FTR warning notices. If consumers still have not filed and reconciled: <ul style="list-style-type: none"> ○ The Marketplace discontinues APTC and income-based cost-sharing reductions (CSRs) for the tax household going forward; and ○ Consumers will receive a new eligibility determination notice reflecting that they are not eligible for APTC for the current plan year. These consumers will remain enrolled in Marketplace coverage but without APTC and CSR.

Assisters can help consumers avoid losing APTC for the new plan year by following these steps.

Step 1. Advise consumers for whom APTC was paid for 2018 coverage but who haven't yet filed their 2018 federal income tax returns and/or reconciled their APTC by filing Form 8962 to do so as soon as possible, even if they missed the filing deadline or they are within their filing extension deadline.

Remind consumers that even if they usually don't have to file an annual federal income tax return, they (or their tax filer) must file a tax return if they received the benefit of APTC for their 2018 coverage and complete Form 8962. Consumers can file an amended return, so they should file immediately to ensure that their APTC continues even if they think they may need to make changes in the future. For more information about updating Marketplace application information, refer to SOP 13 – Update a Marketplace Account.

Step 2. Advise consumers that they will lose APTC for plan year 2020 (if otherwise eligible) if they (or their tax filer) do not reconcile past APTC using IRS [Form 8962](#), even if they filed their 2018 tax returns.

Step 3. Enrollees can check with the tax filer in their household, use the [Interactive Tax Assistant](#) on IRS.gov, or call the IRS Call Center at 1-866-682-7451, ext. 569, if they are unsure whether they or their tax filer filed their 2018 returns. Consumers should not call the Marketplace Call Center, as the Call Center cannot give out such information in order to protect Federal Tax Information (FTI).

If an enrollee loses their APTC due to FTR in January or during the spring recheck, they can regain their APTC eligibility if they remain enrolled in a QHP. They'll need to file taxes, reconcile APTC, and attest on their Marketplace application to having done so. However, if the enrollee fails to reconcile APTC and drops coverage when their APTC is removed, they will need to qualify for a Special Enrollment Period (SEP) to re-enroll in coverage or wait until the next OE.

Enrollees who lose APTC due to FTR can only regain APTC eligibility if they remain enrolled in coverage (i.e., pay the full cost of their monthly premium) because the SEP for "newly eligible/ineligible for APTC/change in CSR level" is only available to current enrollees. A consumer who drops coverage because it's no longer affordable without APTC is not eligible for this SEP and would have to qualify for another SEP to re-enroll in coverage and regain APTC. However, if an enrollee remains enrolled, they qualify for this SEP¹ and may return to their Marketplace application, report the life change, and attest to filing and reconciling. The enrollee will receive a new Marketplace eligibility determination notice. After the enrollee selects a plan and their new coverage is effective, the APTC will resume prospectively.

¹ [List of qualifying events.](#)

This information is intended only for the use of entities and individuals certified to serve as Navigators or certified application counselors in a Federally-facilitated Marketplace. The terms "Federally-facilitated Marketplace" and "FFM," as used in this document, include FFM where the state performs plan management functions. Some information in this manual may also be of interest to individuals helping consumers in State-based Marketplaces and State-based Marketplaces using the Federal Platform.



C. Assister Tips

1. If consumers need help filling out and filing their tax returns and/or reconciling APTC, assisters may refer them to licensed tax professionals and to free tax resources.
2. Beginning with Navigator grants awarded in 2019, FFM Navigators may but are no longer required to assist consumers with Marketplace-related components of the APTC reconciliation process and IRS resources on this process.
3. For more help answering consumers' specific questions, see Appendix A for Frequently Asked Questions (FAQs) related to SOP 12 – Reporting Minimum Essential Coverage and Reconciling Advance Payments of the Premium Tax Credit.



Appendix A: Frequently Asked Questions (FAQs)

The FAQs below are designed to help assisters answer consumers' specific questions on consumer exemptions through the Individual Marketplace.

FAQ 1. How do I know if I had MEC throughout the year?

Answer: Consumers who had job-based coverage will receive Form 1095-B or Form 1095-C in the mail. Consumers who had Marketplace coverage will receive Form 1095-A in the mail and can download the form from the "Tax forms" section of their Marketplace application as well. The 1095 forms will list coverage for each month.

FAQ 2. How do I know if my health care coverage is considered MEC?

Answer: Health care plans offered through the Marketplace are QHPs and therefore considered MEC. Most employer-sponsored coverage is also MEC. Consumers can refer to [Appendix B: Health Coverage that Qualifies as MEC](#) in this document or the [HealthCare.gov](#) page titled [Types of Health Insurance That Count as Coverage](#).

FAQ 3. Where do I find Form 1095-A?

Answer: The Marketplace mails Form 1095-A to enrollees and uploads it to the "Tax Forms" section of their Marketplace application.

FAQ 4. When will I receive Form 1095-A?

Answer: The Marketplace mails Form 1095-A to consumers by January 31. It may also be available in the consumer's Marketplace account as early as mid-January or as late as February 1.

FAQ 5. What if I don't receive Form 1095-A?

Answer: If a consumer doesn't receive Form 1095-A in the mail, they should check the "Tax Forms" section of their Marketplace application. If the form is not in their account after February 1, consumers should call the Marketplace Call Center.

FAQ 6. When do I need to use Form 8962?

Answer: Consumers who received the benefit of APTC need to submit Form 8962 with their federal income tax returns to reconcile the APTC with their allowed PTC. Also, consumers who want to claim a PTC must file Form 8962.

FAQ 7. How do I reconcile APTC paid for my, or my family member's, coverage?

Answer: Consumers reconcile APTC using Form 8962 when filing their federal income tax return.

FAQ 8. How do I claim the PTC when filing tax returns?

Answer: Consumers claim the PTC using Form 8962 when filing their federal income tax return.

Note: The only way to qualify for the [PTC](#) is to enroll in a QHP through [HealthCare.gov](#) or a [certified enrollment partner's website](#).

FAQ 9. What if I don't file my tax return and/or reconcile APTC?

Answer: Consumers who don't file and reconcile APTC from prior plan years are not eligible for APTC and income-based CSRs for the upcoming plan year.



SOP 12—Reporting Minimum Essential Coverage and Reconciling Advance Payments of the Premium Tax Credit

FAQ 10. By when do I have to file past-due taxes and/or reconcile past APTC before I lose APTC for the upcoming plan year?

Answer: Because it can take IRS up to 12 weeks to process a tax return, tax filers should file their taxes and reconcile APTC several months before the Marketplace does its final IRS check for the upcoming coverage year in December.

FAQ 11. How do I regain APTC if I lost it because I failed to file and reconcile past APTC?

Answer: Consumers must stay enrolled in a QHP in order to regain their APTC by filing and reconciling with IRS and then updating their application to attest they did so. If consumers drop coverage, they will need to qualify for a SEP to enroll in a Marketplace plan and to regain eligibility for APTC. Otherwise, they must wait to apply for APTC during OE for the following plan year.

FAQ 12. Will the Marketplace let me know if I am at risk for losing APTC for the upcoming plan year?

Answer: Yes. The Marketplace sends out multiple reminder letters in the period between September and February reminding consumers to file and/or reconcile.



Appendix B: Health Coverage that Qualifies as MEC

Exhibit 22—Eligible Coverage by MEC Category

MEC Category	Eligible Coverage
Employer-Sponsored Coverage	<ul style="list-style-type: none"> • Group health insurance coverage for employees <ul style="list-style-type: none"> ○ A plan or coverage offered in the small or large group market within a state ○ A plan provided by a governmental employer such as the Federal Employees Health Benefits program ○ A grandfathered health plan offered in a group market • A self-insured health plan for employees • COBRA coverage • Retiree coverage • Coverage under an expatriate health plan for employees and related individuals
Individual Market Coverage	<ul style="list-style-type: none"> • Health insurance purchased directly from an insurance company • Health insurance purchased through the Marketplace • Health insurance provided through a student health plan • Catastrophic coverage • Coverage under an expatriate health plan for non-employees such as students and missionaries
Coverage under Government-Sponsored Programs	<ul style="list-style-type: none"> • Medicare Part A coverage • Medicare Advantage plans • Most Medicaid coverage • Children’s Health Insurance Program (CHIP) coverage • Most types of TRICARE coverage • Comprehensive health care program offered by the Department of Veterans Affairs • Health coverage provided to Peace Corps volunteers • Refugee Medical Assistance • Coverage through a Basic Health Program standard health plan • Department of Defense Nonappropriated Fund Health Benefits program
Other Coverage	<ul style="list-style-type: none"> • Coverage under a group health plan provided through insurance regulated by a foreign government if: <ul style="list-style-type: none"> ○ A covered individual is physically absent from the U.S. for at least one day during the month, or ○ A covered individual is physically present in the U.S. for a full month and coverage provides health benefits within the U.S. while the individual is on expatriate status. • Certain coverage provided to business owners who aren’t employees • Coverage recognized by HHS as MEC



Appendix C: 2019 Federal Poverty Guidelines

The following charts list (FPL) guidelines for 2019, which apply to Plan Year 2020.

Exhibit 23—2019 Annual Poverty Guidelines for All States (Except Hawaii and Alaska)

Family Size	100%	125%	133%	135%	150%	175%	185%	200%	250 %
1	\$12,490	\$15,613	\$16,612	\$16,862	\$18,735	\$21,858	\$23,107	\$24,980	\$31,225
2	\$16,910	\$21,138	\$22,490	\$22,829	\$25,365	\$29,593	\$31,284	\$33,820	\$42,275
3	\$21,330	\$26,663	\$28,369	\$28,796	\$31,995	\$37,328	\$39,461	\$42,660	\$53,325
4	\$25,750	\$32,188	\$34,248	\$34,763	\$38,625	\$45,063	\$47,638	\$51,500	\$64,375
5	\$30,170	\$37,713	\$40,126	\$40,730	\$45,255	\$52,798	\$55,815	\$60,340	\$75,425
6	\$34,590	\$43,238	\$46,005	\$46,697	\$51,885	\$60,533	\$63,992	\$69,180	\$86,475
7	\$39,010	\$48,763	\$51,883	\$52,664	\$58,515	\$68,268	\$72,169	\$78,020	\$97,525
8	\$43,430	\$54,288	\$57,762	\$58,631	\$65,145	\$76,003	\$80,346	\$86,860	\$108,575

***For family units with more than eight members, add \$4,420 for each additional family member.**

Exhibit 24—2019 Annual Poverty Guidelines for Alaska Only

Family Size	100%	125%	133%	135%	150%	175%	185%	200%	250 %
1	\$15,600	\$19,500	\$20,748	\$21,060	\$23,400	\$27,300	\$28,860	\$31,200	\$39,000
2	\$21,130	\$26,413	\$28,103	\$28,526	\$31,695	\$36,978	\$39,091	\$42,260	\$52,825
3	\$26,660	\$33,325	\$35,458	\$35,991	\$39,990	\$46,655	\$49,321	\$53,320	\$66,650
4	\$32,190	\$40,238	\$42,813	\$43,457	\$48,285	\$56,333	\$59,552	\$64,380	\$80,475
5	\$37,720	\$47,150	\$50,168	\$50,922	\$56,580	\$66,010	\$69,782	\$75,440	\$94,300
6	\$43,250	\$54,063	\$57,523	\$58,388	\$64,875	\$75,688	\$80,013	\$86,500	\$108,125
7	\$48,780	\$60,975	\$64,877	\$65,853	\$73,170	\$85,365	\$90,243	\$97,560	\$121,950
8	\$54,310	\$67,888	\$72,232	\$73,319	\$81,465	\$95,043	\$100,474	\$108,620	\$135,775

***For family units with more than eight members, add \$5,530 for each additional family member.**



SOP 12—Reporting Minimum Essential Coverage and Reconciling Advance Payments of the Premium Tax Credit

Exhibit 25—2019 Annual Poverty Guidelines for Hawaii Only

Family Size	100%	125%	133%	135%	150%	175%	185%	200%	250 %
1	\$14,380	\$17,975	\$19,125	\$19,413	\$21,570	\$25,165	\$26,603	\$28,760	\$35,950
2	\$19,460	\$24,325	\$25,882	\$26,271	\$29,190	\$34,055	\$36,001	\$38,920	\$48,650
3	\$24,540	\$30,675	\$32,638	\$33,129	\$36,810	\$42,945	\$45,399	\$49,080	\$61,350
4	\$29,620	\$37,025	\$39,395	\$39,987	\$44,430	\$51,835	\$54,797	\$59,240	\$74,050
5	\$34,700	\$43,375	\$46,151	\$46,845	\$52,050	\$60,725	\$64,195	\$69,400	\$86,750
6	\$39,780	\$49,725	\$52,907	\$53,703	\$59,670	\$69,615	\$73,593	\$79,560	\$99,450
7	\$44,860	\$56,075	\$59,664	\$60,561	\$67,290	\$78,505	\$82,991	\$89,720	\$112,150
8	\$49,940	\$62,425	\$66,420	\$67,419	\$74,910	\$87,395	\$92,389	\$99,880	\$124,850

**For family units with more than eight family members, add \$5,080 for each additional family member.*