

# Premium Tax Credit

4012 Tab H-10 – H-24

4491 Chapter 26

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# What is the Premium Tax Credit?

- Premium Tax Credit (PTC) helps TPs pay for the health insurance purchased through the Marketplace
- “The Marketplace” estimates PTC at time of purchase based on income and other information supplied by the applicant
- TP can choose:
  - to have advance payments of the PTC (the APTC) made on their behalf to the insurance company
  - or
  - forgo the APTC and have the PTC applied as a refundable credit on federal tax return

# Who is Allowed Premium Tax Credit?

- Enrolled in qualified health coverage from the Marketplace
  - Taxpayer, spouse if MFJ, claimed dependents
  - Will receive Form 1095-A – gives information about the coverage, who is covered and for what time period
- Not all Marketplace policies are qualified health plans
  - Catastrophic coverage is not eligible for PTC
  - Will not receive Form 1095-A

# Who is Allowed Premium Tax Credit?

- When not eligible for coverage other than coverage in the individual market
  - That is, not eligible for affordable employer or government sponsored coverage
  - Medicare and Medicaid are the most frequently seen government coverages

## Considerations for our DC program – no Form 1095-A

- Virtually all of our clients have medical insurance
- Note that DC requires having medical insurance
- We take client’s word on this – no “proof” is necessary
- Clients are
  - Government retirees
  - Get insurance through employment
  - Get insurance through DC government
    - DC Health Link = Medicaid

# Client presents 1095-A – Enter information into TaxSlayer

- TaxSlayer → Health Insurance
- Answer ‘yes’ if TP has 1095-A

## Affordable Care Act Insurance Plans

### Reported on Form 1095-A

Did you, your spouse, or a dependent have insurance under the Affordable Care Act in 2022? \*

If so, select Yes – you must report Form 1095-A for the IRS to accept your return. If you did not have an Affordable Care Act insurance plan, select No.

Yes

No

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CONTINUE

# Client presents 1095-A – Enter information into TaxSlayer

- TaxSlayer → Health Insurance

## Verify Your Household Members



If you have additional family members that are neither a spouse nor a dependent, click "[Add a New Household Member](#)."

If you need to add or remove dependents, [click here to go to Personal Information](#).

### + Household Member

Name	SSN	Date of Birth
LOUIS DANTONIO	404-00-1234	8/12/1987
JAMES DANTONIO	414-00-1234	5/6/2012



If you wish to override the calculated Tax Family Size please [click here](#).

CONTINUE

# Client presents 1095-A – Enter information into TaxSlayer – less than 12 month or not the same all 12 months

- TaxSlayer → Health Insurance

## Advanced Premium Tax Credit (1095-A)

BACK

CONTINUE

Are you required to repay all of the APTC received? In most cases, the answer is NO. ONLY answer YES if you were not considered lawfully present in the U.S. or you meet the Health Coverage Tax Credit criteria. Note: We will automatically calculate a full repayment of APTC when MAGI is greater than 400 percent of Federal Poverty Line.

Yes

No

Do all Forms 1095-A include coverage for January through December, with no changes in monthly amounts?

Yes

No





# Client presents 1095-A – Enter information into TaxSlayer – less than 12 month or not the same all 12 months, cont'd

- TaxSlayer → Health Insurance

Please enter your monthly Advance Premium Tax Credit information

Month	Monthly Premium Amount (Form 1095-A, Part III, Column A)	Monthly Premium Amount of SLCSP (Form 1095-A, Part III, Column B)	Monthly Advance Payment of PTC (Form 1095-A, Part III, Column C)
January	\$ 296	\$ 368	\$ 250
February	\$ 296	\$ 368	\$ 250
March	\$ 296	\$ 368	\$ 250
April	\$ 296	\$ 368	\$ 250
May	\$ 296	\$ 368	\$ 250
June	\$	\$	\$
July	\$	\$	\$

# Client presents 1095-A – Enter information into TaxSlayer – Same for all 12 months



DO all FORMS 1095-A include coverage for January through December, with no changes in monthly amounts?

- Yes
- No

**Please enter your annual Advance Premium Tax Credit information**

Premium Amount (Form 1095-A, line 33A)

Annual Premium Amount of SLCSP (Form 1095-A, line 33B)

Annual Advance Payment of PTC (Form 1095-A, line 33C)

# Client presents 1095-A – Enter information about dependents into TaxSlayer

- TaxSlayer → Healthcare

## Household Income

### Dependents' Modified AGI (if filing requirement)

Enter the AGI for your dependents from Form 1040, line 11; and Form 1040NR, line 11

Enter any tax-exempt interest for your dependents from Form 1040, line 2a; and Form 1040NR, line 2a

Enter any amounts for your dependents from Form 2555, lines 45 and 50, and Form 2555-EZ, line 18

Enter for each of your dependents the difference, if any, between Form 1040, lines 6a and 6b

# PTC Calculation

- TaxSlayer calculates
  - Amount of refundable PTC because amount advanced was less than the benefit TP was entitled to

OR

- Amount owed by TP because more was paid in advance than the TP was entitled to based on plan purchased
- TaxSlayer takes care of it

## Pay attention when doing exercises

- D'Antonio and O'Connor get APTC and receive a small PTC as a refundable credit
- Quinn opts for no APTC and receives a sizeable PTC as a refundable credit
- Both have 1095-A forms; just do data entry in the Health Insurance section

# Premium Tax Credit

