

# **Best Tax Practices – Form 8962 / Premium Tax Credit (PTC) & Advanced PTC for Health Care**

for additional information, see IRS Publication 974

Form 8962 is **ONLY** for those who receive their health care coverage in a qualified health plan **purchased through a Health Insurance Marketplace (also known as an Exchange)**. This includes a qualified health plan purchased on HealthCare.gov or through the Exchange (state marketplace).

If you currently receive health care coverage through the Marketplace – HealthCare.gov or the Exchange and you are receiving a subsidy for your premium payments (you pay a reduced amount), you receive a Premium Tax Credit (PTC). This credit may be provided to you in “Advance” as an Advanced Premium Tax Credit (APTC).

When one receives their health care coverage through the Marketplace, IRS Form 8962 must be filed to determine the amount, if any, of your PTC and reconcile it with any APTC paid.

Your Form 8962 is to be filed (with your tax return) if any of the following apply to you:

- You are receiving the PTC
- APTC was paid for you or another individual in your tax family
- APTC was paid for an individual (including you) for whom you told the Marketplace you would claim a personal exemption and neither you nor anyone else claims a personal exemption for that individual

Those who receive PTC / APTC should file their tax return sooner than later. Waiting until after the April 15 deadline (but filing the return by the Extension deadline of October 15) may still cause a reminder notice to be sent to the taxpayer of their need to comply with filing Form 8962.

If you have already filed your tax return, a copy of Form 8962 should be part of the CLIENT COPY of the tax return you received from your preparer. If you have filed your tax return and are required to have included Form 8962 and it is not part of your CLIENT COPY, check with your preparer to determine if it was included in the *FILING COPY* that was sent to the IRS.

## **CHANGES TO YOUR TAX FAMILY AND RE-ENROLLING IN THE MARKETPLACE DURING THE YEAR**

If you receive PTC / APTC and you have certain changes to your circumstances, promptly reporting your changes will allow the Marketplace to adjust your APTC to more accurately reflect the PTC you are estimated to be able to take on your tax return. Changes that you should report to the Marketplace, during the year, as they happen, include:

- Changes in household income
- Moving to a different address
- Gaining or losing eligibility for other health care coverage
- Gaining, losing, or other changes to your employment
- Birth or adoption
- Marriage or divorce
- Other changes affecting the composition of your tax family

For additional information on the health care law, visit [www.irs.gov/aca](http://www.irs.gov/aca)