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Premium Tax Credit

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If you or a member of your family enrolls in health insurance through the Marketplace, you may be eligible for the premium tax credit, a refundable credit that helps eligible individuals and families pay for health insurance.

Advance Payments

During enrollment, the Marketplace determines if you're eligible for advance payments of the premium tax credit.

If you're eligible, you can choose to have **ALL**, **SOME** or **NONE** of the advance payments for which you are eligible sent to your insurance company:

- **ALL**: the entire amount of your payments will be sent monthly to your insurance company
- **SOME**: a portion of your payments are paid in advance to your insurance company, and then you wait to receive the rest of the benefit of the premium tax credit for which you are eligible when you file your tax return
- **NONE**: you have nothing sent to your insurance company during the year, and wait to get all the benefit of the credit when you file your tax return

Did You Know...

If you choose not to have advance credit payments made on your behalf, you will get the credit when you file your tax return.

This will lower your tax balance due and could increase your refund.



To access the Marketplace, visit [Healthcare.gov](https://www.healthcare.gov)

Eligibility

If you or a family member enrolls in health coverage through the Marketplace for a month that you or the family member was not eligible for non-Marketplace health coverage, you may be allowed the credit if you:

- Paid your share of Marketplace insurance premiums
- Have household income within certain limits
- Do not file a married filing separately return. There are exceptions to this rule for domestic abuse and spousal abandonment victims

- Cannot be claimed as a dependent by another person

You must file a federal tax return if either of these apply to you:

- Advance credit payments were made on your behalf to your insurance company
- You are claiming the premium tax credit

Failing to file your tax return will prevent you from getting the benefit of advance credit payments in future years.

Claiming and Reconciling the Credit

When you file your tax return, you will use Form 8962, Premium Tax Credit, to claim the credit and to reconcile the credit with the advance credit payments made for you and your family. To reconcile the credit, subtract the total of your advance credit payments from the amount of the premium tax credit computed on your tax return. The difference will change the amount of tax you owe or the amount of your federal refund.

Report life changes to the Marketplace

Reporting life changes such as changes to income or family size – will help you avoid large differences between the advance credit payments made on your behalf and the amount of the premium tax credit you are allowed when you file your tax return.

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