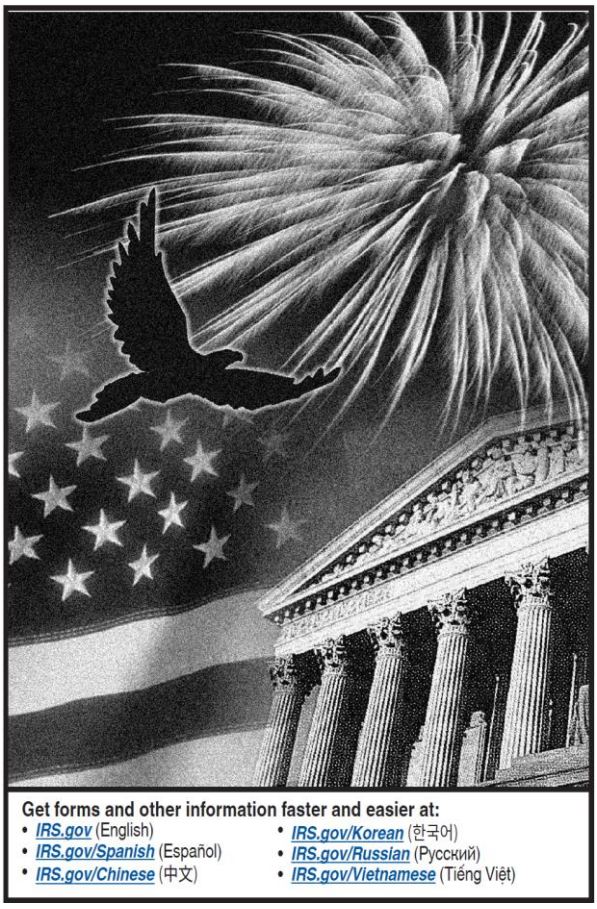
Publication 974

Premium Tax Credit (PTC)

Four use in preparing 2024 Returns

Volume 4 of 5



Department of the Treasury
Internal Revenue Service

Publication 974 (Rev. 2024) Catalog Number 67685X
Department of the Treasury **Internal Revenue Service** www.irs.gov

Visit the Accessibility Page on IRS.gov

This page is intentionally left blank

Alternative Calculation for Year of Marriage

If you got married during 2024 and APTC was paid for an individual in your tax family, you may want to use the alternative calculation for year of marriage, an optional calculation that may reduce the amount of excess APTC you would have to repay under the general rules. Before you read this section, first read the instructions for line 9 in the Instructions for Form 8962. Complete Table 4 and, if required, Worksheet 3 in those instructions.

*If you do not meet either of the above conditions, you are **not** eligible to elect the alternative calculation. Leave Form 8962, Part V, blank.*

If you are eligible, electing the alternative calculation may reduce the amount of excess APTC you have to repay. Electing the alternative calculation is optional. Worksheet

V will tell you whether the alternative calculation will benefit you.

Before you begin the steps, determine your alternative family size and your spouse's alternative family size using the instructions under *Alternative Family Size* next. Then, read Table A to determine which steps to complete.

Alternative Family Size

Alternative family size is used to determine an alternative monthly contribution amount (see *Monthly contribution amount* under *Terms You May Need To Know*, earlier) on Worksheets I and III, which may reduce the amount of excess APTC for the pre-marriage months that you must repay.

When determining your alternative family size, include yourself and any individual in the tax family who qualifies as your dependent for the year under the rules explained in the Instructions for Form 1040 or the Instructions

for Form 1040-NR. Do not include any individual who does not qualify as your dependent under those rules or who is included in your spouse's alternative family size.

When determining your spouse's alternative family size, include your spouse and any individual in the tax family who qualifies as your spouse's dependent for the year under the rules explained in the Instructions for Form 1040 or the Instructions for Form 1040-NR. Do not include any individual who does not qualify as your spouse's dependent under those rules or who is included in your alternative family size.

Note. You may include an individual who qualifies as the dependent of both you and your spouse in either alternative family size.

Example 1. Ron, Suzy, and their son Max have lived together since July 2023. Ron and Suzy got married in August 2024. Each of them had coverage under a qualified health

plan for the months before September. Max qualifies as Ron’s dependent under the rules explained in the Instructions for Form 1040. Max also qualifies as Suzy’s dependent under those rules. Ron and Suzy can include Max in either alternative family size.

Example 2. Rob and his son Liam lived together from January through May 2024. On June 10, 2024, Rob married Tara. She moved in with Rob and Liam on June 11. Each of them had coverage under a qualified health plan for the months before July. Liam qualifies as Rob’s dependent under the rules explained in the Instructions for Form 1040. Liam also qualifies as Tara’s dependent under those rules. (Liam is Tara’s stepchild and lived with Tara for more than half of 2024.) Rob and Tara can include Liam in either alternative family size.

Example 3. Stacey and her daughter Leia lived together from January through July 2024. Stacey married Vince in August 2024,

and Vince moved in with Stacey and Leia. Each of them had coverage under a qualified health plan for the months before September. Leia qualifies as Stacey’s dependent under the rules explained in the Instructions for Form 1040. Leia does not qualify as Vince’s dependent under those rules because Leia did not live with Vince for more than half of 2024. Stacey must include Leia in her alternative family size. Vince cannot include Leia in his alternative family size.

This page is intentionally left blank

Table A. Which Steps To Complete

Answer the following questions to determine which steps to complete.

1. Have you determined your and your spouse's alternative family size as explained earlier under *Alternative Family Size*?

☐ **Yes.** Go to question 2.

☐ **No.** Read *Alternative Family Size*. Then, go to question 2.

2. Is there an individual in your alternative family size (including yourself) who was enrolled in a qualified health plan for 1 or more of your pre-marriage months?*

☐ **Yes.** Complete Steps 1, 2, and 5. Go to question 3.

☐ **No.** Go to question 3.

3. Is there an individual in your spouse's alternative family size (including your spouse) who was enrolled in a qualified health plan for 1 or more of your pre-marriage months?*

☐ **Yes.** Complete Steps 3, 4, and 5. Go to question 4.

☐ **No.** Go to question 4.

4. The instructions for Step 5 will prompt you to complete Worksheet V. If you check "Yes" on Worksheet V, line 14, complete Steps 6, 7, and 8.

* Your pre-marriage months include the month you got married.

This page is intentionally left blank

If you completed Part IV of Form 8962, do not include any amounts from Form(s) 1095-A that were allocated to another taxpayer when completing the steps for your and your spouse's alternative calculation.

Step 1

Complete Worksheet I if there is an individual included in your alternative family size who was enrolled in a qualified health plan for 1 or more of your pre-marriage months.

This page is intentionally left blank

Worksheet for Line 4 of Worksheet I

Use this worksheet to figure the amount to enter on line 4 of Worksheet I.

1. Enter the amount from line 2 of Worksheet I	**1.**	_____
2. Enter the amount from line 3 of Worksheet I	**2.**	_____
3. Multiply the amount on line 2 by 4.0	**3.**	_____
4. Is the amount on line 1 more than the amount on line 3? ☐ **Yes.** Enter 401 here and on line 4 of Worksheet I. ☐ **No.** Divide the amount on line 1 by the amount on line 2. If the result is not a whole percentage, do **not** round; instead, multiply this number by 100 (to express it as a percentage) and then drop any numbers after the decimal point. Enter the result here and on line 4 of Worksheet I. For example, for 0.9984, enter the result as 99; for 1.8565, enter the result as 185; and for 3.997, enter the result as 399	**4.**	_____

This page is intentionally left blank

Step 2

Complete Worksheet II to determine your alternative monthly credit amounts to include on Form 8962, lines 12 through 23, column (e), for your pre-marriage months. Enter in columns A and B on Worksheet II the amounts from columns A and B in Part III of the Form(s) 1095-A that reports coverage for all individuals in your tax family enrolled in a qualified health plan for 1 or more pre-marriage months, including yourself, who are (a) included in Part II of a Form 1095-A sent to you for the pre-marriage months; or (b) not included in Part II of the Form 1095-A sent to you or to your spouse, but who are included in your alternative family size.

Missing or incorrect SLCSP premium. For your pre-marriage months, if there were changes in your coverage family that you did not report to the Marketplace or APTC was not paid for the coverage, or there is an

individual in your coverage family not included in Part II of the Form 1095-A sent to you who is included in your alternative family size, you may have to determine a new premium for your applicable SLCSP for those months. See *Determining the Premium for the Applicable Second Lowest Cost Silver Plan (SLCSP)*, earlier.

Step 3

Complete Worksheet III if there is an individual included in your spouse's alternative family size who was enrolled in a qualified health plan for 1 or more of your pre-marriage months.

Worksheet for Line 4 of Worksheet III

Use this worksheet to figure the amount to enter on line 4 of Worksheet III.

1. Enter the amount from line 2 of Worksheet III . . . . . **1.** _____

2. Enter the amount from line 3 of Worksheet III . . . . . **2.** _____

3. Multiply the amount on line 2 by 4.0 . . . . . **3.** _____

4. Is the amount on line 1 more than the amount on line 3?

☐ **Yes.** Enter 401 here and on line 4 of Worksheet III.

☐ **No.** Divide the amount on line 1 by the amount on line 2. If the result is not a whole percentage, do **not** round; instead, multiply this number by 100 (to express it as a percentage) and then drop any numbers after the decimal point. Enter the result here and on line 4 of Worksheet III. For example, for 0.9984, enter the result as 99; for 1.8565, enter the result as 185; and for 3.997, enter the result as 399 . . . . . **4.** _____

This page is intentionally left blank

Step 4

Complete Worksheet IV to determine your spouse's alternative monthly credit amounts to include on Form 8962, lines 12 through 23, column (e), for your pre-marriage months. Enter in columns A and B on Worksheet IV the amounts from columns A and B in Part III of the Form(s) 1095-A that reports coverage for all individuals in your tax family enrolled in a qualified health plan for 1 or more pre-marriage months, including your spouse, who are (a) included in Part II of a Form 1095-A sent to your spouse for the pre-marriage months; or (b) not included in Part II of the Form 1095-A sent to you or to your spouse, but who are included in your spouse's alternative family size.

Missing or incorrect SLCSP premium. For your pre-marriage months, if there were changes in your spouse’s coverage family that your spouse did not report to the Marketplace

or APTC was not paid for the coverage, or there is an individual in your spouse's coverage family not included in Part II of the Form 1095-A sent to your spouse who is included in your spouse's alternative family size, your spouse may have to determine a new premium for the applicable SLCSP for those months. See *Determining the Premium for the Applicable Second Lowest Cost Silver Plan (SLCSP)*, earlier.

Step 5

After you have completed Steps 1 and 2 and/or Steps 3 and 4, complete Worksheet V to determine what entries you must make on Form 8962, lines 12 through 23, for your pre-marriage months.

Step 6

Complete Form 8962, lines 35 and 36, using the following instructions. Follow these instructions only if you checked **"Yes"** on Worksheet V, line 14.

Line 35.

- **Column (a):** Enter the family size from Worksheet I, line 1.
- **Column (b):** Enter the amount from Worksheet I, line 7.
- **Column (c):** Enter the month from Worksheet I, line 8.
- **Column (d):** Enter the month from Worksheet I, line 9.

Line 36.

- **Column (a):** Enter the family size from Worksheet III, line 1.
- **Column (b):** Enter the amount from Worksheet III, line 7.
- **Column (c):** Enter the month from Worksheet III, line 8.
- **Column (d):** Enter the month from Worksheet III, line 9.

Step 7

Complete Form 8962, lines 12 through 23, columns (a) through (f), using the following instructions. Follow these instructions only if you checked **"Yes"** on Worksheet V, line 14.

Column (a). Enter the amounts from column (a) of Worksheet 3 in the Form 8962 instructions.

Column (b). Enter the amounts from column (b) of Worksheet 3 in the Form 8962 instructions.

Column (c). For pre-marriage months, enter the totals of Worksheet II, column C, and Worksheet IV, column C. For example, if you entered $200 on Worksheet II, column C, lines 1 through 5, and you entered $250 on Worksheet IV, column C, lines 3 through 5, enter $200 on lines 12 and 13, and $450 on lines 14 through 16 of Form 8962, column (c).

For the months you were married for the entire month, enter the amount from Form 8962, line 8b.

Column (d). Subtract column (c) from column (b) and enter the result. If zero or less, enter -0-.

Column (e). For your pre-marriage months, enter the amounts from lines 1 through 12, column A, of Worksheet V in the boxes for the corresponding months in column (e).

For the months you were married for the entire month, enter the smaller of column (a) or (d).

Column (f). Enter the amounts from column (f) of Worksheet 3 in the Form 8962 instructions.

Step 8

Continue to Form 8962, line 24, and complete the rest of the form.

Line 26. Enter -0-.

Lines 27 through 29. If line 24 is less than line 25, complete these lines. Otherwise, leave these lines blank.

Worksheet I. **Your Alternative Monthly Contribution Amount** *Keep for Your Records*

1.	Alternative family size: Enter the total number of individuals in your alternative family size (discussed earlier)	**1.** _____
2.	One-half of household income: Divide Form 8962, line 3, by 2.0. Round to the nearest whole dollar amount	**2.** _____
3.	Alternative federal poverty line: Enter the federal poverty line amount as determined by your alternative family size on line 1 above and the federal poverty table you used on Form 8962, line 4	**3.** _____
4.	Alternative household income as a percentage of federal poverty line: Enter the amount from the worksheet under Step 1. Continue to Step 3 if you checked "**Yes**" for question 3 in Table A. Otherwise, if you did not complete Part IV of Form 8962, check "**No**" on line 9 of Form 8962 and continue to line 10. If you completed Part IV of Form 8962, check "**No**" on line 10, and see *Lines 12 Through 23* in the Instructions for Form 8962	**4.** _____
5.	Alternative applicable figure: Using your line 4 percentage, locate your applicable figure in Table 2 in the Instructions for Form 8962	**5.** _____
6.	Multiply line 2 by line 5 and enter the result rounded to the nearest whole dollar amount	**6.** _____
7.	Alternative monthly contribution amount: Divide line 6 by 12.0 and enter the result rounded to the nearest whole dollar amount	**7.** _____
8.	Alternative start month: Enter the first full month you or any individual included in your alternative family size on line 1 had coverage under a qualified health plan. For example, enter "02" if you were enrolled in a qualified health plan with coverage effective on February 1	**8.** _____
9.	Alternative stop month: Enter the last month you or any individual included in your alternative family size on line 1 had coverage under a qualified health plan **or** the month in which you got married, whichever is **earlier**. For example, enter "09" if you had coverage under a qualified health plan for all of 2024 and you got married on September 5	**9.** _____

Worksheet II. **Your Alternative Monthly Credit Amounts for Pre-Marriage Months**

Keep for Your Records

Complete this worksheet only for months beginning with the month on line 8 of Worksheet I and ending with the month on line 9 of Worksheet I. For example, if you entered "02" on Worksheet I, line 8, and "10" on Worksheet I, line 9, complete only lines 2 through 10 of this worksheet.

Monthly calculation	A. Form(s) 1095-A, lines 21–32, column A*	B. Form(s) 1095-A, lines 21–32, column B*	C. Worksheet I, line 7	D. Subtract C from B (If zero or less, enter -0-.)	E. Smaller of column A or column D
1 January					
2 February					
3 March					
4 April					
5 May					
6 June					
7 July					
8 August					
9 September					
10 October					
11 November					
12 December					

* See *Step 2*, earlier, for instructions on the Form 1095-A amounts to report on this worksheet.

After completing this worksheet: Continue to Step 3 if you checked "Yes" for question 3 in Table A. Otherwise, go to Step 5.

Worksheet III. **Your Spouse's Alternative Monthly Contribution Amount**

Keep for Your Records

1.	Alternative family size: Enter the total number of individuals in your spouse's alternative family size (discussed earlier)	**1.**
2.	One-half of household income: Divide Form 8962, line 3, by 2.0. Round to the nearest whole dollar amount	**2.**
3.	Alternative federal poverty line: Enter the federal poverty line amount as determined by your spouse's alternative family size on line 1 above and the federal poverty table you used on Form 8962, line 4	**3.**
4.	Alternative household income as a percentage of federal poverty line: Enter the amount from the worksheet under Step 3. If you completed Step 2, continue to Step 5. If you did not complete Step 2 and you did not complete Part IV of Form 8962, check "**No**" on line 9 of Form 8962 and continue to line 10. If you did not complete Step 2 and you completed Part IV of Form 8962, check "**No**" on line 10, and see *Lines 12 Through 23* in the Instructions for Form 8962	**4.**
5.	Alternative applicable figure: Using your line 4 percentage, locate your applicable figure in Table 2 in the Instructions for Form 8962	**5.**
6.	Multiply line 2 by line 5 and enter the result rounded to the nearest whole dollar amount	**6.**
7.	Alternative monthly contribution amount: Divide line 6 by 12.0 and enter the result rounded to the nearest whole dollar amount	**7.**
8.	Alternative start month: Enter the first full month your spouse or any individual included in your spouse's alternative family size on line 1 had coverage under a qualified health plan. For example, enter "05" if your spouse was enrolled in a qualified health plan with coverage effective on May 1	**8.**
9.	Alternative stop month: Enter the last month your spouse or any individual included in your spouse's alternative family size on line 1 had coverage under a qualified health plan **or** the month in which you got married, whichever is **earlier**. For example, enter "07" if your spouse's coverage under a qualified health plan (and the coverage of all individuals included in your spouse's alternative family size) terminated July 31 and you got married on September 5	**9.**

Worksheet IV. **Your Spouse's Alternative Monthly Credit Amounts for Pre-Marriage Months**

Keep for Your Records

Complete this worksheet only for months beginning with the month on line 8 of Worksheet III and ending with the month on line 9 of Worksheet III. For example, if you entered "05" on Worksheet III, line 8, and "10" on Worksheet III, line 9, complete only lines 5 through 10 of this worksheet.

Monthly calculation	A. Form(s) 1095-A, lines 21–32, column A*	B. Form(s) 1095-A, lines 21–32, column B*	C. Worksheet III, line 7	D. Subtract C from B (If zero or less, enter -0-.)	E. Smaller of column A or column D
1 January					
2 February					
3 March					
4 April					
5 May					
6 June					
7 July					
8 August					
9 September					
10 October					
11 November					
12 December					

* See *Step 4*, earlier, for instructions on the Form 1095-A amounts to report on this worksheet.

After completing this worksheet: Continue to Step 5.

Worksheet V. **Alternative Calculation for Year of Marriage Totals Worksheet**

Keep for Your Records

Column A. Complete column A below only for the months you have entries in column E of Worksheet II and/or Worksheet IV. Leave column A blank for all other months. Add the amounts in column E of Worksheets II and IV separately for each month and enter the total in column A below on the line for the same month.

Column B. Complete column B below for any month you have an entry in column A. For each month, enter the corresponding amount from lines 1 through 12, column (e), of Worksheet 3 under *Line 9* in the Instructions for Form 8962.

Monthly calculation		**A.** Total alternative premium assistance amounts	**B.** Premium assistance amounts (regular calculation)
1 January	**1**		
2 February	**2**		
3 March	**3**		
4 April	**4**		
5 May	**5**		
6 June	**6**		
7 July	**7**		
8 August	**8**		
9 September	**9**		
10 October	**10**		
11 November	**11**		
12 December	**12**		
13 **Totals:** Enter the total of column A, lines 1 through 12, and the total of column B, lines 1 through 12	**13**		

14 Is line 13, column A, more than line 13, column B?

☐ **Yes.** Your alternative calculation reduces your excess APTC. If you did not complete Part IV of Form 8962, check "Yes" on line 9. Also check "No" on line 10. Continue to Steps 6, 7, and 8, earlier.

☐ **No.** The alternative calculation does not reduce your excess APTC. Leave Form 8962, Part V, blank.

- If you did not complete Part IV of Form 8962, check "No" on line 9 and continue to Form 8962, line 10. If you are required to use lines 12 through 23 of Form 8962, enter the amounts from lines 1 through 12 of Worksheet 3 in the Form 8962 instructions on the lines for the corresponding months and columns on Form 8962.
- If you completed Part IV of Form 8962, check "No" on line 10. Enter the amounts from lines 1 through 12 of Worksheet 3 in the Form 8962 instructions on the lines for the corresponding months and columns on Form 8962, lines 12 through 23.

This page is intentionally left blank

Example of the Alternative Calculation for Year of Marriage

The following example describes the alternative calculation for year of marriage for Paulette Oak and Quentin Cedar.

In 2024, Paulette and Quentin were single and maintained separate residences until they got married on July 18.

Paulette has no dependents. She was enrolled in a qualified health plan from January 1 through July 31. The Marketplace sent her a Form 1095-A (not illustrated) showing her enrollment information for this 7-month period.

Quentin has two dependent children. He and his two children were enrolled in a qualified health plan from January 1 through July 31. The Marketplace sent him a Form 1095-A (not illustrated) showing his enrollment information for this 7-month period.

From August 1 through December 31, 2024, Paulette, Quentin, and Quentin’s two dependent children were enrolled together in a different qualified health plan. The Marketplace sent them a Form 1095-A (not illustrated) showing their enrollment information for this 5-month period.

Paulette and Quentin first complete lines 1 through 8 of Form 8962. Then, they read the instructions for line 9 and complete Table 4 (not illustrated) and Worksheet 3 (not illustrated) in the Form 8962 instructions and Worksheets I through V (not illustrated) in this publication. Using the information in the worksheets and on Forms 1095-A (not illustrated), they complete lines 9 through 29, 35, and 36 of Form 8962.

Paulette and Quentin's Form 8962, Lines 1 Through 11

Paulette and Quentin fill out Form 8962 (not illustrated), lines 1 through 11, as follows.

Line 1. They enter “4” because this is the number of individuals they included in their tax family.

Line 2a. They enter $116,700, which they figured using Worksheet 1-1 (not illustrated) in the Form 8962 instructions.

Line 2b. They leave line 2b blank because neither of Quentin’s dependent children is required to file a federal income tax return.

Line 3. They enter $116,700, the sum of lines 2a and 2b.

Line 4. They enter $30,000 from Table 1-1 in the Form 8962 instructions. This is the federal poverty line for a family size of 4. They also check box c on line 4.

Line 5. Using Worksheet 2 in the Form 8962 instructions, they divide line 3 ($116,700) by line 4 ($30,000) to get 389%.

Line 7. They enter their applicable figure of 0.0823 from Table 2 in the Instructions for

Form 8962. According to the fourth column of Table 2, 0.0823 is the applicable figure if the amount on line 5 is 389%.

Line 8a. They multiply line 3 ($116,700) by line 7 (0.0823) and enter the result, $9,604.

Line 8b. They divide line 8a ($9,604) by 12.0 and enter the result, $800.

Line 9. Paulette and Quentin read the instructions for line 9, which explain that because they got married in 2024, they may be eligible to complete Part V (not illustrated) to elect the alternative calculation for year of marriage. This calculation may reduce the amount of excess APTC they would otherwise have to repay.

The preliminary steps in determining whether they may be eligible are to complete Table 4 and Worksheet 3 in the Form 8962 instructions. (Both the table and worksheet for Paulette and Quentin are not illustrated.) Worksheet 3 would show that if Paulette and

Quentin do **not** elect the alternative calculation, their total PTC will be $5,097 (line 13, column (e)). The excess APTC they will have to pay with their tax return is $3,326, which is the difference between $8,423 (APTC for the year on line 13, column (f)) and $5,097.

Because Paulette and Quentin checked "Yes" on line 14 of Worksheet 3, they complete Worksheets I through V (not illustrated) to determine if the alternative calculation for year of marriage will benefit them. They complete Worksheets I through V **before** they check any of the boxes on line 9. As explained under *Step 5 (Worksheet V)*, later, they qualify for the alternative calculation for year of marriage and check "Yes" on line 9.

Line 10. As explained under *Step 5 (Worksheet V)*, later, they check "No" on line 10.

Line 11. Because Paulette and Quentin checked "No" on line 10, they skip line 11 and

complete lines 12 through 23 to figure their monthly PTC.

Step 1 (Paulette's Worksheet I)

Line 1. They enter “1” as Paulette’s alternative family size because she can include only herself. She can’t include either of Quentin’s children in her alternative family size because neither of them lived with her for more than half of 2024 and she could not claim them as dependents.

Lines 2 through 9. They complete these lines according to the instructions on the worksheet.

Step 2 (Paulette's Worksheet II)

They complete Worksheet II only for January through July (the month Paulette and Quentin got married). They complete columns A and B using the amounts shown on Paulette’s Form 1095-A. They complete columns C and D according to the instructions shown on the

worksheet. **Step 3 (Quentin's Worksheet III)**

Line 1. They enter “3” as Quentin's alternative family size consisting of Quentin and his two dependent children.

Lines 2 through 9. They complete these lines according to the instructions on the worksheet.

Step 4 (Quentin's Worksheet IV)

They complete Worksheet IV only for January through July (the month Paulette and Quentin got married). They complete columns A and B using the amounts shown on Quentin’s Form 1095-A. They complete columns C and D according to the instructions shown on the worksheet.

Step 5 (Worksheet V)

Quentin and Paulette complete Worksheet V only for the months they have entries in

column E of Worksheets II and IV (January through July). They qualify for the alternative calculation for year of marriage because line 13, column A ($4,816), is more than line 13, column B ($3,262). Accordingly, they check "Yes" on line 14. They also check "Yes" on Form 8962, line 9; check "No" on line 10; and continue to Steps 6, 7, and 8 in this publication.

Step 6

Paulette and Quentin complete lines 35 and 36 as explained below.

Line 35.

- **Column (a):** They enter "1," Paulette's alternative family size from Worksheet I, line 1.
- **Column (b):** They enter $413, Paulette's alternative monthly contribution amount from Worksheet I, line 7.

- **Column (c):** They enter “01,” the alternative start month from Worksheet I, line 8.
- **Column (d):** They enter “07,” the alternative stop month from Worksheet I, line 9.

Line 36.

- **Column (a):** They enter “3,” Quentin's alternative family size from Worksheet III, line 1.
- **Column (b):** They enter $165, Quentin's alternative monthly contribution amount from Worksheet III, line 7.
- **Column (c):** They enter “01,” the alternative start month from Worksheet III, line 8.
- **Column (d):** They enter “07,” the alternative stop month from Worksheet III, line 9.

Step 7

Paulette and Quentin complete **lines 12 through 23** as explained below.

Column (a). On lines 12 through 18, they enter $1,500 and $1,350 on lines 19 through 23, the monthly amounts from column (a) of Worksheet 3 (not illustrated).

Column (b). On lines 12 through 18, they enter $1,266 and $1,167 on lines 19 through 23, the monthly amounts from column (b) of Worksheet 3.

Column (c). On lines 12 through 18, they enter $578, the monthly totals from Worksheet II, column C, and Worksheet IV, column C. On lines 19 through 23, they enter $800, the amount from Form 8962, line 8b.

Column (d). They enter the difference between columns (c) and (b).

Column (e). On lines 12 through 18, they enter $688, the monthly amounts from

column A of Worksheet V. On lines 19 through 23, they enter $367, the smaller of column (a) or (d).

Column (f). On lines 12 through 18, they enter $794 and $573 on lines 19 through 23, the monthly amounts from column (f) of Worksheet 3.

Step 8

Paulette and Quentin complete lines 24 through 29 as explained below.

Line 24. They add the amounts on lines 12 through 23, column (e), and enter the total, $6,651. (As explained earlier under *Line 9*, their total PTC would be only $5,097 if they did **not** elect the alternative calculation.)

Line 25. They add the amounts on lines 12 through 23, column (f), and enter the total, $8,423.

Line 26. According to Step 8, they enter -0- because they elected the alternative calculation for year of marriage.

Line 27. They subtract line 24 from line 25 and enter the difference, $1,772.

Line 28. They enter the repayment limitation of $3,150 from Table 5 in the Form 8962 instructions.

Line 29. They enter $1,772. This is the smaller of line 27 or line 28. They also enter $1,772 on Schedule 2 (Form 1040), line 1a (not illustrated). (As explained earlier under *Line 9*, the excess APTC they would have to pay would be

$3,326 if they did **not** elect the alternative calculation.)

Self-Employed Health Insurance Deduction and PTC

This part provides special instructions for figuring the self-employed health insurance deduction and PTC if you or your spouse was self-employed, you or a member of your tax family was enrolled in a qualified health plan in 2024, and you may be eligible for the PTC. Because the amount of the self-employed health insurance deduction may affect the amount of the PTC, and the amount of the PTC may affect the amount of the deduction, a taxpayer who may be eligible for both may have difficulty determining the amounts of those items. A taxpayer who may be eligible for both may follow the instructions in this part to determine amounts of the self-employed health insurance deduction and PTC that are allowable under the law.

Using the special instructions in this part is optional. If you are eligible for

both a self-employed health insurance deduction and the PTC for the same premiums, you may use any computation method that results in reporting amounts that satisfy the rules for both the deduction and PTC, as long as the sum of the deduction claimed for the premiums and the PTC computed, taking the deduction into account, is less than or equal to the enrollment premiums.

Before you complete any of the worksheets in this part, you should first do the following.

- Read the instructions for line 17 of Schedule 1 (Form 1040) to find out if you meet the requirements for claiming the self-employed health insurance deduction.
- Read the Instructions for Form 8962 to find out if you meet the requirements for claiming the PTC except for the requirement that your household income be at least 100% of the federal

poverty line for your family size for 2024. You will determine whether you meet the 100% requirement in the process of completing these instructions.

If you meet the requirements described above, do the following.

- If you are filing Schedule 1 (Form 1040), complete lines 18 (Penalty on early withdrawal of savings) and 19a (Alimony paid). Also, figure any write-in adjustments you will enter on the dotted line next to line 26.
- Complete line 20 of Schedule 1 (Form 1040) if you made contributions to a traditional individual retirement arrangement (IRA) and you (and your spouse if filing a joint return) were **not** covered by a retirement plan at work or through self-employment.

- If you elect to report your child's interest and dividends on your tax return, complete Form 8814, Parents' Election To Report Child's Interest and Dividends.

Using this information, do the following.

1. If you have health insurance premiums for which you cannot claim the PTC (see *Nonspecified premiums*, later), first complete Worksheet P or, if required, Form 7206 but only with respect to those premiums. Skip Worksheets W and X if either of the following applies.
    a. You completed Worksheet P and line 2 is less than or equal to line 1.
    b. You completed Form 7206 and line 13 is equal to or less than line 3.
2. Then, complete Worksheet W and Worksheet X. You have to complete

Worksheet X only if APTC was paid to your insurer on your behalf for the months you were self-employed. If APTC was not paid to your insurer on your behalf for the months you were self-employed, skip Worksheet X.

3. After completing Worksheets W and X, you may choose to use either the Simplified Calculation Method or the Iterative Calculation Method to compute your self-employed health insurance deduction and PTC. The Simplified Calculation Method is shorter, but in some cases will not produce a result as favorable as the Iterative Calculation Method.

This page is intentionally left blank

Worksheet P. **Self-Employed Health Insurance Deduction for Nonspecified Premiums**

Keep for Your Records

Before you begin: √ Read *Exceptions*, later, to see if you can use this worksheet instead of Form 7206 to figure your deduction for nonspecified premiums. Also read the definitions of specified premiums and nonspecified premiums.

1.	Enter the total amount of nonspecified premiums paid in 2024 for health insurance coverage established under your business (or the S corporation in which you were a more-than-2% shareholder) for 2024 for you, your spouse, and your dependents. Your insurance can also cover your child who was under age 27 at the end of 2024, even if the child was not your dependent. But do not include amounts for any month you were eligible to participate in an employer-sponsored health plan or amounts paid from retirement plan distributions that were nontaxable because you are a retired public safety officer	**1.**	
2.	Enter your net profit* and any other earned income** from the business under which the insurance plan is established, minus any deductions on lines 15 and 16 of Schedule 1 (Form 1040). Do not include Conservation Reserve Program payments exempt from self-employment tax	**2.**	
3.	**Self-employed health insurance deduction for nonspecified premiums.** Enter the **smaller** of line 1 or line 2. **Do not** include this amount in figuring any medical expense deduction on Schedule A (Form 1040) • If line 2 is equal to or less than line 1, **stop here**. Do not read the rest of these special instructions. Enter this amount on line 17 of Schedule 1 (Form 1040). Use Form 8962 to figure the PTC for specified premiums. • If line 2 is more than line 1, complete Worksheet W. Also complete Worksheet X if APTC was paid to your insurer on your behalf for the months you were self-employed. If APTC was not paid to your insurer on your behalf for the months you were self-employed, skip Worksheet X.	**3.**	

* If you used either optional method to figure your net earnings from self-employment, do not enter your net profit. Instead, enter the amount from Schedule SE, line 4b.

** **Earned income** includes net earnings and gains from the sale, transfer, or licensing of property you created. However, it does not include capital gain income. If you were a more-than-2% shareholder in the S corporation under which the insurance plan is established, earned income is your Medicare wages (box 5 of Form W-2) from that corporation.

This page is intentionally left blank

Instructions for Worksheet P

Use Worksheet P to figure the amount you can deduct for nonspecified premiums.

Exceptions. Use Form 7206 instead of Worksheet P to figure your deduction for nonspecified premiums if any of the following apply. (Only include nonspecified premiums on line 1 or 2 of Form 7206.)

- You had more than one source of income subject to self-employment tax.
- You file Form 2555.
- You are using amounts paid for qualified long-term care insurance to figure the deduction.

After you complete Form 7206, follow the instructions below.

- If line 13 is equal to or less than line 3, **stop here**. Do not read the rest of

these special instructions. Enter the amount from line 14 of Form 7206 on line 17 of Schedule 1 (Form 1040). Use Form 8962 to figure the PTC for specified premiums.

- If line 13 is more than line 3, complete Worksheet W. Also complete Worksheet X if APTC was paid to your insurer on your behalf for the months you were self-employed. If APTC was not paid to your insurer on your behalf for the months you were self-employed, skip Worksheet X.

Nonspecified Premiums

A nonspecified premium is either of the following.

- A premium for health insurance coverage established under your business (or the S corporation in which you were a more-than-2%

shareholder) but paid for coverage in a plan that is not a qualified health plan.

- The portion of the premium for coverage in a plan that is a qualified health plan established under your business (or the S corporation in which you were a more-than-2% shareholder) but that is attributable to individuals not in your coverage family.

Calculate how much of these nonspecified premiums are fully deductible by entering this amount on line 1 of Worksheet P or, if required, on line 1 or 2 of Form 7206. Complete the remainder of the appropriate worksheet.

The following are examples of nonspecified premiums.

- Premiums paid for a qualified health plan other than during a coverage month.

- Premiums paid to cover an individual other than you, your spouse, or your dependents.
- Premiums for qualified long-term care insurance.
- Dental insurance premiums.
- Medicare premiums you voluntarily paid to obtain insurance in your name that is similar to qualifying health insurance.

Example. In 2024, you were self-employed and were enrolled in a qualified health plan through the Marketplace. You enrolled your dependent, 22-year-old daughter in individual market coverage not offered through the Marketplace. This coverage has an annual premium of $3,000. This $3,000 premium is a nonspecified premium because it is for coverage under a plan that is not a qualified health plan. Include this $3,000 premium on

Worksheet P, line 1, or, if required, on line 1 of Form 7206.

Specified Premiums

Specified premiums are the premiums for a specified qualified health plan or plans for which you may otherwise claim as a self-employed health insurance deduction on line 17 of Schedule 1 (Form 1040). Generally, these are the premiums paid for the months you were self-employed. If you were self-employed for part of a month, the entire premium for that month is a specified premium. A specified qualified health plan is a qualified health plan that covers one or more members of your coverage family for a month for which your enrollment premium(s) has been paid by the due date prescribed under *Enrollment premiums*, earlier. Qualified health plan, coverage family, and enrollment premiums are defined earlier under *Terms You May Need To Know*.

Example. You were enrolled in a qualified health plan through the Marketplace for all of 2024 and you were self-employed from September 15 through December 31. Only the premiums for the last 4 months are specified premiums and only those premiums are entered on Worksheet W, line 1, and Worksheet X, line 27, if you are required to complete those worksheets. You are not allowed a self-employed health insurance deduction for the January through August premiums because you were not self-employed during those months. Those premiums are neither specified premiums nor nonspecified premiums. However, you may be allowed a PTC for your coverage for January through August.

Plan covering individuals in another tax family. If the plan covers at least one individual in your tax family and one individual in another tax family, you may have to allocate policy amounts between your

tax family and the other tax family. See *Line 9* in the Form 8962 instructions for instructions on how to allocate policy amounts. Do this allocation before you determine the portion of the specified premiums allocable to your coverage family discussed next.

Plan covering individuals not in your coverage family. If the plan covers individuals who are not in your coverage family, use only the portion of the premiums for the specified qualified health plan that is allocable to your coverage family. You determine the specified premiums that are allocable to your coverage family by multiplying the enrollment premiums for the months you were self-employed and the plan covered non-coverage family members by a fraction. The numerator of the fraction is the premium for the applicable SLCSP for your coverage family. The denominator of the fraction is the total of (a) the premium for the

applicable SLCSP for your coverage family, and (b) the premium for the applicable SLCSP for the individuals who are not in your coverage family.

Example. Gary was self-employed in 2024 and enrolled in a qualified health plan. APTC was paid to his insurer on his behalf. The policy covers Gary, Gary's wife Sue, and Gary's two dependent daughters. Sue is not in the coverage family because she is eligible to enroll in her employer's health insurance. The enrollment premium is $15,000. The premium for the applicable SLCSP covering Gary and his two daughters is $12,000 and the premium for the applicable SLCSP covering Sue is $6,000. Gary figures the amount of specified premiums by multiplying the $15,000 enrollment premium by a fraction. The numerator of the fraction is the premium for his applicable SLCSP ($12,000). The denominator of the fraction is the total of the premiums for the applicable SLCSP of

both Gary and Sue ($18,000). The result is $10,000 ($15,000 enrollment premium x ($12,000/$18,000)) of specified premiums, which Gary enters on Worksheet W, line 1, and Worksheet X, line 27. The remaining $5,000 of enrollment premium ($15,000 enrollment premium – $10,000 specified premiums) is attributable to Sue's coverage and is a nonspecified premium that Gary enters on Worksheet P, line 1.

This page is intentionally left blank

Worksheet W. **Figuring the Limit on the Self-Employed Health Insurance Deduction for Specified Premiums**

Keep for Your Records

Caution. If you have more than one trade or business under which a qualified health plan is established, complete lines 4 through 13 separately for each trade or business. Add the amounts on line 13 for all the trades or businesses. Then, complete lines 14 through 17 once for all trades or businesses.

1.	Enter your specified premiums. See *Specified Premiums* under *Instructions for Worksheet P*, earlier	**1.**	
2.	Enter the APTC from Form 1095-A, Part III, column C, that is attributable to the premiums on line 1	**2.**	
3.	Subtract line 2 from line 1	**3.**	
4.	Enter your net profit* and any other earned income** from the business under which the qualified health plan is established. Do not include Conservation Reserve Program payments exempt from self-employment tax. If the business is an S corporation, skip to line 11	**4.**	
5.	Enter the total of all net profits* from Schedule C (Form 1040), line 31; Schedule F (Form 1040), line 34; or box 14, code A, of Schedule K-1 (Form 1065), plus any other income allocable to the profitable businesses. Do not include Conservation Reserve Program payments exempt from self-employment tax. See the Instructions for Schedule SE (Form 1040). **Do not** include any net losses shown on these schedules	**5.**	
6.	Divide line 4 by line 5	**6.**	
7.	Multiply line 15 of Schedule 1 (Form 1040) by line 6	**7.**	
8.	Subtract line 7 from line 4	**8.**	
9.	Enter the amount, if any, from line 16 of Schedule 1 (Form 1040) attributable to the same business for which the qualified health plan is established	**9.**	
10.	Subtract line 9 from line 8	**10.**	
11.	Enter your Medicare wages (box 5 of Form W-2) from an S corporation in which you are a more-than-2% shareholder and in which the qualified health plan is established	**11.**	
12.	Enter any amount from Form 2555, line 45, attributable to the amount entered on line 4 or line 11 above **Note.** If you are not filing Form 2555, enter -0-.	**12.**	
13.	Subtract line 12 from line 10 or 11, whichever applies	**13.**	
14.	Enter your self-employed health insurance deduction for nonspecified premiums from Worksheet P, line 3, or Form 7206, line 14	**14.**	
15.	Subtract line 14 from line 13	**15.**	
16.	Enter the smaller of line 3 or line 15	**16.**	
17.	Add lines 14 and 16	**17.**	
18.	Is line 2 blank or -0-? ☐ **Yes**. Skip line 19 and Worksheet X. Use one of the methods that follow Worksheet X to figure the PTC and self-employed health insurance deduction for specified premiums. ☐ **No**. Go to line 19.	**18.**	
19.	Subtract line 16 from line 15. Then, go to Worksheet X	**19.**	

* If you used either optional method to figure your net earnings from self-employment from any business, do not enter your net profit from the business. Instead, enter the amount attributable to that business from Schedule SE, line 4b.

** **Earned income** includes net earnings and gains from the sale, transfer, or licensing of property you created. However, it does not include capital gain income.

Worksheet X. **Figuring Household Income and the Repayment Limitation**

Keep for Your Records

Complete this worksheet only if APTC was paid to your insurer on your behalf for the months you were self-employed.

Part I: Taxpayer's Modified AGI

1.	Combine the amounts from: • Form 1040, 1040-SR, or 1040-NR, lines 2a, 9, and the excess, if any, of line 6a over line 6b **Note.** See the instructions if you are filing Form 8582, 8814, or 8815.	**1.**	
2.	Enter any amounts from Form 2555, lines 45 and 50	**2.**	
3.	Add lines 1 and 2	**3.**	
4.	Enter the total of the amounts from: • Schedule 1 (Form 1040), lines 11 through 16, 18, and 19a, plus any write-in adjustments you entered on the dotted line next to Schedule 1 (Form 1040), line 26 **Note.** See the instructions if you made contributions to a traditional IRA.	**4.**	
5.	Enter the amount from Worksheet W, line 14	**5.**	
6.	Enter the amount from Worksheet W, line 16	**6.**	
7.	Add lines 4, 5, and 6	**7.**	
8.	Subtract line 7 from line 3. Then, go to Part II if you are claiming dependents on your tax return. If you are not claiming any dependents on your tax return, skip Part II and go to Part III	**8.**	

Part II: Dependents' Modified AGI

Note. Use Part II to figure the combined modified AGI for the dependents you included in your tax family. Only include the modified AGI of those dependents who are required to file a return. Do not include the modified AGI of dependents who are filing a tax return only to claim a refund of tax withheld or estimated tax.

9.	Enter the combined AGI for your dependents from Form 1040, 1040-SR, or 1040-NR, line 11	**9.**	
10.	Enter any tax-exempt interest for your dependents from Form 1040, 1040-SR, or 1040-NR, line 2a	**10.**	
11.	Enter any amounts for your dependents from Form 2555, lines 45 and 50	**11.**	
12.	Enter for each of your dependents the excess, if any, of Form 1040 or 1040-SR, line 6a, over line 6b	**12.**	
13.	Add lines 9 through 12. Then, go to Part III	**13.**	

Continued on next page

Instructions for Worksheet X

Line 1. If you are filing Form 8582, Passive Activity Loss Limitations, and both lines 1d and 3 of that form are losses:

- Do not complete Part II or III of that form until you are instructed to do so later, and
- Do not include any losses from rental real estate activities on line 1.

If you are filing Form 8814, and the amount on Form 8814, line 4, is more than $1,300, you must also include the following amounts on line 1.

- The tax-exempt interest from Form 8814, line 1b.
- The lesser of Form 8814, line 4 or line 5.
- Any nontaxable social security benefits your child received.

If you are filing Form 8815, Exclusion of Interest From Series EE and I U.S. Savings Bonds Issued After 1989, do **not** complete the form until you are instructed to do so later. Include on line 1 the amount from Schedule B (Form 1040), line 2.

Line 4. Include your IRA deduction on line 4 only if you (and your spouse if filing a joint return) were **not** covered by a retirement plan at work or through self-employment.

Line 25. Also enter this amount on line 28 of the Form 8962 you attach to your tax return if you are required to complete that line and you do not complete Worksheet Y. Do not enter an amount from Table 5 in the Form 8962 instructions.

Worksheet X. **Figuring Household Income and the Repayment Limitation (*continued*)**

Keep for Your Records

Part III: Repayment Limitation

14.	Household income. Add lines 8 and 13	**14.**	
15.	Enter the smaller of Worksheet W, line 19, or $750 ($375 if your filing status is single)	**15.**	
16.	Subtract line 15 from line 14. If zero or less, enter -0-	**16.**	
17a.	Enter the number of qualifying individuals in your tax family (including yourself) **17a.**		
17b.	Enter the federal poverty line amount as determined by the family size on line 17a and federal poverty Table 1-1, 1-2, or 1-3 for your state of residence during 2024 in the Form 8962 instructions	**17b.**	
18.	Divide line 16 by line 17b. If the result is not a whole percentage, do **not** round; instead, multiply this number by 100 (to express it as a percentage) and then drop any numbers after the decimal point. For example, for 0.9984, enter the result as 99; for 1.8565, enter the result as 185; and for 3.997, enter the result as 399 • If the result is less than 200, enter $750 ($375 if your filing status is single) on line 25. Skip lines 19 through 24. • If the result is 200 or more, go to line 19.	**18.**	%
19.	Enter the smaller of Worksheet W, line 19, or $1,900 ($950 if your filing status is single)	**19.**	
20.	Subtract line 19 from line 14. If zero or less, enter -0-	**20.**	
21.	Divide line 20 by line 17b. If the result is not a whole percentage, do **not** round; instead, multiply this number by 100 (to express it as a percentage) and then drop any numbers after the decimal point. For example, for 0.9984, enter the result as 99; for 1.8565, enter the result as 185; and for 3.997, enter the result as 399 • If the result is less than 300, enter $1,900 ($950 if your filing status is single) on line 25. Skip lines 22 through 24. • If the result is 300 or more, go to line 22.	**21.**	%
22.	Enter the smaller of Worksheet W, line 19, or $3,150 ($1,575 if your filing status is single)	**22.**	
23.	Subtract line 22 from line 14. If zero or less, enter -0-	**23.**	
24.	Divide line 23 by line 17b. If the result is not a whole percentage, do **not** round; instead, multiply this number by 100 (to express it as a percentage) and then drop any numbers after the decimal point. For example, for 0.9984, enter the result as 99; for 1.8565, enter the result as 185; and for 3.997, enter the result as 399 • If the result is less than 400, enter $3,150 ($1,575 if your filing status is single) on line 25. • If the result is 400 or more, enter the amount from Worksheet W, line 2, on line 25.	**24.**	%
25.	Enter the amount you were instructed to enter here by line 18, 21, or 24. See instructions	**25.**	

Part IV: Maximum Self-Employed Health Insurance Deduction

26.	Add lines 6 and 25	**26.**	
27.	Enter the amount from Worksheet W, line 1	**27.**	
28.	Enter the smaller of line 26 or line 27	**28.**	
29.	Enter the amount from Worksheet W, line 15	**29.**	
30.	Enter the smaller of line 28 or line 29	**30.**	
31.	Add lines 5 and 30. Then, use one of the methods that follow to figure the PTC and the self-employed health insurance deduction for specified premiums	**31.**	

This page is intentionally left blank

Iterative Calculation Method

Follow the steps below to figure your self-employed health insurance deduction and PTC under the Iterative Calculation Method. You do not have to use this method. You can use the Simplified Calculation Method (discussed later) or any computation method that satisfies each set of rules as long as the sum of the deduction claimed for the premiums and the PTC computed, taking the deduction into account, is less than or equal to the premiums.

Do not round to whole dollars when performing the computations under this method. Instead, use dollars and cents. This is necessary so you can complete Step 6.

Step 1

Figure your AGI, modified AGI, and household income using Worksheet X, line 31, as your

self-employed health insurance deduction. If you did not fill out Worksheet X, use the amount from Worksheet W, line 17. Use Worksheets 1-1 and 1-2 in the Form 8962 instructions to figure modified AGI and household income.

If you are claiming any of the following deductions or exclusions, see Special Instructions for Self-Employed Individuals Who Claim Certain Deductions/Exclusions*, later, before you complete Step 1.*

1. *Passive activity losses from rental real estate activities and lines 1d and 3 of Form 8582 are losses.*
2. *IRA deduction and you (or your spouse if filing a joint return) were covered by a retirement plan at work or through self-employment.*

3. *Exclusion of interest from series EE and I U.S. savings bonds issued after 1989.*

4. *Student loan interest deduction.*

Step 2

Figure the total PTC on Form 8962 using the AGI, modified AGI, and household income you determined in Step 1. Enter the modified AGI and household income from Step 1 on the Form 8962. When figuring the PTC, use all enrollment premiums for qualified health plans in which you or an individual in your tax family enrolled. Complete this Form 8962 only through line 24. Do **not** attach this Form 8962 to your tax return.

Cannot take the PTC. If you are not eligible to take the PTC, stop here. Do not use this method. Instead, figure your self-employed health insurance deduction using the Self-Employed Health Insurance Deduction Worksheet in the Instructions for Form 1040

or the Instructions for Form 1040-NR; or, if required, Form 7206. If you are following the instructions under *Special Instructions for Self-Employed Individuals Who Claim Certain Deductions/Exclusions*, later, make this determination when you complete the final iteration of Step 2. Refigure the deductions/exclusions if you are not eligible for the PTC.

Step 3

Figure your self-employed health insurance deduction for specified premiums by completing the following worksheet.

If you have more than one trade or business under which you established a qualified health plan, see More than one trade or business *below before you complete the Step 3 Worksheet.*

Step 3 Worksheet

Enter amounts in dollars and cents. Do not round to whole dollars.

This page is intentionally left blank

1. Enter the amount from Worksheet W, line 1 . . . . . **1.** _____

Caution. *If the amounts on lines 12 through 23, column (e), of your Step 2 Form 8962 are not the same for each month and you had specified premiums for less than 12 months, skip lines 2 through 5 below and enter on line 6 the total of those column (e) amounts for the months you paid specified premiums.*

2. Enter the total PTC (Form 8962, line 24) you figured in Step 2, earlier . . . . . **2.** _____

3. Enter the number of months in 2024 for which specified premiums were paid . . . . . **3.** _____

Note. Self-employment for part of a month counts as a full month of self-employment.

4. Enter the number of months someone in your coverage family was enrolled in the qualified health plan . . . . . **4.** _____

5. Divide line 3 by line 4 . . . . . **5.** _____

6. Multiply line 5 by line 2 . . . . . **6.** _____

7. Subtract line 6 from line 1 . . . . . **7.** _____

8. Enter the amount from Worksheet X, line 30. If you did not complete Worksheet X, enter the amount from Worksheet W, line 16 . . . . **8.** _____

9. Enter the smaller of line 7 or line 8. Then, go to Step 4 next . . . . . **9.** _____

This page is intentionally left blank

More than one trade or business. If you have more than one trade or business under which you established a qualified health plan, you must complete lines 1 through 7 separately for each trade or business. Use the following instructions to complete the Step 3 Worksheet.

Line 1. Enter the amounts for the separate trade or business.

If the *Caution* under line 1 applies to you, skip lines 2 through 5. Enter on line 6 the total of the column (e) amounts for the months you paid specified premiums that are allocable to the specified premiums you entered on line 1 for the separate trade or business. You can allocate the column (e) amounts using any reasonable method. One reasonable method is based on enrollment premiums for each plan. Under this method, multiply the total of the column (e) amounts for the months you paid specified premiums by a fraction. The numerator of the fraction is

the amount of specified premiums you entered on line 1 for the separate trade or business. The denominator of the fraction is the total of the column (a) amounts for the months you paid specified premiums.

Line 2. Enter the Step 2 PTC that is allocable to the specified premiums you entered on line 1 for the separate trade or business. You can allocate the Step 2 PTC using any reasonable method. One reasonable method is based on enrollment premiums for each plan. Under this method, multiply the Step 2 PTC by a fraction. The numerator of the fraction is the amount of specified premiums you entered on line 1 for the separate trade or business. The denominator of the fraction is the amount on line 11, column (a), or the total of lines 12 through 23, column (a), of the Step 2 Form 8962.

Lines 3 through 6. Complete these lines for the plan established under the separate trade or business.

Line 7. After you complete this line for each trade or business, add the amounts on line 7 for all the trades or businesses. Use the total of the line 7 amounts to complete lines 8 and 9.

Lines 8 and 9. Complete these lines once for all trades or businesses.

This page is intentionally left blank