

Publication 974

Premium Tax Credit (PTC)

For use in preparing 2023 Returns

Volume 3 of 5



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Step 4. If you use the same percentages in Steps 1 and 2 above for every month to which this allocation method applies, use only **one** of lines 30 through 33 in Part IV to report the allocation. If you use different percentages for different months in Step 1 or Step 2, use a separate line in Part IV for each allocation percentage. Complete the line as explained below.

Column (a). Enter the Marketplace-assigned policy number from Form 1095-A, line 2. If the policy number on the Form 1095-A is more than 15 characters, enter only the last 15 characters.

Column (b). Enter the SSN of the former spouse whose percentage you entered on Worksheet D, line 1.

Column (c). Enter the first month you are allocating policy amounts. For example, if you are allocating a percentage from January through June, enter "01" in column (c).

Column (d). Enter the last month you are allocating policy amounts. For example, if you are allocating a percentage from January through June, enter “06” in column (d).

Column (e). Enter the decimal from Worksheet D, line 7.

Columns (f) and (g). Enter the decimal from Worksheet D, line 7.

Example 1. Kara and David were married at the beginning of 2023 and have two children, Meredith and Sam. Kara enrolled herself, David, Meredith, and Sam in a qualified health plan with coverage effective January 1. For each month of coverage, the enrollment premiums were \$700, the applicable SLCSP premium for a coverage family of four was \$650, and the APTC was \$425.

Meredith and Sam moved in with their grandmother, Lydia, in May. Kara and David divorced in September. Kara enrolled in a new qualified health plan for self-only

coverage. David became eligible for and enrolled in employer-sponsored self-only coverage. Meredith and Sam became eligible for and enrolled in government-sponsored coverage. All of the new plans have coverage effective October 1. Lydia is enrolled in employer-sponsored coverage.

On their respective tax returns, Kara files as single and includes only herself in her tax family; David files as single and includes only himself in his tax family; and Lydia files as head of household and includes Meredith and Sam in her tax family.

Under Step 1 of Rules for the Taxpayers Who Divorced or Legally Separated in 2023 and Are Also Allocating With Another Taxpayer, Kara and David agree to allocate the policy amounts 30% to Kara and 70% to David. Under Step 2 of that method (Kara, David) and under Rules for the Taxpayer(s) Allocating With Taxpayers Who Divorced or Legally Separated in 2023 (Lydia), Kara and

Lydia agree to allocate 80% of the policy amounts to Lydia, and David and Lydia agree to allocate 50% of the policy amounts to Lydia. Each of them completes a worksheet as shown below and uses it to complete Part IV.

Kara completes Worksheet C as follows.

Kara's Worksheet C. Allocations for Divorced or Legally Separated Taxpayers

1. Enter as a decimal your percentage from Step 1 above	1.	0.30
2. Enter 1.0	2.	1.0
3. Enter as a decimal the total of the percentages from Step 2 above allocated to the other taxpayer(s)	3.	0.80
4. Subtract line 3 from line 2	4.	0.20
5. Multiply line 1 by line 4. Enter the result as a decimal. This is the allocation percentage. Go to Step 4 below	5.	0.06

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After completing Worksheet C, Kara completes Form 8962, Part IV, line 30, as follows.

Column (a). Kara enters the Marketplace-assigned policy number from Form 1095-A, line 2.

Column (b). Kara enters David's SSN.

Column (c). Kara enters "01."

Column (d). Kara enters "09."

Columns (e), (f), and (g). Kara enters "0.06."

After completing Part IV, Kara multiplies the amounts from Form 1095-A, Part III, by the corresponding percentages in Part IV, and enters these allocated amounts on Form 8962, lines 12 through 20, columns (a), (b), and (f). On each of those lines, she will enter \$42 in column (a) (enrollment premiums of \$700 x 0.06), \$39 in column (b) (applicable SLCSP premium of \$650 x 0.06), and \$26 in

column (f) (APTC of $\$425 \times 0.06$). She completes her Form 8962, lines 21 through 23, columns (a), (b), and (f), by entering the monthly amounts from her separate Form 1095-A for her self-only coverage from October through December. She does not allocate those amounts.

David completes Worksheet C as follows.

David's Worksheet C. Allocations for Divorced or Legally Separated Taxpayers

1. Enter as a decimal your percentage from Step 1 above	1.	0.70
2. Enter 1.0	2.	1.0
3. Enter as a decimal the total of the percentages from Step 2 above allocated to the other taxpayer(s)	3.	0.50
4. Subtract line 3 from line 2	4.	0.50
5. Multiply line 1 by line 4. Enter the result as a decimal. This is the allocation percentage. Go to Step 4 below	5.	0.35

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After completing Worksheet C, David completes Form 8962, Part IV, line 30, as follows.

Column (a). David enters the Marketplace-assigned policy number from Form 1095-A, line 2.

Column (b). David enters Kara's SSN.

Column (c). David enters "01."

Column (d). David enters "09."

Columns (e), (f), and (g). David enters "0.35."

After completing Part IV, David multiplies the amounts from Form 1095-A, Part III, by the corresponding percentages in Part IV, and enters these allocated amounts on Form 8962, lines 12 through 20, columns (a), (b), and (f). On each of those lines, he will enter \$245 in column (a) (enrollment premiums of $\$700 \times 0.35$), \$228 in column (b) (applicable SLCSP premium of $\$650 \times 0.35$), and \$149 in

column (f) (APTC of $\$425 \times 0.35$). David leaves Form 8962, lines 21 through 23, blank because he was not enrolled in a qualified health plan during October through December.

Lydia completes Worksheet D as follows.

Lydia's Worksheet D. Taxpayer Allocating With Divorced or Legally Separated Taxpayers

1.	Enter the decimal from line 1 of the Worksheet C completed by one of the former spouses from Step 1 above	1.	<u>0.30</u>
2.	Enter as a decimal the percentage from Step 1 above	2.	<u>0.80</u>
3.	Multiply line 1 by line 2	3.	<u>0.24</u>
4.	Enter the decimal from line 1 of the Worksheet C completed by the other former spouse from Step 2 above	4.	<u>0.70</u>
5.	Enter as a decimal the percentage from Step 2 above	5.	<u>0.50</u>
6.	Multiply line 4 by line 5	6.	<u>0.35</u>
7.	Add line 3 and line 6. This is the allocation percentage. Go to Step 4 below	7.	<u>0.59</u>

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After completing Worksheet D, Lydia completes Form 8962, Part IV, line 30, as follows.

Column (a). Lydia enters the Marketplace-assigned policy number from Form 1095-A, line 2.

Column (b). Lydia enters Kara's SSN.

Column (c). Lydia enters "01."

Column (d). Lydia enters "09."

Columns (e), (f), and (g). Lydia enters "0.59."

After completing Part IV, Lydia multiplies the amounts from Form 1095-A, Part III, by the corresponding percentages in Part IV, and enters these allocated amounts on Form 8962, lines 12 through 20, columns (a), (b), and (f). On each of those lines, she will enter \$413 in column (a) (enrollment premiums of \$700 x 0.59), \$384 in column (b) (applicable SLCSP premium of \$650 x 0.59), and \$251 in

column (f) (APTC of $\$425 \times 0.59$). Lydia leaves Form 8962, lines 21 through 23, blank because she, Meredith, and Sam were not enrolled in a qualified health plan during October through December.

Example 2. The facts are the same as in *Example 1*, except that in May, Meredith moved in with her grandmother, Lydia, and Sam moved in with his aunt, Kimberly.

On their respective tax returns, Kara files as single and includes only herself in her tax family; David files as single and includes only himself in his tax family; Lydia files as head of household and includes Meredith in her tax family; and Kimberly files as head of household and includes Sam in her tax family. Kimberly is enrolled in employer-sponsored coverage.

Under Step 1 of *Rules for the Taxpayers Who Divorced or Legally Separated in 2023 and Are Also Allocating With Another Taxpayer*, Kara and David agree to allocate the policy

amounts 40% to Kara and 60% to David. Under Step 2 of that method (Kara, David) and under Rules for the Taxpayer(s) Allocating With Taxpayers Who Divorced or Legally Separated in 2023 (Lydia, Kimberly), Kara and Lydia agree to allocate 50% of the policy amounts to Lydia, and Kara and Kimberly agree to allocate 25% of the policy amounts to Kimberly. David and Lydia agree to allocate 20% of the policy amounts to Lydia, and David and Kimberly agree to allocate 25% of the policy amounts to Kimberly. Each of them completes a worksheet as shown below and uses it to complete Part IV.

Kara completes Worksheet C as follows.

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Kara's Worksheet C. Allocations for Divorced or Legally Separated Taxpayers

1. Enter as a decimal your percentage from Step 1 above	1.	0.40
2. Enter 1.0	2.	1.0
3. Enter as a decimal the total of the percentages from Step 2 above allocated to the other taxpayer(s)	3.	0.75*
4. Subtract line 3 from line 2	4.	0.25
5. Multiply line 1 by line 4. Enter the result as a decimal. This is the allocation percentage. Go to Step 4 below	5.	0.10
* This is the total of Kara's agreed percentages with Lydia and Kimberly (0.50 + 0.25).		

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After completing Worksheet C, Kara completes Form 8962, Part IV, line 30, as follows.

Column (a). Kara enters the Marketplace-assigned policy number from Form 1095-A, line 2.

Column (b). Kara enters David's SSN.

Column (c). Kara enters "01."

Column (d). Kara enters "09."

Columns (e), (f), and (g). Kara enters "0.10."

After completing Part IV, Kara completes her Form 8962 in the same manner described in Example 1, earlier, but applies the different allocation percentage.

David completes Worksheet C as follows.

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David's Worksheet C. Allocations for Divorced or Legally Separated Taxpayers

1. Enter as a decimal your percentage from Step 1 above	1.	0.60
2. Enter 1.0	2.	1.0
3. Enter as a decimal the total of the percentages from Step 2 above allocated to the other taxpayer(s)	3.	0.45*
4. Subtract line 3 from line 2	4.	0.55
5. Multiply line 1 by line 4. Enter the result as a decimal. This is the allocation percentage. Go to Step 4 below	5.	0.33

* This is the total of David's agreed percentages with Lydia and Kimberly (0.20 + 0.25).

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After completing Worksheet C, David completes Form 8962, Part IV, line 30, as follows.

Column (a). David enters the Marketplace-assigned policy number from Form 1095-A, line 2.

Column (b). David enters Kara's SSN.

Column (c). David enters "01."

Column (d). David enters "09."

Columns (e), (f), and (g). David enters "0.33."

After completing Part IV, David completes his Form 8962 in the same manner described in Example 1, earlier, but applies the different allocation percentage. Lydia completes Worksheet D as follows.

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Lydia's Worksheet D. Taxpayer Allocating With Divorced or Legally Separated Taxpayers

1.	Enter the decimal from line 1 of the Worksheet C completed by one of the former spouses from Step 1 above	1.	0.40
2.	Enter as a decimal the percentage from Step 1 above	2.	0.50
3.	Multiply line 1 by line 2	3.	0.20
4.	Enter the decimal from line 1 of the Worksheet C completed by the other former spouse from Step 2 above	4.	0.60
5.	Enter as a decimal the percentage from Step 2 above	5.	0.20
6.	Multiply line 4 by line 5	6.	0.12
7.	Add line 3 and line 6. This is the allocation percentage. Go to Step 4 below	7.	0.32

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After completing Worksheet D, Lydia completes Form 8962, Part IV, line 30, as follows.

Column (a). Lydia enters the Marketplace-assigned policy number from Form 1095-A, line 2.

Column (b). Lydia enters Kara's SSN.

Column (c). Lydia enters "01."

Column (d). Lydia enters "09."

Columns (e), (f), and (g). Lydia enters "0.32."

After completing Part IV, Lydia completes her Form 8962 in the same manner as in Example 1, earlier, but applies the different allocation percentage.

Kimberly completes Worksheet D as follows.

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Kimberly's Worksheet D. Taxpayer Allocating With Divorced or Legally Separated Taxpayers

1.	Enter the decimal from line 1 of the Worksheet C completed by one of the former spouses from Step 1 above	1.	<u>0.40</u>
2.	Enter as a decimal the percentage from Step 1 above	2.	<u>0.25</u>
3.	Multiply line 1 by line 2	3.	<u>0.10</u>
4.	Enter the decimal from line 1 of the Worksheet C completed by the other former spouse from Step 2 above	4.	<u>0.60</u>
5.	Enter as a decimal the percentage from Step 2 above	5.	<u>0.25</u>
6.	Multiply line 4 by line 5	6.	<u>0.15</u>
7.	Add line 3 and line 6. This is the allocation percentage. Go to Step 4 below	7.	<u>0.25</u>

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After completing Worksheet D, Kimberly completes Form 8962, Part IV, line 30, as follows.

Column (a). Kimberly enters the Marketplace-assigned policy number from Form 1095-A, line 2.

Column (b). Kimberly enters Kara's SSN.

Column (c). Kimberly enters "01."

Column (d). Kimberly enters "09."

Columns (e), (f), and (g). Kimberly enters "0.25."

After completing Part IV, Kimberly completes her Form 8962 in the same manner described for Lydia in Example 1, earlier, but applies the different allocation percentage.

Allocation Among Taxpayers Who Are Married But Not Filing a Joint Return and One or More Other Taxpayers

Use this section if you meet either of the following conditions and no other allocations for the policy are necessary.

- You are allocating enrollment premiums and APTC with a spouse to whom you are legally married but not filing a joint return in 2023 and you are also allocating enrollment premiums, applicable SLCSP premiums, and APTC with another taxpayer who is including in their tax family an individual who was enrolled in a qualified health plan with members of your and your spouse's tax families.
- You are the taxpayer who is including in your tax family an individual who was enrolled in the plan with tax family members of taxpayers who must also allocate policy amounts because the taxpayers are legally

married but not filing a joint return in 2023.

Example. Pat and Jamie were married for all of 2023 and have three children, Jason, Alicia, and Dawn. All five individuals enrolled in a qualified health plan and were covered for all of 2023. At enrollment, Pat and Jamie expected to file a joint return and include the children in their tax family for the year of coverage. However, Pat and Jamie change their minds and file as married filing separately and each includes only themselves in their respective tax family. Neither checks the box in the top right-hand corner of Form 8962. Jason, Alicia, and Dawn moved in with their uncle, Andy, in April. Andy files as head of household and includes Jason, Alicia, and Dawn in his tax family.

Pat and Jamie use the allocation method under Rules for the Married Taxpayers Not Filing a Joint Return and Also Allocating With Another Taxpayer next.

Andy uses the allocation method under Rules for the Taxpayer(s) Allocating With Married Taxpayers Not Filing a Joint Return, later.

Rules for the Married Taxpayers Not Filing a Joint Return and Also Allocating With Another Taxpayer

Use this allocation method if you are married but not filing a joint return and you must allocate policy amounts with your spouse and with a taxpayer who is including in their tax family an individual enrolled in a qualified health plan with members of your and your spouse's tax families. Under this method, you must first allocate 50% each of enrollment premiums and APTC to yourself and your spouse. Line 4 of Worksheet E accomplishes this 50% allocation. Complete the steps below to determine the amounts to enter on your Form 8962, Part IV.

Step 1. Determine the applicable SLCSF for your coverage family. See Determining the Premium for the Applicable Second Lowest

Cost Silver Plan (SLCSP), earlier. For this purpose, your coverage family or your spouse's coverage family (but not both) should include the individuals the other taxpayer is including in their tax family and who was enrolled in a qualified health plan with your and your spouse's tax family members. Enter the applicable SLCSP premium you determined on line 5 of Worksheet E.

Step 2. Separately from the first allocation (the 50% spousal allocation), determine an allocation percentage with the taxpayer(s) including in their tax family the individual(s) enrolled in the plan. You may agree on any allocation percentage from -0- to 100. You may use the percentage you agreed on for every month in which this allocation rule applies, or you may agree on different percentages for different months. However, you must use the same allocation percentage for all policy amounts (enrollment premiums,

applicable SLCSP premiums, and APTC) in a month. If you cannot agree on an allocation percentage, the allocation percentage is equal to the number of individuals the other taxpayer includes in their tax family for the tax year who were enrolled in the qualified health plan for which you are allocating amounts, divided by the total number of individuals enrolled in the plan. The allocation percentage is the percentage that applies to the amounts the other taxpayer must use to compute the PTC and reconcile it with APTC. You must compute the PTC and reconcile APTC using the remaining amounts.

Step 3. Complete Worksheet E below.

Worksheet E. Allocations for Married Taxpayers Not Filing a Joint Return

1.	Enter 1.0	1.	1.0
2.	Enter as a decimal the total of the percentage(s) from Step 2 above allocated to the other taxpayer(s)	2.	
3.	Subtract line 2 from line 1	3.	
4.	Divide line 3 by 2.0. Enter the result as a decimal	4.	
5.	Enter the applicable SLCSP premium as determined in Step 1 above. Then, go to line 6 if you checked the box in the top right-hand corner of Form 8962, or <i>Exception 1—Certain married persons living apart</i> under <u>Married taxpayers</u> (discussed earlier under <i>Terms You May Need To Know</i>) applies to you. Otherwise, stop here	5.	
6.	Multiply line 5 by line 3. Complete Form 8962, Part IV, as instructed in Step 4 below	6.	

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Step 4. If you use the same percentage for every month during which this allocation method applies, use only **one** of lines 30 through 33 in Part IV to report the allocation. If you use different percentages for different months under Step 2, use a separate line in Part IV for each allocation percentage. Complete the line as explained below.

Column (a). Enter the Marketplace-assigned policy number from Form 1095-A, line 2. If the policy number on the Form 1095-A is more than 15 characters, enter only the last 15 characters.

Column (b). Enter the SSN of your spouse.

Column (c). Enter the first month you are allocating policy amounts. For example, if you are allocating a percentage from January through June, enter "01" in column (c).

Column (d). Enter the last month you are allocating policy amounts. For example, if you

are allocating a percentage from January through June, enter “06” in column (d).

Column (e). If your filing status is married filing separately and you did **not** check the box in the top right-hand corner of Form 8962, leave column (e) blank. If you checked the box, or *Exception 1—Certain married persons living apart* under Married taxpayers (discussed earlier under *Terms You May Need To Know*) applies to you, enter the decimal from line 4 of Worksheet E in column (e).

Column (f). If your filing status is married filing separately and you did **not** check the box in the top right-hand corner of Form 8962, leave column (f) blank. If you checked the box, or *Exception 1—Certain married persons living apart* under Married taxpayers (discussed earlier under *Terms You May Need To Know*) applies to you, enter the decimal from line 3 of Worksheet E in column (f) and include the amount from line 6 of Worksheet E in the totals on the appropriate lines of

Form 8962, column (b), for the months allocated.

Column (g). Enter the decimal from line 4 of Worksheet E.

Rules for the Taxpayer(s) Allocating With Married Taxpayers Not Filing a Joint Return

Use this allocation method if you are including in your tax family an individual who was enrolled in a qualified health plan with tax family members of taxpayers who must also allocate policy amounts because the taxpayers are legally married but not filing a joint return in 2023.

Step 1. Determine an allocation percentage with one of the spouses. You may agree on any allocation percentage from -0- to 100. You may use the percentage you agreed on for every month in which this allocation rule applies, or you may agree on different percentages for different months. However,

you must use the same allocation percentage for all policy amounts (enrollment premiums, applicable SLCSP premiums, and APTC) in a month. If you cannot agree on an allocation percentage, the allocation percentage is equal to the number of individuals you will include in your tax family for the tax year who were enrolled in the qualified health plan for which you are allocating policy amounts, divided by the total number of individuals enrolled in the plan. The allocation percentage is the percentage that applies to the amounts you must use to compute the PTC and reconcile it with APTC. The spouses must compute the PTC and reconcile APTC using the remaining amounts. Enter the percentage as a decimal on line 1 of Worksheet F.

Step 2. Allocate the policy amounts with the second spouse using the same rules as Step 1 above. Enter the percentage as a decimal on line 3 of Worksheet F.

Step 3. Complete Worksheet F below.

Worksheet F. Taxpayer Allocating With Married Taxpayers Not Filing a Joint Return

Part I: Allocation Percentage for Enrollment Premiums and APTC Paid		
1. Enter as a decimal the percentage from Step 1 above	1.	
2. Divide line 1 by 2.0. Enter the result as a decimal	2.	
3. Enter as a decimal the percentage from Step 2 above	3.	
4. Divide line 3 by 2.0. Enter the result as a decimal	4.	
5. Add lines 2 and 4. Enter the result as a decimal. This is your allocation percentage for enrollment premiums and APTC paid	5.	
Part II: Allocation of the Applicable SLCSP Premium		
6. Enter the amount of the applicable SLCSP premium from line 5 of Worksheet E completed by the spouse in Step 1 above	6.	
7. Enter the decimal from line 1 of this worksheet	7.	
8. Multiply line 6 by line 7	8.	
9. Enter the amount of the applicable SLCSP premium from line 5 of Worksheet E completed by the spouse in Step 2 above	9.	
10. Enter the decimal from line 3 of this worksheet	10.	
11. Multiply line 9 by line 10	11.	
12. Add lines 8 and 11. This is the applicable SLCSP premium allocated to you that you must include on lines 12 through 23, column (b), for the months in which this allocation applies	12.	

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Step 4. If you use the same percentage for every month during which this allocation method applies, use only **one** of lines 30 through 33 in Part IV to report the allocation. If you use different percentages for different months, use a separate line in Part IV for each allocation percentage. Complete the line as explained below.

Column (a). Enter the Marketplace-assigned policy number from Form 1095-A, line 2. If the policy number on the Form 1095-A is more than 15 characters, enter only the last 15 characters.

Column (b). Enter the SSN of the spouse whose percentage you entered on Worksheet F, line 1.

Column (c). Enter the first month you are allocating policy amounts. For example, if you are allocating a percentage from January through June, enter "01" in column (c).

Column (d). Enter the last month you are allocating policy amounts. For example, if you are allocating a percentage from January through June, enter “06” in column (d).

Column (e). Enter the decimal from Worksheet F, line 5.

Column (f). Leave column (f) blank.

Column (g). Enter the decimal from Worksheet F, line 5.

Example. Pat and Jamie were married for all of 2023 and have three children, Jason, Alicia, and Dawn. All five individuals enrolled in a qualified health plan and were covered for all of 2023. For each month of coverage, the enrollment premiums were \$1,000, the premium for the applicable SLCSP for a coverage family of five was \$800, and the APTC was \$200. At enrollment, Pat and Jamie expected to file a joint return and include the children in their tax family.

Jason, Alicia, and Dawn moved in with their uncle, Andy, in April. On their respective tax returns, Pat and Jamie file as married filing separately and each includes only themselves in their respective tax family. Neither checks the box in the top right-hand corner of Form 8962. Andy files as head of household and includes Jason, Alicia, and Dawn in his tax family.

Pat and Jamie allocate the enrollment premiums and the APTC 50% to Pat and 50% to Jamie. Under Step 1 of Rules for the Married Taxpayers Not Filing a Joint Return and Also Allocating With Another Taxpayer, earlier, Pat and Jamie determine that Pat's coverage family will include Pat, Jason, and Alicia and that Jamie's coverage family will include Jamie and Dawn. Pat and Jamie each look up their applicable SLCSP premiums. The applicable SLCSP premium for Pat's coverage family of three is \$450 and the applicable

SLCSP premium for Jamie's coverage family of two is \$400.

Under Step 2 of Rules for the Married Taxpayers Not Filing a Joint Return and Also Allocating With Another Taxpayer (Pat, Jamie) and under Rules for the Taxpayer(s) Allocating With Married Taxpayers Not Filing a Joint Return (Andy), earlier, Pat and Andy agree to allocate 67% of the policy amounts to Andy, and Jamie and Andy agree to allocate 50% of the policy amounts to Andy. Pat, Jamie, and Andy each complete a worksheet as shown below and use it to complete Part IV.

Pat completes Worksheet E as follows.

Pat's Worksheet E. Allocations for Married Taxpayers Not Filing a Joint Return

1. Enter 1.0	1.	1.0
2. Enter as a decimal the total of the percentage(s) from Step 2 above allocated to the other taxpayer(s)	2.	0.67
3. Subtract line 2 from line 1	3.	0.33
4. Divide line 3 by 2.0. Enter the result as a decimal	4.	0.17
5. Enter the applicable SLCSP premium as determined in Step 1 above. Then, go to line 6 if you checked the box in the top right-hand corner of Form 8962, or <i>Exception 1—Certain married persons living apart</i> under <u>Married taxpayers</u> (discussed earlier under <i>Terms You May Need To Know</i>) applies to you. Otherwise, stop here	5.	450
6. Multiply line 5 by line 3. Complete Form 8962, Part IV, as instructed in Step 4 below	6.	

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After completing Worksheet E, Pat completes Form 8962, Part IV, line 30, as follows.

Column (a). Pat enters the Marketplace-assigned policy number from Form 1095-A, line 2.

Column (b). Pat enters Jamie's SSN.

Column (c). Pat enters "01."

Column (d). Pat enters "12." **Column (e).** Pat leaves this column blank.

Column (f). Pat leaves this column blank.

Column (g). Pat enters "0.17."

After completing Part IV, Pat multiplies the APTC from Form 1095-A, Part III, column C, by the percentage in Part IV, column (g), and enters \$34 (APTC of \$200 x 0.17) on Form 8962, lines 12 through 23, column (f). Pat leaves lines 12 through 23, columns (a) through (e), blank because he is not eligible to take the PTC.

Jamie completes Worksheet E as follows.

Jamie's Worksheet E. Allocations for Married Taxpayers Not Filing a Joint Return

1.	Enter 1.0	1.	1.0
2.	Enter as a decimal the total of the percentage(s) from Step 2 above allocated to the other taxpayer(s)	2.	0.50
3.	Subtract line 2 from line 1	3.	0.50
4.	Divide line 3 by 2.0. Enter the result as a decimal	4.	0.25
5.	Enter the applicable SLCSP premium as determined in Step 1 above. Then, go to line 6 if you checked the box in the top right-hand corner of Form 8962, or <i>Exception 1—Certain married persons living apart</i> under <u>Married taxpayers</u> (discussed earlier under <i>Terms You May Need To Know</i>) applies to you. Otherwise, stop here	5.	400
6.	Multiply line 5 by line 3. Complete Form 8962, Part IV, as instructed in Step 4 below	6.	

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After completing Worksheet E, Jamie completes Form 8962, Part IV, line 30, as follows.

Column (a). Jamie enters the Marketplace-assigned policy number from Form 1095-A, line 2.

Column (b). Jamie enters Pat's SSN.

Column (c). Jamie enters "01."

Column (d). Jamie enters "12." **Column (e).** Jamie leaves this column blank.

Column (f). Jamie leaves this column blank.

Column (g). Jamie enters "0.25."

After completing Part IV, Jamie multiplies the APTC from Form 1095-A, Part III, column C, by the percentage in Part IV, column (g), and enters \$50 (APTC of \$200 x 0.25) on Form 8962, lines 12 through 23, column (f). Jamie leaves lines 12 through 23, columns (a)

through (e), blank because she is not eligible to take the PTC.

Andy completes Worksheet F as follows.

Andy's Worksheet F. Taxpayer Allocating With Married Taxpayers Not Filing a Joint Return

Part I: Allocation Percentage for Enrollment Premiums and APTC Paid			
1.	Enter as a decimal the percentage from Step 1 above	1.	0.67
2.	Divide line 1 by 2.0. Enter the result as a decimal	2.	0.34
3.	Enter as a decimal the percentage from Step 2 above	3.	0.50
4.	Divide line 3 by 2.0. Enter the result as a decimal	4.	0.25
5.	Add lines 2 and 4. Enter the result as a decimal. This is your allocation percentage for enrollment premiums and APTC paid	5.	0.59
Part II: Allocation of the Applicable SLCSP Premium			
6.	Enter the amount of the applicable SLCSP premium from line 5 of Worksheet E completed by the spouse in Step 1 above	6.	450
7.	Enter the decimal from line 1 of this worksheet	7.	0.67
8.	Multiply line 6 by line 7	8.	302
9.	Enter the amount of the applicable SLCSP premium from line 5 of Worksheet E completed by the spouse in Step 2 above	9.	400
10.	Enter the decimal from line 3 of this worksheet	10.	0.50
11.	Multiply line 9 by line 10	11.	200
12.	Add lines 8 and 11. This is the applicable SLCSP premium allocated to you that you must include on lines 12 through 23, column (b), for the months in which this allocation applies	12.	502

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After completing Worksheet F, Andy completes Form 8962, Part IV, line 30, as follows.

Column (a). Andy enters the Marketplace-assigned policy number from Form 1095-A, line 2. **Column (b).** Andy enters Pat's SSN.

Column (c). Andy enters "01."

Column (d). Andy enters "12."

Column (e). Andy enters "0.59."

Column (f). Andy leaves this column blank.

Column (g). Andy enters "0.59."

After completing Part IV, Andy multiplies the amounts from Form 1095-A, Part III, by the corresponding percentages in Part IV, and enters these allocated amounts on Form 8962, lines 12 through 23, columns (a), (b), and (f). On each of those lines, he will enter \$590 in column (a) (enrollment premiums of $\$1,000 \times 0.59$), \$502 in column (b)

(applicable SLCSF premium allocated to him on Worksheet F, line 12), and \$118 in column (f) (APTC of \$200 x 0.59).

Other Taxpayers Allocating Policy Amounts With Two or More Other Taxpayers

If you or another person in your tax family was enrolled in a qualified health plan with individuals in at least two other tax families, APTC was paid for coverage under the policy, and you don't meet the rules for divorce or for married individuals filing separate returns, you and the taxpayers who are including in their tax family the individuals not in your tax family should use the instructions for Form 8962 under *Allocation Situation 4. Other situations where a policy is shared between two tax families* to allocate amounts from the qualified health plan. There must be an allocation percentage for each taxpayer who is including in their tax family an individual

who is enrolled in a qualified health plan with a member of your tax family. If you cannot agree on an allocation percentage with **all** taxpayers who are including enrolled individuals in a tax family, the allocation percentage for a particular taxpayer is equal to the number of individuals the taxpayer will include in their tax family for the tax year who were enrolled in the qualified health plan for which you are allocating policy amounts, divided by the total number of individuals enrolled in the plan.

Example 1. Erik enrolled himself and his sons, Bill and Arvind, in a qualified health plan with coverage effective for all of 2023. For the year, the enrollment premiums were \$8,000; the premium for the applicable SLCSP for a coverage family consisting of Erik, Bill, and Arvind was \$9,000; and the APTC paid for their coverage was \$4,500. In March, Bill dropped out of school to work full-time and moved permanently into his own

apartment. In May, Arvind moved in with his mother Sharon, where he lived until the end of 2023. On their respective tax returns, Erik files as single and includes only himself in his tax family, Bill files as single and includes only himself in his tax family, and Sharon files as head of household and includes herself and Arvind in her tax family.

Erik and Bill agree to allocate 25% of the policy amounts to Bill. Erik and Sharon agree to allocate 40% of the policy amounts to Sharon. Erik allocates the remaining 35% of the policy amounts to himself.

Bill completes Form 8962, Part IV, line 30, as follows.

Column (a). Bill enters the Marketplace-assigned policy number from Form 1095-A, line 2.

Column (b). Bill enters Erik's SSN.

Column (c). Bill enters "01."

Column (d). Bill enters "12."

Columns (e), (f), and (g). Bill enters an allocation percentage of "0.25" in columns (e), (f), and (g).

After completing Part IV, Bill multiplies the amounts from Form 1095-A, Part III, by the corresponding percentages in Part IV, and enters these allocated amounts on his Form 8962, lines 12 through 23, columns (a), (b), and (f). The sum of his monthly entries will be \$2,000 in column (a) (enrollment premiums of $\$8,000 \times 0.25$), \$2,250 in column (b) (applicable SLCSP premium of $\$9,000 \times 0.25$), and \$1,125 in column (f) (APTC of $\$4,500 \times 0.25$). Sharon completes Form 8962, Part IV, line 30, as follows.

Column (a). Sharon enters the Marketplace-assigned policy number from Form 1095-A, line 2.

Column (b). Sharon enters Erik's SSN.

Column (c). Sharon enters "01."

Column (d). Sharon enters "12."

Columns (e), (f), and (g). Sharon enters an allocation percentage of "0.40" in columns (e), (f), and (g).

After completing Part IV, Sharon multiplies the amounts from Form 1095-A, Part III, by the corresponding percentages in Part IV, and enters these allocated amounts on Form 8962, lines 12 through 23, columns (a), (b), and (f). The sum of her monthly entries will be \$3,200 in column (a) (enrollment premiums of \$8,000 \times 0.40), \$3,600 in column (b) (applicable SLCSP premium of \$9,000 \times 0.40), and \$1,800 in column (f) (APTC of \$4,500 \times 0.40).

Erik completes Form 8962, Part IV, line 30, as follows.

Column (a). Erik enters the Marketplace-assigned policy number from Form 1095-A, line 2.

Column (b). Erik enters either Bill's SSN or Sharon's SSN.

Column (c). Erik enters "01."

Column (d). Erik enters "12."

Columns (e), (f), and (g). Erik enters an allocation percentage of "0.35" in columns (e), (f), and (g), which is the percentage of policy amounts not allocated to Bill or Sharon.

After completing Part IV, Erik multiplies the amounts from Form 1095-A, Part III, by the corresponding percentages in Part IV, and enters these allocated amounts on his Form 8962, lines 12 through 23, columns (a), (b), and (f). The sum of his monthly entries will be \$2,800 in column (a) (enrollment premiums of \$8,000 x 0.35), \$3,150 in column (b) (applicable SLCSP of \$9,000 x 0.35), and \$1,575 in column (f) (APTC of \$4,500 x 0.35).

Example 2. The facts are the same as in Example 1, except Erik and Bill cannot agree

on an allocation percentage. Because Erik did not agree on an allocation percentage with **all** taxpayers who are including individuals in a tax family, Bill and Sharon determine their allocation percentages of 33% by dividing the number of enrolled individuals each will include in their tax family (1 each for Bill and Sharon) by the number of individuals enrolled in the plan (3, Erik, Bill, and Arvind). Erik's allocation percentage is 34%, which is the percentage of policy amounts not allocated to Bill and Sharon. Each taxpayer completes Part IV as explained in Example 1 using these percentages.

Alternative Calculation for Year of Marriage

If you got married during 2023 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 2022. Ron and Suzy got married in August 2023. 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 2023. On June 10, 2023, 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 2023.) Rob and Tara can include Liam in either alternative family size.