



# MANUAL TRANSMITTAL

Department of the Treasury  
Internal Revenue Service

3.11.29

OCTOBER 20, 2021

## EFFECTIVE DATE

(01-01-2022)

## PURPOSE

- (1) This transmits revised IRM 3.11.29, Health Coverage Tax Credit (HCTC) Enrollment Processing.

## MATERIAL CHANGES

- (1) IRM 3.11.29.1.1(1) Added new HCTC extension legislation for 2021. IPU 21U0120 issued 01-21-2021
- (2) IRM 3.11.29.5 Replaced Online 5081 with BEARS due to Online 5081 no longer used for requesting access.
- (3) IRM 3.11.29.7 (Note) Updated checkbox number due to Form 13441-A revision. IPU 21U0120 issued 01-21-2021
- (4) IRM 3.11.29.8(9) chart, Added instructions to notify P&A if remittance is discovered in HCTC documentation, allowing further research to be performed. IPU 20U1243 issued 11-17-2020
- (5) IRM 3.11.29.9(4) second row in chart, Removed duplicate IRM reference. IPU 21U0749 issued 05-19-2021
- (6) IRM 3.11.29.9(4) second row in chart, Replaced Letter 4541 with Letter 4540, with appropriate correspondence fill-in, due to Letter 4541 no longer being used. IPU 21U0741 issued 05-18-2021
- (7) IRM 3.11.29.9.1.1(7) (c) Fixed grammatical error. IPU 21U0749 issued 05-19-2021
- (8) IRM 3.11.29.9.2(5) Added instruction to edit QFMP dates due to 24-month eligibility legislation. IPU 21U0439 issued 03-19-2021
- (9) IRM 3.11.29.9.4(3) Added re-enrollments to the vendor verification requirement. IPU 21U0120 issued 01-21-2021
- (10) IRM 3.11.29.9.4(3)(b) Removed P&A and replaced with HQ, since HQ obtains required fields from vendors. IPU 21U0120 issued 01-21-2021
- (11) IRM 3.11.29.9.4(5) Updated paragraph number due to Letter 4540 revision. IPU 21U0741 issued 05-18-2021
- (12) IRM 3.11.29.9.4(11) Added instruction to remove COBRA dates when a participant indicates that they are changing to a non-COBRA plan. IPU 21U0120 issued 01-21-2021
- (13) IRM 3.11.29.9.6(2) (b) Replaced Letter 4541 with Letter 4540. IPU 21U0741 issued 05-18-2021
- (14) IRM 3.11.29.10 (Note) Added instruction to notify P&A when a participant is moved out of enrolled status, allowing further research to be performed. IPU 20U1243 issued 11-17-2020
- (15) IRM 3.11.29.10 chart, Clarified status selection when HPA is not enrolled or qualified. IPU 21U0346 issued 03-05-2021
- (16) IRM 3.11.29.10(2) chart, Removed Letter 4541 references and updated title and paragraphs for Letter 4540. IPU 21U0741 issued 05-18-2021

- (17) IRM 3.11.29.10(2) (Second Note) Deleted note since Letter 4541 is no longer used. IPU 21U0741 issued 05-18-2021
- (18) IRM 3.11.29.12(7) Added additional year for files storage due to the one-year extension. IPU 21U0120 issued 01-21-2021
- (19) IRM 3.11.29.13 chart, Removed Letter 4541 reference and updated Letter 4540 title and purpose. IPU 21U0741 issued 05-18-2021
- (20) IRM 3.11.29.13(12) (Note) Deleted references to faxes due to US Bank now only accepting emails. IPU 21U0346 issued 03-05-2021
- (21) IRM 3.11.29.13.1(3) Updated status due to "Cancelled-Permanent Ineligibility" no longer in use. IPU 21U0439 issued 03-19-2021
- (22) IRM 3.11.29.13.4 Updated title for Letter 4540. IPU 21U0741 issued 05-18-2021
- (23) IRM 3.11.29.13.4(1) Updated title and purpose for Letter 4540 due to the merging of Letter 4541 onto Letter 4540. IPU 21U0741 issued 05-18-2021
- (24) IRM 3.11.29.13.4(3) (4) Removed Letter 4541 references and instructions. IPU 21U0741 issued 05-18-2021
- (25) IRM 3.11.29.13.4(6) Updated number of selectable paragraphs on Letter 4540 due to revision. IPU 21U0741 issued 05-18-2021
- (26) IRM 3.11.29.13.4(6) (e) Updated paragraphs due to Letter 4540 revision. IPU 21U0741 issued 05-18-2021
- (27) IRM 3.11.29.13.4(6) (Reminder) Removed due to Letter 4541 no longer being used. IPU 21U0741 issued 05-18-2021
- (28) IRM 3.11.29.13.4(6) Updated titles of paragraphs throughout, Letter 4540, due to the merging of Letter 4541 onto Letter 4540. IPU 21U0741 issued 05-18-2021
- (29) IRM 3.11.29.13.4(9) Updated Enclosure title due to Letter 4540 revision. IPU 21U0741 issued 05-18-2021
- (30) IRM 3.11.29.13.4(10) Added instruction for incomplete replies after 45-day suspense period and clarified which paragraphs should be selected on Letter 4540 when corresponding a second time. IPU 20U0913 issued 08-14-2020
- (31) IRM 3.11.29.13.5 Deleted section due to Letter 4541 no longer being used. IPU 21U0741 issued 05-18-2021
- (32) IRM 3.11.29.13.5(9) Added instruction for incomplete replies after 45-day suspense period and clarified which paragraphs should be selected on Letter 4540 when corresponding a second time. IPU 20U1012 issued 09-16-2020
- (33) IRM 3.11.29.13.10(2) Changed Beckley Finance Center to IRS Beckley Office.
- (34) IRM 3.11.29.14(5) (d) Added instruction to route substitute Form 4442 to QR. IPU 21U0976 issued 07-23-2021
- (35) IRM 3.11.29.14(5) (d) (Note) Fixed grammatical error. IPU 21U0741 issued 05-18-2021

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- (36) IRM 3.11.29.15(7) chart, Corrected QFM qualifying date, due to Medicare eligibility, since both Medicare recipient and qualifying family member are eligible the entire birth month in which the Medicare recipient turns 65. IPU 21U0267 issued 02-16-2021
  - (37) IRM 3.11.29.15(8) (b)(c) Added form number to clarify where information is pulled from. IPU 21U0741 issued 05-18-2021
  - (38) IRM 3.11.29.15(8) (f) Added additional instruction for when an eligible participant does not have an established PIN. IPU 21U0741 issued 05-18-2021
  - (39) IRM 3.11.29.15(8) (g) Added instruction to elevate to P&A when eligible recipient is included in Part 3, Form 13441-A to allow for additional research. IPU 21U0439 issued 03-19-2021
  - (40) IRM 3.11.29.15(8) (j) Added instruction to enter eligible recipient's name and PIN on QFMP's record in order to record source of eligibility. IPU 21U0439 issued 03-19-2021
  - (41) IRM 3.11.29.15(8) (j) Removed duplicate instruction already included in (8)(f). IPU 21U0741 issued 05-18-2021
  - (42) IRM 3.11.29.15(8) (k) Added instruction to enter QFMP's name and PIN on eligible recipient's record in order to record QFMP's source of eligibility. IPU 21U0439 issued 03-19-2021
  - (43) IRM 3.11.29.16(3) (f)(g) Reversed bullets to correct order of processing steps. IPU 21U0741 issued 05-18-2021
  - (44) IRM 3.11.29.16(7) Added instruction for P&A to send HQ confirmation of Form 14095 correspondence.
  - (45) IRM 3.11.29.16.3 (c) Removed suspense instruction due to Form 14095 being processed by P&A and not by Tax Examiners. IPU 20U0913 issued 08-14-2020
  - (46) IRM 3.11.29.18 Clarified Form 1034 reimbursement process. IPU 21U0976 issued 07-23-2021
  - (47) IRM 3.11.29.18 Replaced individuals with participants for consistency. IPU 21U0976 issued 07-23-2021
  - (48) IRM 3.11.29.18(4) (b) Replaced individuals with participants for consistency. IPU 21U0976 issued 07-23-2021
  - (49) IRM 3.11.29.18(5) Added instruction for P&A to send HQ confirmation of Form 1034 correspondence. IPU 21U0976 issued 07-23-2021
  - (50) IRM 3.11.29.18(6) Removed ET instructions due to HQ handling vendor 1034's. IPU 21U0556 issued 04-09-2021
  - (51) IRM 3.11.29.18(6) Replaced reimbursement with disbursement. IPU 21U0976 issued 07-23-2021
  - (52) IRM 3.11.29.18(7) Updated where 1034's are entered in the HCTC Database. IPU 21U0741 issued 05-18-2021
  - (53) IRM 3.11.29.18(7)(b) Updated back-up certifying officer for vendor's SF-1034 due to operational staffing changes. IPU 20U1012 issued 09-16-2020
  - (54) IRM 3.11.29.18(7)(b) Updated back-up certifying officer for vendor's SF-1034 due to operational staffing changes. IPU 21U0439 issued 03-19-2021
  - (55) IRM 3.11.29.18.1(1) Replaced reimbursement with disbursement. IPU 21U0976 issued 07-23-2021

- (56) IRM 3.11.29.18.1(1) (2nd bullet) Updated 1034 completion instructions due to the Enrollment Team no longer preparing. IPU 21U0741 issued 05-18-2021
- (57) IRM 3.11.29.20.2 (a) Deleted instruction due to Beckley no longer sending monthly notifications. IPU 21U0741 issued 05-18-2021
- (58) IRM 3.11.29.21 Deleted references to faxes due to US Bank now only accepting emails. IPU 21U0346 issued 03-05-2021
- (59) IRM 3.11.29.21(9)(a) Deleted fax number and added new email address. IPU 21U0346 issued 03-05-2021
- (60) IRM 3.11.29.22(1) Replaced Lockbox with CFO due to CFO sending insufficient funds notifications. IPU 21U0741 issued 05-18-2021
- (61) IRM 3.11.29.22(2) Removed P&A due to HQ working insufficient funds. IPU 21U0741 issued 05-18-2021
- (62) IRM 3.11.29.23 Changed section title to clarify type of rejected payment. IPU 21U0741 issued 05-18-2021
- (63) IRM 3.11.29.23(1) Removed incorrect instruction for this section. IPU 21U0741 issued 05-18-2021
- (64) IRM 3.11.29.23(2) Removed P&A due to HQ working rejected vendor payments. IPU 21U0741 issued 05-18-2021
- (65) IRM 3.11.29.23(3) Added CFO instruction for sending rejected vendor payment notifications. IPU 21U0741 issued 05-18-2021
- (66) IRM 3.11.29.25(1) Added additional year for files storage due to the one-year extension. IPU 21U0141 issued 01-25-2021
- (67) IRM 3.11.29.27(4) Changed Beckley Finance Center to IRS Beckley Office.
- (68) Various editorial changes made throughout to update spelling, grammar, IRM references, etc.
- (69) Exhibit 3.11.29-5 Deleted due to Letter 4541 no longer being used. IPU 21U0741 issued 05-18-2021

## **EFFECT ON OTHER DOCUMENTS**

IRM 3.11.29, Health Coverage Tax Credit (HCTC) Enrollment Processing dated June 24, 2020, is superseded. The following IRM Procedural Updates (IPUs) issued August 14, 2020 through July 23, 2021, have been incorporated into this IRM: 20U0913, 20U1012, 20U1243, 21U0120, 21U0141, 21U0267, 21U0346, 21U0439, 21U0556, 21U0741, 21U0749, and 21U0976.

## **AUDIENCE**

Employees in the Austin Submission Processing Center and Customer Service Representatives in Accounts Management.

James L. Fish  
Director, Submission Processing  
Wage and Investment Division

3.11.29

Health Coverage Tax Credit (HCTC) Enrollment Processing

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3.11.29.1  
(12-08-2017)  
**Program Scope and Objectives**

- (1) **Purpose:** This IRM provides guidance on the Health Coverage Tax Credit (HCTC). The Enrollment Team evaluates eligibility for the monthly advance payment, enters information from Form 13441-A into a database, authorizes payment of the credit, and sets up approved HCTC vendors for ACH payments.
- (2) **Audience:** The HCTC Enrollment Team, in Austin, is the primary user of this IRM.
- (3) **Policy Owner:** The Director of Submission Processing
- (4) **Program Owner:** Wage and Investment (W&I) Submission Processing
- (5) **Primary Stakeholders:** The HCTC Enrollment Team in Austin
- (6) **Program Goals:** The information contained in this IRM provides the HCTC Enrollment Team instructions to evaluate eligibility for the advance monthly payments of the HCTC.

3.11.29.1.1  
(01-21-2021)  
**Background**

- (1) The Health Coverage Tax Credit (HCTC), authorized in the Trade Adjustment Assistance Reform Act of 2002, first became effective for coverage months beginning after August 6, 2002. The HCTC later expired for coverage months after 2013. But the Trade Adjustment Assistance Reauthorization Act of 2015 restored the HCTC retroactively for 2014 coverage, erasing the hiatus in its duration, and extended it for coverage through the end of 2019. On December 20, 2019, Congress passed H.R. 1865, Further Consolidated Appropriations Act, 2020, which included an extension of the HCTC program through December 31, 2020. HCTC Legislation was extended again, through December 31, 2021, under The Taxpayer Certainty and Disaster Tax Relief Act of 2020, Section 134.
- (2) The HCTC subsidizes most of the cost of qualified health insurance for eligible individuals and their eligible family members. The credit pays 72.5% of the insurance premiums while the participant enrolled in the program pays 27.5% of the premiums.
- (3) Eligibility for the HCTC is restricted to two groups of individuals:
  - a. Individuals who are eligible for benefits under the program Trade Adjustment Assistance (TAA) because of a qualifying job loss and receive benefits through the Trade Readjustment Allowance (TRA), Reemployment Trade Adjustment Assistance (RTAA), or Alternative Trade Adjustment Assistance (ATAA)
  - b. Individuals who are between 55 and 64 years old, whose defined benefit pension plans were taken over by the Pension Benefit Guaranty Corporation (PBGC), and are not enrolled in Medicare
- (4) Individuals eligible for the HCTC are allowed the tax credit only if:
  - a. they aren't enrolled in certain government-or employer-subsidized health coverage (Medicaid, for instance).
  - b. they aren't eligible for other specified coverage (Medicare Part A or TRICARE) and
  - c. they cannot be claimed as a dependent on another person's federal income tax return.

- (5) To apply for the HCTC, applicants submit Form 13441-A, Health Coverage Tax Credit (HCTC) Monthly Registration and Update, and the required supporting documents to IRS, Mail Stop 6098 AUSC, Austin, TX 78741.

3.11.29.1.2  
(12-08-2017)  
**Authority**

- (1) Authority for these procedures is found in Internal Revenue Code IRC 7527.
- (2) All Policy Statements for Submission Processing are contained in IRM 1.2.1.4, Policy Statements for Submission Processing Activities.

3.11.29.1.3  
(12-08-2017)  
**Roles and Responsibilities**

- (1) The Director of Submission Processing oversees policy and guidance for employees of the Austin Submission Processing Center and ensuring consistent application of policies and procedures to effect tax administration while protecting taxpayers' rights.
- (2) The Submission Processing Field Director, reports to the Director Submission Processing, and manages the delivery of policy and guidance that impacts the HCTC Advance Monthly Payment process.
- (3) The Operation Manager implements policy and guidance that impacts the HCTC Advance Monthly Payment process.
- (4) All employees must perform their professional responsibilities in a way that supports the IRS Mission in order to provide top quality service and to apply the law with integrity and fairness to all.

3.11.29.1.4  
(05-24-2019)  
**Program Reviews**

- (1) The HCTC program is an unmeasured program for production. However, due to the nature of the program, all applications, changes, reimbursement requests, and correspondence are 100% quality reviewed.
- (2) Instructions issued by the P&A Staff are reviewed by Planning & Analysis (P&A) and/or Headquarters (HQ). The Quality Review team should ensure that the instructions are correctly followed but are not responsible for reviewing the content of those instructions.

**Note:** If the Quality Review team is concerned about the potential impact of an instruction issued, they may elevate through the HCTC Coordinator for verification.

3.11.29.1.5  
(12-08-2017)  
**Program Controls**

- (1) IRS will implement access control measures that will provide protection from unauthorized alteration, loss, unavailability, or disclosure of information. Access controls will follow the principle of access enforcement, least privilege, separation of duties, system-use notifications, session locks, and session lock-control enhancements as defined in IRM 10.8.1, Information Technology (IT) Security, Policy and Guidance.

3.11.29.1.6  
(12-11-2018)  
**IDRS Notice Issuance**

- (1) While working assigned cases, Submission Processing employees may come across some accounts that are blocked on IDRS and can be identified by an IDRS security violation message, "Unauthorized Access to this Account". Forward the case to your manager. Managers will notify the local Planning & Analysis Staff who will scan the case and send encrypted information to the

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case in a file awaiting access (can take up to 5 business days). Once notified access has been granted, the documents can be worked following applicable procedures.

3.11.29.1.7  
(05-24-2019)  
**Acronyms**

- (1) Following are commonly used acronyms:

Acronym	Meaning
ATAA	Alternative Trade Adjustment Assistance
COBRA	Consolidated Omnibus Budget Reconciliation Act
DOL	Department of Labor
DPO	Document Perfection Operation
DSRA-BT	Delphi Salaried Retirees Association Benefit Trust
HCTC	Health Coverage Tax Credit
HPA	Health Plan Administrator
IDRS	Integrated Data Retrieval System
P&A	Planning and Analysis
PBGC	Pension Benefit Guaranty Corporation
PIN	Participant Identification Number
QFM	Qualifying Family Member
QFMP	Qualifying Family Member Participant
RCO	Receipt Control Operation
RTAA	Reemployment Trade Adjustment Assistance
SWA	State Workforce Agency
TAA	Trade Adjustment Assistance
TPA	Third Party Administrator
TRA	Trade Readjustment Allowance

3.11.29.2  
(12-08-2017)  
**Deviations from the IRM**

- (1) Service Center Directors, Headquarter Branch Chiefs, and Headquarter Analysts do not have the authority to approve deviations from IRM procedures. Any request for an exception or deviation to an IRM procedure must be elevated through appropriate channels for executive approval. This will ensure that other functional areas are not adversely affected by the changes and that it does not result in disparate treatment of taxpayers.
- (2) See guidelines in **IRM 1.11.2, Internal Revenue Manual (IRM) Process**. Request for an IRM deviation must be submitted in writing and signed by the Field Director, following instructions from IRM 1.11.2.2.4. Any disclosure issues will be coordinated by the Program Owner. No deviations can begin until they

are reviewed by the Program Owner and approved at the Executive Level. All requests must be submitted to the Submission Processing Headquarters IRM Coordinator.

3.11.29.3  
(12-11-2018)

**Reporting Time -  
Organization Function  
Program (OFP)**

- (1) Report all time spent in processing or handling HCTC forms with the organization, program, and function codes (OFP) below.

Function/ Program	WP&C Title	Application Type
390-84310	F14095	Original Form 14095
390-84311	14095COR	F14095 correspondence
390-84312	14095RPL	F14095 reply to correspondence
390-84313	14095NOR	F14095 without a reply to correspondence
390-84330	HCTC	New Form 13441-A applications
390-84331	HCTCUPDT	Updated F13441-A applications
390-84332	HCTC4442	Inquiries with Form 4442 or from US Bank
390-84333	HCTCCORR	Forms with correspondence (suspense)
390-84334	HCTCRPLY	Forms with a reply to correspondence
390-84335	HCTCNORP	Forms without a reply to correspondence
770-84310	F14095	Clerical - Form 14095
770-84330	HCTC	Clerical - Form 13441-A

3.11.29.4  
(06-28-2019)

**HCTC Program General  
Information**

- (1) All forms, correspondence, or other participant documentation must be processed following the general guidelines below.
- (2) Any necessary editing should be done in erasable red ink.

**Note:** Remove all editing marks prior to returning any document to an applicant.

- (3) TE stamp each document processed.
- (4) Verify the received date is present and legible. If not, edit the first available date from the list below in the "Rcvd MMDDYY" format.
- Latest postmark on the envelope, the latest date from a designated private delivery service, or electronic transmission date (date of fax or e-mail)
  - Service Center Automated Processing System (SCAMPS) digital date
  - Participant's latest signature date
  - Today's date

- (5) All forms, correspondence, and documentation should be stapled to the back of Form 13441-A, Health Coverage Tax Credit (HCTC) Monthly Registration and Update, in Received Date order with the oldest (Original) Form 13441-A stapled to the top. If an updated Form 13441-A is submitted, then any prior Form 13441-A should be "X'd."
- (6) If any information on HCTC forms is "X'd," crossed out, or lined through, either pre-printed or manually, it should be considered invalid.
- (7) If a record is entered in error, refer the application to the HCTC Coordinator.
- (8) Never obliterate, alter or erase the original entry on a document when deleting or correcting an entry. Circle out invalid information, making sure the original entry remains legible.
- (9) When detaching documentation, edit an action trail:

- a. On the application, which includes:
  - Item detached
  - Current Date (MMDDYY)
  - Participant Identification Number

**Example:** Detached F13441-A, pg. 3 030819 10000XXXXX

- b. On the detached document, which includes:
  - Form the document was detached from
  - Current Date (MMDDYY)
  - Participant's Name
  - Participant Identification Number

**Example:** Detached F13441-A 030819 [Name] 10000XXXXX

- (10) Comments must be entered into the HCTC database for any correspondence, inquiry, or action to participants account. Comments must be specific and include the nature of the action taken.
- (11) If a change to the participant's database entry changes the "Last Modified" date, all entries in the database must be verified for accuracy. Ensure all information in the database is supported by documentation in the applicant's file.

**Note:** Not all database actions affect the "Last Modified" date. If the requested change results only in changes to the comments, it is not required to verify the entire database record.

- (12) Anytime a record is updated in the database, see IRM 3.11.29.12, Setting the Status of the Application.
- (13) The participant's file should be present when processing updates which affect the **Last Modified** date, to allow the required research to be performed.

**Exception:** End-of-year attestation spreadsheets are received from the vendor and allow for rate changes only; TE's are not required to review all entries. The participant's file is not required to be present if submitted per this exception, however the Forms 4442 will need to be added to each participant's file no later than one week following the update.

- (14) Forms and correspondence received by the HCTC Enrollment Team are to be processed or routed within 5 business days from the date received by the Enrollment Team.

**Exception:** Some forms and correspondence received for processing by the HCTC Enrollment Team are not effective until a future date. Review any item effective on a future date for correspondence conditions and correspond if necessary. Once the file is processable, suspend until the 20th day of the month prior to the effective date.

- (15) If the participant's Participant Identification Number begins with 100006, they are an interim participant who was added to the program before the current database was available. When processing a change to an interim participant's database entry, review **all blank fields** (both required and non-required).
- (16) In some cases, it is necessary to elevate a question or issue to P&A and/or HQ for resolution. Once elevated, suspend the document until a response is received but not longer than 10 business days. Once a response is received, the document should be rebatched and processed following normal timeliness guidelines.
- (17) Some database fields have character restrictions which prevent information from being entered as provided/perfected. If one or more characters are invalid for the field, enter the information while omitting the special character.

**Example:** Policy or plan ID is an alpha-numeric field. 00-XXXXXX will be entered as 00XXXXXX, since this field cannot accept special characters, including hyphens (-)

3.11.29.5  
(01-01-2022)  
**Access to the HCTC  
Database**

- (1) For Tax Examiners to process, edit, and review HCTC forms, they must request access to the HCTC Database through the Business Entitlement Access Request System (BEARS).
- (2) Roles are granted based on job duties as follows:

Role	BEARS Application Name and Group
Clerk	PROD USER HCTC CLERK DR USER HCTC CLERK
Examiner	PROD USER HCTC TAX EXAMINER
Reviewer	PROD USER HCTC QUALITY REVIEWER DR USER HCTC QUALITY REVIEWER
Customer Service	PROD USER HCTC READ ONLY DR USER HCTC READ ONLY
Admin	PROD USER HCTC ADMIN (HEALTH COVERAGE TAX CREDIT-HCTC)
Reports	PROD USER HCTC REPORTS (HEALTH COVERAGE TAX CREDIT-HCTC)

- (3) A warning that the database is for authorized use only appears when accessing the database. Users must accept the terms of use to open the database.

3.11.29.6  
(08-20-2018)  
**Form 13441-A, Health Coverage Tax Credit (HCTC) Monthly Registration and Update**

- (1) Form 13441-A, Health Coverage Tax Credit (HCTC) Monthly Registration and Update, is processed in two operations in Austin Submission Processing: Receipt & Control (RCO) and Document Perfection (DPO).
  - a. In RCO, clerks receive, extract, and Receive Date stamp Form 13441-A. RCO then routes Form 13441-A to DPO's Entity Enrollment Team at AUSC Stop 6098 at the Austin Service Center.
  - b. In DPO, clerks in the Entity Enrollment Team batch Form 13441-A. Tax Examiners screen enrollment Forms 13441-A for completeness and to determine any need for correspondence. They will accept or correspond for the correction of defects.

3.11.29.7  
(01-21-2021)  
**Batching Form 13441-A**

- (1) Batching Form 13441-A, Health Coverage Tax Credit (HCTC) Monthly Registration and Update, occurs in the Entity Enrollment Team.
- (2) Separate new Forms 13441-A from updated Forms 13441-A. Batch new and old separately.

**Note:** Applicants who update their registration may check box 7 on page 1 of Form 13441-A.
- (3) Follow instructions in IRM 3.10.5.6.4, Image Control Team (ICT) Batch Creation Screen, for creating batches in the BBTS system.
- (4) Batch Forms 13441-A by the date the form was received in Entity, in groups of 25. Each form in the batch must have been received on the same date.
- (5) Print batch transmittals and associate the transmittals with their batches.
- (6) Stage batches by the date received in the designated work area.

3.11.29.8  
(11-17-2020)  
**Initial Review of Form 13441-A**

- (1) Verify the applicant signed the form in Part 6 prior to updating the database. See IRM 3.11.29.9.6, Inputting Form 13441-A Part 6: Form Completion.
- (2) Edit a Received Date on the first page of Form 13441-A, if missing. See IRM 3.11.29.4, HCTC Program General Information.
- (3) Stamp your Tax Examiner number in the upper left of the first page of Form 13441-A.
- (4) Verify Form 13441-A is batched correctly. If the form is in the wrong batch, remove the form and have the clerk re-batch.
- (5) New enrollments should be reviewed for QFMP status, see IRM 3.11.29.15, Qualifying Family Member Participant (QFMP).
- (6) A health insurance bill (or other document(s) which meet the criteria below) dated within the last sixty days must be present when enrolling or if updating their vendor and/or premium information. If information below is not available, see IRM 3.11.29.13, Correspondence:
  - a. Name of applicant (may be the policy holder or a covered individual on policy. See IRM 3.11.29.9, Inputting Form 13441-A.)
  - b. Dates of coverage
  - c. Amount of monthly premium

**Note:** Due to other benefits and/or family members not enrolled in the HCTC, the premium on the bill may differ from Form 13441-A. Do not perfect entries on Form 13441-A based on the supporting documents unless verified by the HCTC Coordinator.

d. Name of Health Plan Administrator (HPA)

**Note:** Forms submitted by the participant to their administrator in order to elect coverage are not acceptable in lieu of a bill.

(7) Updated Forms 13441-A require a signature in order to be processed. New enrollments and certain updates require the certification checkbox in Part 2 to be checked (see IRM 3.11.29.9.2).

**Note:** Other than the signature and certification checkbox, participants are only required to enter the fields being modified when submitting an updated Form 13441-A. Requirements for perfecting Form 13441-A are provided in the relevant IRM subsections for each part.

(8) If the signature is not present, do not update the database until a response is received. See IRM 3.11.29.9.6.

(9) If a remittance is discovered in any HCTC documentation:

If ...	Then ...
a) Payable to "US Treasury - HCTC"	Notify P&A, then send remittance and payment coupon (if available) to: US Treasury - HCTC PO Box 970023 St. Louis, MO 63197-0023
b) Payable to another entity: <b>Example:</b> IRS, Federal Reserve, or a HPA/TPA vendor	Determine the intent of the payment from the documents in the application packet or correspondence. a. If it is determined remittance is for HCTC, see (9) box a (Payable to "US Treasury-HCTC"). b. If it is determined remittance is not for the HCTC, see IRM 3.8.46.1 Discovered Remittances. c. Elevate to P&A if unable to determine type of remittance.

3.11.29.9

(05-19-2021)

## Inputting Form 13441-A, Health Coverage Tax Credit (HCTC) Monthly Registration and Update, Into the Database

(1) Before entering Form 13441-A, Health Coverage Tax Credit (HCTC) Monthly Registration and Update, into the database, search for an existing application from the participant already in the database.

(2) If the applicant is already in the database:

And...	Then...
1) The documents are a response to correspondence and the status of the applications is "Waiting for supporting documentation"	<ul style="list-style-type: none"> <li>Enter the requested items into the database</li> <li>Change any information in the database the applicant changed in the response</li> </ul>
2) The documents are a response to correspondence and the status of the application is "Cancelled-Ineligible"	Refer to HCTC Coordinator
3) The document is not a response to correspondence and doesn't change the information in the database	Consider the Form 13441-A a duplicate and associate it with the original Form 13441-A. See IRM 3.11.29.13, Correspondence.
4) The document is not a response to correspondence; however, it changes information in the database and the status of the application isn't "Declined," "Cancelled-Ineligible," or "Enrolled"	<ul style="list-style-type: none"> <li>Revise the affected information in the database and modify the applicant's status, if needed</li> <li>Associate the response with the original application</li> <li>Consider the submission a superseding or supplementary Form 13441-A</li> </ul>

(3) If the applicant is not yet in the database, determine which name should be listed as the applicant in the database:

If	And	Then
The eligible recipient is the policy holder		Enter the record under the eligible recipient
The eligible recipient is not the policy holder	The eligible recipient is covered on the policy	Enter the record under the policy holder's name from Part 4 and enter the eligible recipient as a family member in part 3.

If	And	Then
The eligible recipient is not the policy holder	The eligible recipient: a. Is not covered on the policy b. Is currently eligible for HCTC. See IRM 3.11.29.9.1.1, Determining Eligibility.	Enter the record under the policy holder's name indicated in Part 4 and see information on separate coverage below.
The eligible recipient is not the policy holder	The eligible recipient: a. Is not covered on the policy b. Is divorced from the applicant or is <b>not</b> currently eligible for HCTC. See IRM 3.11.29.9.1.1, Determining Eligibility.	See IRM 3.11.29.15, Qualifying Family Member Participant, for information on determining QFMP eligibility and database entry.

- (4) If the eligible recipient and the QFM(s) have separate coverage and Participant Identification Numbers are not already established for each:

If ...	Then ...
A separate Part 4 is provided for each individual with separate coverage	<ol style="list-style-type: none"> <li>1. Detach family member's Page 3 (Part 4) from the original application. The family member needs to submit a separate Part 4 only. They do not need to submit a separate Form 13441-A.</li> <li>2. Enter information as a separate record to establish a new PIN for the family member who has a separate health plan.</li> <li>3. Edit new family member's PIN, above Part 4: Health Plan Information, in right corner and process the application.</li> <li>4. Edit action trail per IRM 3.11.29.4, HCTC Program General Information.</li> </ol>
A separate Part 4 is not provided	<ol style="list-style-type: none"> <li>1. Enroll any participant with complete information provided.</li> <li>2. Correspond for missing Part 4 with Letter 4540, paragraph 13, with the following fill-in: You indicated that you have a separate qualified plan. Please provide a copy of page 4, Form 13441-A, and use Part 4 to provide your health insurance information.</li> </ol>

**Note:** If each PIN is already established, process the update(s) to the applicable database records.

- (5) If the record is being established under someone other than the eligible recipient, edit the file as follows:
  - a. Edit the eligible recipient in Part 1, if not already present.
  - b. Edit the policy holder in Part 4, if not already present.
  - c. Include the name entered into the database beside the PIN in the top right corner of Form 13441-A.
  - d. Part 3 will be completed normally if there is more than one person on the policy.

3.11.29.9.1  
(06-28-2019)  
**Inputting Form 13441-A,  
Part 1: Your General  
Information**

- (1) Enter the received date and participant provided information from Part 1: Your General Information of Form 13441-A, Health Coverage Tax Credit (HCTC) Monthly Registration and Update, into the relevant fields of the database.

**Part 1: Your General Information**

HCTC Eligible Recipient name (*First, Middle Initial, Last, Suffix*)

Social Security Number (SSN)	Date of birth ( <i>mm/dd/yyyy</i> )	Primary telephone number	Alternate telephone number
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Mailing Address (*Street Number, City, State, ZIP*)

**Figure 3.11.29-1 Part 1 of Form 13441-A**

- (2) The fields for the HCTC Database, Part 1, General Information, are as follows; see (3) below for exceptions and requirements:

Field Items	Format	Length	Required
IRS Received Date Stamp	Numeric	8	Yes
First Name	Alphanumeric	25	Yes
Middle Name	Alpha	25	No
Last Name	Alphanumeric	35	Yes
Suffix	Alphanumeric	10	No
Social Security Number	Numeric	9	Yes
Date of Birth	Numeric	8	Yes
Primary Phone Number	Numeric	10	No
Alternative Phone Number	Numeric	10	No
Mailing Address Line 1	Alphanumeric	55	Yes
Mailing Address Line 2	Alphanumeric	55	No
City	Alpha	30	Yes
State	Alpha	2	Yes

Field Items	Format	Length	Required
Zip Code	Numeric	15	Yes

- (3) Certain fields have additional requirements and/or restrictions:
- Received Date (New enrollments only): If the received date is missing, invalid, or illegible, see IRM 3.11.29.4. Do not change this field if updates are received.
  - First Name/Middle Name/Last Name: Do not abbreviate. Type as written until you reach the end of the field.
  - Social Security Number (SSN): If the SSN on Form 13441-A is invalid and cannot be located, research CC INOLES. If still unable to confirm, then elevate to HCTC Coordinator. Do not enter the record into the database until a valid SSN has been identified.
  - Mailing Address Line 1 / Mailing Address Line 2:
    - If mailing address is missing/incomplete, perfect Form 13441-A from the database. For a new enrollment, or if no current address appears in the database, see IRM 3.11.29.13, Correspondence.
    - If mailing address is invalid or illegible, perfect the defective elements (house number, street name, apartment number, etc.) using the envelope or attachments. If the address on the envelope or attachments does not appear to be the same address as Form 13441-A, do not perfect based on this information.
    - If both a PO Box and a street address are present, enter the street address in the Mailing Address Line 1 field, and the PO Box in the Mailing Address Line 2 field.
  - Zip Code: Do not correspond for a missing zip code, but review the attached documents, envelopes, and/or <https://www.usps.com/> to determine the correct zip code.
- (4) Except as specified by (3) above, if any **required** information is missing, invalid, or illegible, perfect it with information from the file. Circle out any incorrect information, edit the perfected information onto Form 13441-A, and enter into the database. Correspond per IRM 3.11.29.13, Correspondence if information cannot be perfected.
- (5) If any **non-required** information is missing, invalid, or illegible, it is not required to perfect. Invalid or illegible information must be circled out. Do not correspond for non-required information.

**Note:** TEs **may** perfect any non-required information that they identify during processing. When perfecting non-required information, edit the information on Form 13441-A and enter into the database.

- (6) When processing new enrollments, an eligibility indicator appears after the SSN is entered. See IRM 3.11.29.9.1.1, Determining Eligibility.
- (7) After the SSN has been entered, the database will use the TIN-V process to validate and auto-fill the date of birth and address information into the database.

**Note:** It is not necessary to correct or review the date of birth, but the address must be corrected to reflect the information provided on Form 13441-A.

- (8) If the SSN fails TIN-V, the status will change to either “Ineligible: Could Not Validate TIN at This Time” or “Cancelled - Ineligible: TIN Validation Failure,” and the application must be elevated to P&A. When elevating to P&A, include the complete file and an IDRS screen shot of the CC INOLES screen.

3.11.29.9.1.1  
(05-19-2021)

## Determining Eligibility

- (1) Eligibility for the HCTC is restricted to two groups of individuals.
- Individuals who are eligible for benefits under the program Trade Adjustment Assistance (TAA) because of a qualifying job loss and receive benefits through the Trade Readjustment Allowance (TRA), Reemployment Trade Adjustment Assistance (RTAA), or Alternative Trade Adjustment Assistance (ATAA).
    - TRA is a weekly cash payment for workers no longer eligible for unemployment benefits
    - RTAA is a wage supplement for workers who are 50 or older and certified eligible under the terms of the TAA and find employment at a lower wage
    - ATAA is a wage insurance like RTAA
  - Individuals who are between 55 and 64 years old, whose defined benefit pension plans were taken over by the Pension Benefit Guaranty Corporation (PBGC) and are not enrolled in Medicare.
- (2) An individual is eligible for the HCTC on the first day of a month if the individual received a TAA benefit for any day in that month or the month before.
- (3) Only individuals who receive cash benefits through the TRA, RTAA, or ATAA may be certified eligible for the HCTC. Individuals who receive non-cash benefits, such as assistance with looking for a job, aren't eligible for the HCTC.
- (4) To determine the applicant's eligibility for the HCTC, the database checks the record created from Form 13441-A, Health Coverage Tax Credit (HCTC) Monthly Registration and Update, against information from the Department of Labor (DoL) and PBGC. The Enrollment Team receives eligibility files from the DoL daily and the PBGC monthly.
- (5) Enter the applicant's SSN into the database. If the eligibility indicator “**Individual is Eligible** (Code 00)” appears, proceed with creating the record.
- (6) If after entering the applicant's SSN into the database, the eligibility indicator does **not** appear:
- Verify the SSN with CC INOLES in IDRS.
    - If the SSN on Form 13441-A doesn't belong to the applicant, search IDRS for the valid SSN with CC NAMES or within the supporting documentation.
    - If the applicant entered the wrong SSN on Form 13441-A, replace the incorrect SSN in the database with the valid SSN retrieved from CC NAMES or from the supporting documents. Write the correct SSN in the margin to the left of the box for the SSN.
    - Proceed with creating the record in the database.
  - Verify a letter of eligibility from the DoL, PBGC, or relevant Form 1099-R, Distributions from Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc., is present.

- If present, consider the applicant eligible and proceed with processing Form 13441-A. Perfect the eligibility type (TAA/PBGC) in Part 2 of Form 13441-A to match the supporting documentation provided.
- If not present, see IRM 3.11.29.13, Correspondence.

- (7) An applicant with an **IRSN or ITIN is ineligible for the HCTC**. If the applicant's TIN is an ITIN or IRSN:
- a. Do not enter the Form 13441-A into the database.
  - b. Send correspondence Letter 4540 to the participant. See IRM 3.11.29.13.4, Correspondence, Letter 4540.
  - c. Choose Paragraph 13 with the following fill-in: IRSN or ITIN is ineligible for the HCTC.
  - d. Return Form 13441-A and all supporting documentation to the applicant.
- (8) An applicant is not eligible after becoming eligible for Medicare at age 65. Correspond using letter 4540 and include the following open paragraph: "You or a family member is eligible to enroll in Medicare." See IRM 3.11.29.13.4, Correspondence, Letter 4540.

3.11.29.9.2  
(03-19-2021)  
**Inputting Form 13441-A,  
Part 2: Confirm Your  
Eligibility**

- (1) Enter the information from Part 2: Confirm Your Eligibility of Form 13441-A, Health Coverage Tax Credit (HCTC) Monthly Registration and Update, into the relevant fields of the database and update the QFMP information, if applicable.

**Part 2: Confirm Your Eligibility**

Check the box that applies to you to certify that the statement is true:

- ☐ The HCTC Eligible Recipient is a PBGC payee and 55 years old or older.
- ☐ The HCTC Eligible Recipient is an eligible Trade Adjustment Assistance (TAA), Alternative TAA (ATAA), or Reemployment TAA (RTAA) recipient.

You will check the box below if you are registering as the HCTC Eligible Recipient or Qualifying Family Member.

**Note:** Qualified Family members of HCTC eligible individuals may receive the HCTC for up to 24 months following the eligible individual's Medicare enrollment, death or divorce. For more information on Qualified Family Member eligibility, see Form 8885 instructions under Qualified Family Member.

- ☐ I certify that all of the following statements are true for me and my qualified family members.
- I/we are not enrolled in an Affordable Care Act Marketplace insurance.
  - I/we are covered by a qualified health plan for which I pay more than 50% of the premiums.
  - I/we are not enrolled in Medicare Part A, B, C, or D.
  - I/we are not enrolled in Medicaid or the Children's Health Insurance Program (CHIP).
  - I/we are not enrolled in the Federal Employees Health Benefits Program (FEHBP).
  - I/we are not enrolled in the U.S. military health system (TRICARE).
  - I/we are not imprisoned under federal, state, or local authority.
  - I/we are not claimed as a dependent on someone else's federal income tax return.

**Figure 3.11.29-2 Part 2 of Form 13441-A**

- (2) There are three steps to confirm participant eligibility:
- a. Confirming the participant is eligible through either PBGC or TAA
  - b. Confirming the participant meets general requirements
  - c. Confirming if the participant is a Qualifying Family Member Participant. See IRM 3.11.29.15, Qualifying Family Member Participant (QFMP).

- (3) For statement one, “Check the box that applies to you to certify that the statement is true”, if **neither or both** boxes are checked:

And	Then
1. Either are present: <ul style="list-style-type: none"> <li>• An official letter from the Pension Benefit Guaranty Corporation (PBGC) stating that the applicant received a benefit</li> <li>• Form 1099-R showing a benefit paid by the PBGC</li> </ul>	Select the PBGC button on the screen
2. Either are present: <ul style="list-style-type: none"> <li>• An official letter from the Department of Labor (DoL) states that the applicant is eligible for the trade adjustment benefits</li> <li>• A letter from a state workforce agency (SWA) or employment office states that the applicant is eligible for trade adjustments benefit</li> </ul>	Select the TAA, ATAA, or RTAA button on the screen
3. Neither box 1 nor box 2 above applies.	See IRM 3.11.29.13, Correspondence
4. Both box 1 and box 2 above applies.	Select the PBGC button on the screen

- (4) If the certification checkbox “I certify that all of the following statements are true for me and my qualified family member” is not checked:
- On a new enrollment, see IRM 3.11.29.13, Correspondence.
  - On an updated Form 13441-A, review the nature of the changes requested. The certification checkbox must be marked if either are true:
    - Changes to the covered individuals on the policy (adds, subtracts, or replaces). See IRM 3.11.29.9.3, Inputting Form 13441-A, Part 3: Family Member Information.
    - Changes to the health plan vendor in Part 4. See IRM 3.11.29.9.4, Inputting Form 13441-A, Part 4: Health Plan Information.
- Reminder:** The certification checkbox allows the participant to self-certify they meet the requirements for enrollment. As a result, it is not necessary to end participation in the program.
- (5) Select the third box and edit QFMP dates based on Medicare eligibility when the participant is enrolling as a QFMP. See IRM 3.11.29.15, Qualifying Family Member Participant (QFMP).

**Caution:** Do not confuse a QFM (see IRM 3.11.29.9.3) for a QFMP.

- (6) The database was updated on October 16, 2018, to include the QFMP fields. When updating records entered in the database prior to the update, the QFMP fields can be perfected, but it is not required. Correspondence should not be issued to perfect these fields.

3.11.29.9.3  
(06-28-2019)  
**Inputting Form 13441-A,  
Part 3: Family Member  
Information**

- (1) In Part 3: Family Member Information of Form 13441-A, Health Coverage Tax Credit (HCTC) Monthly Registration and Update, the applicant reports family members (other than themselves) registering for the HCTC.

**Part 3: Family Member Information**

If you have more than five (5) qualified family members, make a copy of this page and then complete this section for any additional family members.

Please list the total number of family members (*other than yourself*) you are registering for the Monthly HCTC.

☐ Check the box to certify that the following applies to each family member listed below:

- My family member is my spouse or claimed as a dependent on my federal income tax return and
- My family member meets all general requirements for the HCTC listed in Part 2 (*with the exception of the last bullet*).

<b>1</b>	Family member's name ( <i>First, Middle Initial, Last, Suffix</i> )	Social security number (SSN)	Date of birth ( <i>mm/dd/yyyy</i> )
	Relationship to you <input type="checkbox"/> Spouse <input type="checkbox"/> Child <input type="checkbox"/> Other	Is this person on your health plan? <input type="checkbox"/> Yes <input type="checkbox"/> No. This person has a separate qualified plan. Make a copy of the next page and use Part 4 to provide their health insurance information.	
<b>2</b>	Family member's name ( <i>First, Middle Initial, Last, Suffix</i> )	Social security number (SSN)	Date of birth ( <i>mm/dd/yyyy</i> )
	Relationship to you <input type="checkbox"/> Spouse <input type="checkbox"/> Child <input type="checkbox"/> Other	Is this person on your health plan? <input type="checkbox"/> Yes <input type="checkbox"/> No. This person has a separate qualified plan. Make a copy of the next page and use Part 4 to provide their health insurance information.	

**Figure 3.11.29-3 Part 3 of Form 13441-A**

- (2) For special circumstances regarding family members:
- a. If the applicant is requesting enrollment as a Qualifying Family Member Participant (QFMP) who is eligible due to the Medicare enrollment, death, or divorce of the eligible recipient, see IRM 3.11.29.15, Qualifying Family Member Participants.
  - b. If the applicant is requesting enrollment as a Qualifying Family Member (QFM) of the eligible recipient, but the eligible recipient is not the policy holder or has a separate policy, see IRM 3.11.29.9 to determine which individual the record should be created under.
- (3) If there is no family member information in Part 3, select "No" on the Family Member Information screen of the database for "Does the applicant have qualified dependents?"
- (4) If family member's information appears in Part 3, select "Yes" on the Family Member Information screen of the database for "Does the applicant have qualified dependents?"

**Exception:** Do not enter an individual as both participant and as a family member in Part 3. See IRM 3.11.29.9.

- (5) Enter available information from Part 3: Family Member Information of Form 13441-A, into the relevant fields of the HCTC database. The database prompts are as follows:

Family Member Item	Required
a. First Name	Yes
b. Middle Initial	No
c. Last Name	Yes
d. Suffix	No
e. Family member's relationship to applicant	No
f. Social Security Number <b>Note:</b> If TIN displays as invalid, then verify the validity of the family member's SSN with IDRS CC INOLES. ATINs and ITINs are acceptable for family members (see below).	Yes
g. Date of Birth	No
h. Is this person on the applicant's health plan?	Yes

- (6) The HCTC Database does not currently accept ATINs/ITINs for family members. If the TIN can be verified with IDRS, leave the Social Security Number field of the database blank but enter all other information.
- (7) If any **required** information is missing, invalid, or illegible, correct with relevant information found in the supporting documentation. Circle out any incorrect information, edit the perfected information onto Form 13441-A, and enter into the database. If the required information can't be perfected, see IRM 3.11.29.13, Correspondence.
- (8) If any **non-required** information is missing, invalid, or illegible, it is not required to perfect. Invalid or illegible information must be circled out. Do not correspond for non-required information.

**Note:** TEs **may** perfect any non-required information that they identify during processing. When perfecting non-required information, edit the information on Form 13441-A and enter into the database.

- (9) If the applicant responds "No" to "Is this person on the applicant's health plan?" a separate Part 4 with family member's Health Plan Information must be provided. See IRM 3.11.29.9.
- (10) If the applicant indicates more than five family members, an additional copy of Form 13441-A, Part 3 must be attached. If not attached, see IRM 3.11.29.13, Correspondence.

3.11.29.9.4  
(05-18-2021)

**Inputting Form 13441-A,  
Part 4: Health Plan  
Information**

- (1) In Part 4: Health Plan Information, the applicant reports information about the health plan provider and information which affects their monthly payment. Enter provided information from Part 4 of Form 13441-A, Health Coverage Tax Credit (HCTC) Monthly Registration and Update, into the relevant fields of the HCTC database.

Part 4: Health Plan Information			
Fill out the information below. If your family members are on a separate health plan, make a copy of Part 4 before filling it out to provide their qualified health insurance information.			
<b>Note:</b> If you have coverage through your spouse's employer that is not a COBRA plan, stop here. You cannot receive the Monthly HCTC for this type of coverage. You can, however, claim the Yearly HCTC by filing Form 8885 with your federal income tax return.			
Complete this section for all coverage types:	Health Plan Provider name		Effective date of coverage
	HCTC vendor name (name of company to be paid on your behalf)		
	HCTC vendor number (contact your Health Plan Provider or Third Party Administrator)		
	Provide at least one of the following ID Numbers.		
	Member ID	Group ID	Policy or plan ID
	Policy holder's name (First, Middle Initial, Last, Suffix)		Policy holder's SSN
1. Total Monthly Medical Premium			
2. Total number of people (you and any family members) on this policy			
3. Number of family members on this policy who are not qualified for the HCTC			
4. Monthly premium amount for family members who are not qualified for the HCTC (this amount will be removed from your total monthly medical premium and you will need to pay directly to your HPA/TPA).			
5. Total HCTC Total Monthly Medical Premium Line (1) minus line (4) and multiplied by 27.5% (.275)		\$0.00	
6. Other health benefits amount (vision, dental, non-medical benefits). This amount will be added to your monthly HCTC payment.			
7. Monthly HCTC payment Line 5 plus Line 6		\$0.00	
Complete this section only if you have COBRA coverage:	<input type="checkbox"/> Check here only if the Health Plan Information in Part 4 is for COBRA Coverage.		
	Former employer		Former employer's HR telephone number
	Start Date for COBRA Coverage (mm/dd/yyyy)		End Date for COBRA Coverage (mm/dd/yyyy)
<input type="checkbox"/> Check here if this is a Lifetime Benefit.			

**Figure 3.11.29-4 Part 4 of Form 13441-A**

- (2) Each policy holder for each Part 4 must have their own record. If Form 13441-A indicates that family members have separate coverage, see IRM 3.11.29.9 for details.
- (3) The HCTC Coordinator will review the HPA Vendor Number, Member ID, Group ID, and Policy or Plan ID on all new enrollments and re-enrollments or if the participant indicates a change to their vendor information.
- a. The HCTC Coordinator will attach a Vendor Verification Form to the bottom right of Part 4 if providing missing/corrected information.

- b. If the HCTC Coordinator is unable to determine the vendor number and at least one of the other fields, elevate to HQ
- (4) Where present, the entries on the Vendor Verification Form will take precedence over the entries on Form 13441-A.
- (5) If the participant submits an update to change the Vendor, Member ID, Group ID, and/or Policy or Plan ID and no updated Vendor Verification is present, refer to the HCTC Coordinator for determination. If the HCTC Coordinator determines the vendor is not enrolled, correspond per IRM 3.11.29.13.4, using paragraph 12.
- (6) The fields for the HCTC Database, Part 4, Health Plan Information, are as follows; see (7) below for exceptions and requirements:

Health Plan Item	Required
a. Vendor Name	Yes
b. Vendor Number	Auto populated
c. Effective Date of Coverage (MMDDYYYY)	Yes
d. Health Plan ID Number	No
e. Member ID*	See Note
f. Group ID*	See Note
g. Policy or Plan ID*	See Note
h. Policy Holder's First Name	Yes
i. Policy Holder's Middle Initial	No
j. Policy Holder's Last Name	Yes
k. Policy Holder's Suffix	No
l. Social Security Number	Yes
m. Total Monthly Premium (line 1)	Yes
n. Total number of people on policy (line 2)	No
o. Number of family members on policy who are not qualified for the HCTC (line 3)	No
p. Monthly premium amount for family members not qualified for the HCTC (line 4)	No
q. Other Health Benefits Amount (line 6)	No
r. Total HCTC (line 5)	Auto populated

Health Plan Item	Required
s. Monthly HCTC Payment (line 7)	Auto populated
t. Total Government Payment	Auto populated

- (7) Certain fields have additional requirements and/or restrictions:
- If the effective date is blank, research the packet for an indication of when HCTC Eligibility begins. If none is found enter the current date.
  - At least one of the following is required: Member ID, Group ID, or Policy ID. Elevate to the HCTC Coordinator if none are present. If any of these fields exceed the field length, refer to HCTC Coordinator for determination. Coordinator will reorder entries between these fields if possible; otherwise, TE will be instructed to enter as much of the entry as possible in each field.
- (8) Use the table below to correct common participant errors:

On Form 13441-A, if...	And...	Then...
a. The vendor is changing	There is an End Date for COBRA coverage in the database which is not being updated	Refer to the HCTC Coordinator for determination.
b. The policy holder is the applicant	The policy holder's SSN in Part 4 differs from the SSN in Part 1	Replace the SSN in Part 4 with the valid SSN from Part 1 of Form 13441-A
c. Line 2, "Total number of people on this policy" is blank	No family members appear in Part 3	Enter "1" onto line 2, "Total number of people on policy"
d. Line 2, "Total number of people on this policy" is greater than "1"	No family members appear in Part 3	See IRM 3.11.29.13, Correspondence
e. Line 2, "Total number of people on this policy" is blank	Family members appear in Part 3	Enter the sum of the applicant plus the family members from Form 13441-A, Part 3 onto line 2, "Total number of people on this policy"

On Form 13441-A, if...	And...	Then...
f. Line 3, "Number of family members on this policy who are not qualified for HCTC" is greater than zero	Line 4 "Monthly premium amount for family members who are not qualified for HCTC" is blank	No correction is required. Enter lines 3 and 4 into the database as given.
g. Line 4 "Monthly premium amount for family members not qualified for the HCTC" is greater than zero	Line 3 "Number of family members who are not qualified for the HCTC" is blank or zero	Add the amount on line 4 to any existing amount on Line 6, "Other health benefits amount".

- (9) Other Benefits (or Other health benefits) refer to premiums for insurance which is not eligible for the HCTC (dental, vision, etc.). This amount will be automatically added to the participant's Total HCTC (27.5% medical premium payment) to determine the participant's monthly payment amount.
- (10) Do **not** enter Consolidated Omnibus Budget Reconciliation Act (COBRA) fields into the HCTC database if the participant is PBGC eligible.

**Note:** This includes cases when the participant indicated that they were eligible as both TAA and PBGC recipients.

The database prompts are as follows:

COBRA Information	Required
a. Former Employer	No
b. Former Employer's HR Phone Number	No
c. Start Date for COBRA Coverage (mm/dd/yyyy)	No
d. End Date for COBRA Coverage (mm/dd/yyyy)	No
e. Lifetime Benefit checkbox	No

**Exception:** If the "Check here only if the Health Plan Information in Part 4 is for COBRA Coverage" box is checked **and** the COBRA Start and End dates are **not** present, refer to the HCTC Coordinator.

- (11) If the "Check here if you are changing from a COBRA Health Plan to a non-COBRA health plan" box is checked, delete previously entered COBRA dates in the database.
- (12) If the Lifetime Benefit checkbox is selected:
- If the TAA box in Part 2: Confirm Your Eligibility of Form 13441-A is not checked, refer to the HCTC Coordinator.

- b. Circle out any End Date for COBRA Coverage. Delete the COBRA End Date from the database, if present.
- c. Change the participant's birth year to 2000 in the database. Add the actual birth year in a comment stating "Lifetime Benefits: Actual birth year 19xx"

**Note:** If the birth year is not changed to 2000, the database will automatically unenroll participants over 65 years old during its daily update.

- (13) If any **required** information is missing, invalid, or illegible, correct with relevant information found in the supporting documentation. Circle out any incorrect information, edit the perfected information onto Form 13441-A, and enter into the database. If the required information can't be perfected, see IRM 3.11.29.13, Correspondence.
- (14) If any **non-required** information is missing, invalid, or illegible, it is not required to perfect. Invalid or illegible information must be circled out. Do not correspond for non-required information.

**Note:** TEs **may** perfect any non-required information that they identify during processing. When perfecting non-required information, edit the information on Form 13441-A and enter into the database.

3.11.29.9.5  
(05-24-2019)  
**Inputting Form 13441-A,  
Part 5: Account  
Accessibility**

- (1) In Part 5: Account Accessibility of Form 13441-A, Health Coverage Tax Credit (HCTC) Monthly Registration and Update, the applicant can designate a Third-Party to have access to their account information.

## Part 5: Account Accessibility

If you would like to allow someone else – for example, your spouse, family member, or other trusted advisor – to have access to your account information, please complete this page. This person, called a Third-Party-Designee, will be able to ask questions about, or make changes to, your HCTC account or personal information, as appropriate.

### Third-Party-Designee

Do you want to allow another person to talk with the HCTC Program about your account?

- ☐ Yes. Complete the rest of this page and choose a PIN.  
☐ No. Go to Part 6 to sign and date the HCTC Monthly Registration and Update form.

Name of Third-Party-Designee (*First, Middle Initial, Last, Suffix*)

Primary telephone number

Alternate telephone number

### Personal Identification Number (PIN)

**IMPORTANT!** You must choose a PIN when you make someone a Third-Party-Designee. This PIN protects the security of your account information similar to the PIN you use for a bank card. When your Third-Party-Designee calls the HCTC Program, they will be asked to give the PIN to get information about your account. Your Third-Party-Designee can help you choose the PIN so that it is easy to remember.

**Note:** The PIN must be a five-digit number. If your PIN includes letters and/or non-numeric characters, this could cause a delay in processing your Third-Party-Designee request. Choose a PIN and write it in the space provided.

Personal Identification Number (PIN)

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Catalog Number 57559E

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Form **13441-A** (Rev. 5-2017)

### Figure 3.11.29-5 Part 5 of Form 13441-A

- (2) Enter information from Part 5: Account Accessibility of Form 13441-A, if a five-digit numerical Personal Identification Number (PIN) is provided.

**Exception:** If the applicant has indicated “No” to the question “Do you want to allow another person to talk with the HCTC Program about your account?” do not enter Part 5 into the database. Remove if present.

- (3) No correspondence is necessary if any of the information is missing or incomplete.

3.11.29.9.6  
(05-18-2021)  
**Inputting Form 13441-A,  
Part 6: Form Completion**

- (1) In Part 6 of Form 13441-A, Health Coverage Tax Credit (HCTC) Monthly Registration and Update, the applicant signs the form. **Do not process changes to Form 13441-A without a signature.**

Your SSN \_\_\_\_\_

Page 4

**Part 6: Form Completion**

Review this form to make sure you have completed everything needed for your registration. You must sign and date this form to have your registration for the monthly HCTC program processed. Sign and date in the space provided below.

**Signature**

Under penalties of perjury, I declare that the information furnished on this form with regard to myself and to any family members, and any attachments to it, is true, correct, and complete. I understand that a knowingly and willfully false statement on this form can result in my disqualification from the monthly HCTC program. By signing, I authorize the IRS to independently discuss with my health insurer, third party administrator or former employer, my eligibility status and HCTC payments made on my behalf to these organizations.

Signature	Full name ( <i>print</i> )	Date
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**Privacy Act and Paperwork Reduction Act Notice**

The Privacy Act of 1974 and Paperwork Reduction Act of 1995 require that when we ask you for information we must first tell you our legal right to ask for the information, why we are asking for it, and how it will be used. We must also tell you what could happen if we do not receive it and whether your response is voluntary, required to obtain a benefit, or mandatory under the law.

**Figure 3.11.29-6 Part 6 of Form 13441-A**

- (2) If Form 13441-A is unsigned and changes are requested:
  - a. Do not update the database.
  - b. Correspond with Letter 4540, paragraph 5 and 5e.
  - c. Return the unsigned Form 13441-A and all related documents to the applicant.
  - d. Include a blank Form 13441-A signature page with the correspondence if Part 6 is missing from the application, if the signature is "X'd," or if the signature is lined through.
- (3) If the signature is missing and there are no requested changes, comment the file and do not correspond for missing signature. See IRM 3.11.29.13 ,Correspondence, if the account is currently in a non-enrolled status due to missing information.
- (4) The signature must appear under the jurat — "Under penalty of perjury..."— and above the phrase "Privacy Act and Paperwork Reduction Act Notice." If Form 13441-A is signed outside this area, treat as unsigned.
- (5) Faxed, digital, or photocopied signatures are acceptable.
- (6) Accept a signature by a third party only with a power of attorney (POA):
  - a. Form 2848 , Power of Attorney and Declaration of Representative, names the third party and may be present in the packet.
  - b. If Form 2848 is not part of the packet, look for the POA with CC CFINK.
  - c. If the applicant hasn't granted power of attorney to the person who signed the Form 13441-A, treat as unsigned.
- (7) If the signature section is "X'd" or lined through, either pre-printed or manually, treat as unsigned.
- (8) If you enter Form 13441-A with a missing signature in error into the database:
  - a. Set the eligibility status to "Processing— Waiting for Supporting Docs."
  - b. Add a comment into the database stating the application was entered in error without a signature.

3.11.29.10  
(01-01-2022)

## Setting the Status of the Application

- (1) There are several statuses available in the HCTC database for participants depending upon their application. If you are unable to change a status on an application, then refer to HCTC Coordinator for elevation to P&A.
- (2) Anytime a record is updated, use the following chart to determine the status for the application.

**Note:** Any status change which moves a participant out of “Enrolled” status should be elevated to P&A.

If ...	Then ...	Applicable Letter
The application packet is complete and acceptable and the applicant is eligible	Move to Complete <b>Note:</b> If the participant is already in enrolled status, then no status change needed.	IRM 3.11.29.13.5, Letter 4545, HCTC Enrollment Letter
You are reviewing an application	Move to Quality Review	
Quality Review has been performed and the participant is able to be enrolled	Move to Enrolled	
Participant’s health plan is not enrolled in the HCTC AMP <b>This status will always take priority if we are corresponding for a HPA Vendor in addition to anything else.</b>	Processing—HPA Vendor Num Not Avail	IRM 3.11.29.13.4, Letter 4540, HCTC Candidate Eligibility Denial
Participant’s health plan is not qualified for the HCTC.	Cancelled-Ineligible	IRM 3.11.29.13.4, Letter 4540, HCTC Candidate Eligibility Denial
Information on Form 13441-A or supporting documentation is defective, missing, incomplete, invalid, or illegible and the applicant is eligible.	Processing—Waiting for Supporting Docs.	IRM 3.11.29.13.4, Letter 4540, HCTC Candidate Eligibility Denial

If ...	Then ...	Applicable Letter
The application packet is incomplete or unacceptable, and the applicant is eligible but didn't reply or inadequately replied to correspondence send Letter 4540 with the relevant correspondence paragraphs. See IRM 3.11.29.13.4, Letter 4540, HCTC Candidate Eligibility Denial.	Cancelled -Ineligible	IRM 3.11.29.13.4, Letter 4540, HCTC Candidate Eligibility Denial
The participant has been enrolled and is now requesting removal from the program	Cancelled—Ineligible	IRM 3.11.29.13.1, Letter 3772, End of Program Letter
COBRA insurance has expired	Cancelled—Ineligible	IRM 3.11.29.13.4, Letter 4540, HCTC Candidate Eligibility Denial
The participant had been enrolled and is no longer eligible	Cancelled—Ineligible	IRM 3.11.29.13.1, Letter 3772, End of Program Letter
None of the above scenarios are applicable	Refer to the HCTC coordinator	

(3) When removing an applicant from an enrolled status, do not delete existing information from the database unless specifically instructed. The most recent information is retained.

(4) The following statuses are no longer in use:

- **Processing-HPA Vendor Num Avail:** Should not appear in database.
- **Ineligible:** May appear in database, replace with Cancelled-Ineligible if updating the record.
- **Cancelled-Permanent Ineligibility:** May appear in database, replace with Cancelled-Ineligible if updating the record.

3.11.29.11  
(05-24-2019)  
**Systemically Generated  
Statuses of the  
Application**

- (1) Following are several statuses that are systemically generated by the HCTC database. If you believe a systemically generated status is incorrect, elevate to P&A.
- Form received
  - Inactive
  - Cancelled: Permanent Ineligibility - Over 65
  - Ineligible - Over 65
  - Cancelled: Ineligible - COBRA End Date Expired
  - Ineligible - COBRA End Date Expired
  - Cancelled: Ineligible - Prison File Match
  - Ineligible: Could Not Validate TIN at This Time

- i. Cancelled - Ineligible: TIN Validation Failure
  - j. Ineligible - QFM End Date Expired
  - k. Cancelled: Ineligible QFM End Date Expired
- (2) For the statuses in the table below, the database will automatically unenroll the participant. The participant must be notified 45 days prior to the loss of eligibility based on date entries in the fields listed in the table. See IRM 3.11.29.13.1, Letter 3772, End of Program Letter.

Status	Expiration Determined By
Cancelled: Permanent Ineligibility - Over 65	Date of Birth
Ineligibility - Over 65	Date of Birth
Cancelled: Ineligible - COBRA End Date Expired	End Date for COBRA coverage
Ineligible - COBRA End Date Expired	End Date for COBRA coverage
Cancelled: Ineligible - QFM End Date Expired	End Date for QFM
Ineligible - QFM End Date Expired	End Date for QFM

- (3) When the database moves a previously enrolled participant into the status "Cancelled: Ineligible - Prison File Match", elevate to P&A for review.

3.11.29.12  
(01-21-2021)  
**Releasing / Filing Forms 13441-A, Batches**

- (1) Clerks review each Form 13441-A, Health Coverage Tax Credit (HCTC) Monthly Registration and Update, before releasing to Files and/or the storage area. They verify that all pages of Form 13441-A are present and supporting documents are attached.
- (2) Each packet with Form 13441-A may contain one or more of the following:
  - a. The original Form 13441-A
  - b. An updated Form 13441-A
  - c. Required supporting documentation: a copy of the participant's health insurance bill dated within the last 60 days
  - d. A copy of any correspondence sent to the applicant
  - e. Any correspondence sent by or on behalf of the applicant
- (3) Clerks verify that the PIN (Participant Identification Number) on the Enrollment letter matches the PIN on the first page of Form 13441-A.
- (4) In the Batch Block Tracking System (BBTS), Clerks release Forms 13441-A and associated documents to Files and/or the storage area.
- (5) Place each batch of Forms 13441-A, along with the Form 9856, Attachment Alert, and two copies of Form 3210, Document Transmittal, for the batch, into a gusset folder. On the tab of the gusset folder, write the range of PINs, the program name "HCTC," and the tax year of the applications.

- (6) Route Forms 13441-A numbered with a PIN to Files or a designated storage area at the Austin Submission Processing campus to be held until retirement.
- (7) Retain Forms 13441-A at the Austin processing center for six (6) years, beginning in 2016. After the end of the sixth year, retire Form 13441-A to the Federal Record Center (FRC) for an indefinite period. See IRM 3.11.29.25, Record Retention Requirements.
- (8) Include an Application Identification Sheet (AIS) and highlight the correct PIN. The AIS is used to attach documents to the applicant's packet.

3.11.29.13  
(05-18-2021)  
**Correspondence**

- (1) The Enrollment Team is responsible for sending the following letters.

Letter	Title	Purpose
3772	End of Program Letter	To cancel participant's HCTC registration or notify the participant of upcoming systemic unenrollment.
4510	HCTC Reimbursement Request – Denial	To deny request for reimbursement (Form 14095)
4511	HCTC Reimbursement Request - Insufficient Documentation	Participant provided insufficient documentation (Form 14095)
4540	HCTC Candidate Eligibility Denial	To notify participant of ineligibility and/or missing documentation.
4545	HCTC Enrollment Letter	To notify participant of confirmed enrollment
5758	Health Coverage Tax Credit Enrollment in Process	To acknowledge receipt of application. For use only with explicit management approval.
5945	HCTC Reimbursement Approval	Notifies participant request was approved (Form 14095)
5974	Annual HCTC Vendor Renewal Notification	To remind HPA/TPA to annually certify to receive ACH payments
6009	Refund of HCTC Payments	To notify participant of refund of HCTC payments
6011	Return of HCTC Funds	To request funds from a participant (HQ Only)

- (2) Do not save any correspondence containing participant's Personal Identifiable Information (PII) to your desktop or personal storage drive.
- (3) Remove all editing marks prior to returning any document to an applicant.
- (4) When it is necessary to correspond with taxpayers, correspondence should be professional (i.e., correct spelling, punctuation, and grammar).
- (5) Correspondence letters are available through the HCTC SharePoint.

- (6) Correspond only after you have entered the entire Form 13441-A into the HCTC database.

**Exception:** If correspondence is for a missing signature, do not update the database until a response is received.

- (7) Enter comments into the HCTC database, including what letter was sent and why the letter was sent (correspondence conditions).
- (8) All correspondence must include the participant's Participant Identification Number.

**Exception:** When corresponding for a missing signature on a new enrollment, a PIN is not required.

- (9) Address all decedent correspondence to "Estate of" and the decedent's name. (e.g., Estate of John Smith)
- (10) One copy of all correspondence is attached to the applicable applicant package in Received Date order with the oldest stapled to the top. See IRM 3.11.29.4, HCTC Program General Information.
- (11) All letters are subject to review by the Improvement Team.
- (12) Retrieve E-faxes daily. Check the E-fax folder daily for replies/missing information. Print the reply and associate it with the original submission on the suspense wall.

**Note:** Emails received from US Bank should be elevated to the HCTC Coordinator for research. Emails received by 10:00 am must receive a response by noon the same day. If the HCTC Coordinator is not available, elevate to P&A.

- (13) Each correspondence letter may trigger a change in the status of the application. See IRM 3.11.29.10, Setting the Status of the Application.
- (14) Allow applicant 45 days for responding to correspondence. A reply is late on the 46th day after correspondence.
- (15) Duplicate Form 13441-A: If a Form 13441-A is received which appears to be a duplicate of the current 13441-A:
- a. Review the Form 13441-A thoroughly for any changes.
  - b. Review any supporting documentation or correspondence for indications that a change was intended or that this is a reply to prior correspondence.
  - c. Verify that the signature date, if any, is the same.
- (16) If, after review, the Form 13441-A still appears to be a duplicate, process the Form 13441-A normally, but do not re-issue any correspondence. Comment the database to indicate that a duplicate 13441-A was received, and no correspondence was issued.

**Exception:** If the received date of the duplicate is greater than 30 days from the received date of the current form and the account is in a non-enrolled

status due to missing information, process and correspond as normal to ensure the participant is aware of any unresolved issues related to their account.

- (17) **Undeliverable Correspondence:** When undeliverable correspondence is received, research the database, the file, and/or IDRS for an alternative address.
- a. If an alternative address is found, reissue the correspondence. Comment the database with the address used and date resent. Do not change the address in the database without Form 13441-A or a 4442 instruction (see IRM 3.11.29.14).
- Note:** <https://www.usps.com> should be used to perfect missing/invalid elements of the address, if applicable.
- b. If a better address is not found, comment the database to indicate which letter was returned undeliverable and that no alternative address was found. Do not reissue letter.

3.11.29.13.1  
(03-19-2021)  
**Letter 3772, End of  
Program Letter**

- (1) Letter 3772, End of Program Letter, informs participants they have been cancelled from the HCTC program, or notifies them that they will be systemically unenrolled at a future date. See Exhibit 3.11.29-1. See also IRM 3.11.29.10, Setting the Status of the Application.
- (2) Monthly, the HCTC Coordinator will create a list of applicants who will be systemically unenrolled within the next 60 days due to Medicare eligibility, COBRA expiration, or QFMP end date. Issue Letter 3772 to notify identified participants that they will be unenrolled/ineligible.

**Note:** Correspondence will only be issued to those participants in enrolled status, or who are currently suspended pending correspondence, to advise them of the change in their enrollment/eligibility status.

- (3) If the change is effective immediately, change the status of the application to "Cancelled-Ineligible.". Do not change the status if participant will be unenrolled systemically at a future date.
- (4) Along with the standard address, date, and last four digits of the participant's SSN, enter the following:
  - a. Participant Identification Number (PIN) beside **Dear HCTC Program participant**
  - b. Open paragraph with HQ pre-approved text, if provided.

3.11.29.13.2  
(05-24-2019)  
**Letter 4510, HCTC  
Reimbursement Request  
- Denial**

- (1) Letter 4510, HCTC Reimbursement Request – Denial, is a denial letter for the reimbursement request for the HCTC Advance Monthly Program. See Exhibit 3.11.29-2. Letter 4510 will be sent only when instructions are received from P&A.
- (2) There will be no status change when sending Letter 4510.
- (3) Along with the standard address, date, and last four digits of the participant's SSN, enter the following (provided by P&A):

- a. Participant Identification Number (PIN) beside “Dear HCTC Program participant”
- b. Month(s) the reimbursement is requested in the first paragraph
- c. Amount of the reimbursement request in the first paragraph
- d. Reason for denial (check box entry)
- e. Open paragraph with HQ pre-approved text, if needed

3.11.29.13.3  
(05-24-2019)  
**Letter 4511, HCTC  
Reimbursement Request  
- Insufficient  
Documentation**

- (1) Letter 4511, HCTC Reimbursement Request - Insufficient Documentation, is sent to request documentation for the reimbursement request Form 14095, The Health Coverage Tax Credit (HCTC) Reimbursement Request Form. See Exhibit 3.11.29-3. Letter 4511 will be sent only when instructions are received from P&A.
- (2) There will be no status change when sending Letter 4511.
- (3) Along with the standard address, date, and last four digits of the participant's SSN, enter the following (provided by P&A):
  - a. Participant Identification Number (PIN) beside “Dear HCTC Program Participant”
  - b. Open paragraph with HQ pre-approved text, if needed

3.11.29.13.4  
(05-18-2021)  
**Letter 4540, HCTC  
Candidate Eligibility  
Denial**

- (1) Letter 4540, HCTC Candidate Eligibility Denial, notifies participants their HCTC eligibility has not been processed or they are missing or have incomplete documentation. See Exhibit 3.11.29-4. See IRM 3.11.29.10, Setting the Status of the Application.
- (2) If the participant is currently enrolled, refer to HCTC Coordinator prior to corresponding for missing information as some information can be obtained through vendor outreach.
- (3) Change the status in the database to one of the following, depending on the circumstances.
  - Processing—Waiting for Supporting Documentation
  - Processing—HPA Vendor Not Avail
  - Cancelled-Ineligible
- (4) Letter 4540 is customizable with 13 selectable paragraphs on the following topics. Multiple paragraphs may be selected to appear in the same letter.
  - a. Paragraph 1 - Dependent status
  - b. Paragraph 2 – Disqualifying health insurance coverage
  - c. Paragraph 3 – Age requirement (PBGC only)
  - d. Paragraph 4 – Imprisonment
  - e. Paragraphs 5a-5e – Incomplete registration form
  - f. Paragraph 6 – Missing supporting documents
  - g. Paragraph 7 – Spousal coverage
  - h. Paragraph 8 – Participant eligibility
  - i. Paragraph 9 – Family member eligibility – Insufficient documentation
  - j. Paragraph 10 – Family member eligibility – Unable to confirm eligibility
  - k. Paragraph 11 – Family member eligibility – You are not eligible
  - l. Paragraph 12 – Unable to verify Health Plan Administrator (HPA) set up
  - m. Paragraph 13 – Miscellaneous missing information

- (5) If signature is missing, return the unsigned Form 13441-A, Health Coverage Tax Credit (HCTC) Monthly Registration and Update, and all related documents to the applicant. See IRM 3.11.29.9.6, Inputting Form 13441-A, Part 6: Form Completion.
- (6) If the signature is "X'd," crossed out, or lined through, either pre-printed or manually, return the original Form 13441-A and all related documents to the applicant with a blank Form 13441-A signature page.
- (7) If you are not returning Form 13441-A to the applicant, remove the words "**Enclosures: Your Form 13441-A**" from page 2 of Letter 4540 prior to printing.
- (8) When an adequate response is received, or if the 45-day suspense period passes with no response, an inadequate response or an incomplete response:
  - a. For an **adequate response** in which all required information is present and acceptable, update the information in the database to reflect the applicant's response. See IRM 3.11.29.10, Setting the Status of the Application.
  - b. For **no response, inadequate response or an incomplete response** in which required information is missing or unacceptable:
    - Send Letter 4540 with the relevant correspondence paragraphs.
    - Utilize the open paragraph with HQ pre-approved text.
    - Set the status of the application to **Cancelled-Ineligible**.

3.11.29.13.5  
(01-01-2022)  
**Letter 4545, HCTC  
Enrollment Letter**

- (1) Letter 4545, HCTC Enrollment Letter, notifies participants that their HCTC eligibility has been successfully processed. See Exhibit 3.11.29-5. Along with the standard address, date, and last four digits of the participant's SSN:
  - a. Enter the Participant ID number
  - b. Enter the Monthly HCTC Payment in the field "Amount due" in the second paragraph
- (2) If the participant is not currently enrolled, change the status in the database to "Complete".

3.11.29.13.6  
(01-01-2022)  
**Letter 5758, Health  
Coverage Tax Credit  
Enrollment in Process**

- (1) Letter 5758, Health Coverage Tax Credit Enrollment in Process, is used to acknowledge receipt of Form 13441-A, Health Coverage Tax Credit (HCTC) Monthly Registration and Update and supporting documents. See Exhibit 3.11.29-6.
- (2) Do **not** send this letter without explicit instructions from management.

3.11.29.13.7  
(05-24-2019)  
**Letter 5945, HCTC  
Reimbursement  
Approval**

- (1) Letter 5945, HCTC Reimbursement Approval, notifies participants that their request for reimbursement on Form 14095, The Health Coverage Tax Credit (HCTC) Reimbursement Request Form, has been approved and they should expect a payment within three weeks. Letter 5945 will be sent only when instructions are received from P&A. See Exhibit 3.11.29-7.
- (2) Along with the standard address, date, and last four digits of the participant's SSN, enter the following (provided by P&A):
  - a. Enter the Participant ID number
  - b. Enter the reimbursement payment amount in the "\$0.00" field in the second paragraph

3.11.29.13.8  
(01-02-2018)  
**Letter 5974, Annual  
HCTC Vendor Renewal  
Notification**

- (1) Letter 5974, Annual HCTC Vendor Renewal Notification, notifies Health Plan Administrator (HPA) or the Third-Party Administrator (TPA) that they must annually complete a Form 3881-A, Health Coverage Tax Credit (HCTC) Monthly Registration and Update, to continue to receive Automatic Clearing House (ACH) payments from the HCTC program. See Exhibit 3.11.29-8. Along with the standard address, date, and last four digits of the vendor's EIN (in the Taxpayer ID Number box) enter the following:
  - a. Enter the HPA/TPA name
  - b. Enter a due date in the "[insert date]" prompt in the third paragraph

3.11.29.13.9  
(01-01-2022)  
**Letter 6009, Refund of  
HCTC Payments**

- (1) Letter 6009, Refund of HCTC Payments, notifies participants that they will be receiving a refund of payments for applicable months. Letter 6009 will be sent only when instructions are received from P&A. See Exhibit 3.11.29-9.
- (2) Along with the standard address, date, and last four digits of the participant's SSN, enter the following (provided by P&A):
  - a. Enter the Participant Identification number (PIN).
  - b. Enter the HCTC Program participant name following "Dear HCTC Program participant:"
  - c. Use the drop-down box to make the appropriate selection of "month" or "months."
  - d. Enter the name of the appropriate month(s) in the "[enter months]" prompt. Enter exactly as it will appear in the body of the letter.
  - e. Enter the amount of payment being returned to the participant in the "[123,456.00]" prompt. Include comma separators for thousands (if needed) and cents. Enter exactly as it will appear in the body of the letter.
  - f. If needed, utilize the open paragraph with HQ pre-approved text.

3.11.29.13.10  
(01-01-2022)  
**Letter 6011, Return of  
HCTC Funds**

- (1) Letter 6011, Return of HCTC Funds, is sent by HQ analysts to a participant to request the return of HCTC monies for any of the following reasons:
  - a. Administrative Error
  - b. Repayment of Other Benefits
  - c. Participant Identification Number Mismatch
  - d. Other
- (2) The HCTC participant is requested to send a check to the HCTC Chief Financial Office (CFO) IRS Beckley Office.
- (3) Documentation may be sent to the Enrollment Team, by the participant, and should be elevated to P&A.
- (4) HQ will review the documentation and will send it back to the Enrollment Team to be attached to the participant's file.

3.11.29.14  
(07-23-2021)  
**Form 4442, Participant  
Correspondence, and  
US Bank  
Correspondence**

- (1) Participant correspondence may be received by e-mail, fax, or forwarded from another department for processing. Form 4442 are received from Accounts Management (AM). Participant correspondence and items received from Lockbox (US Bank) should be processed as Forms 4442.

**Note:** If it is unclear if an item received should be processed as Form 4442, or if it is unclear what action is requested, refer to the HCTC Coordinator for determination.

- (2) When participant correspondence or a Form 4442 is received, review the inquiry.

- If the request is processable following normal procedures, process and respond as needed. Comment the database, describing any action taken.

**Note:** Do not update the database based on unclear or ambiguous participant correspondence. If participant intent cannot be clearly determined, elevate to P&A or correspond.

- If a copy of a US Bank rejection letter is received which begins "We have received your HCTC payment; however, we are unable to process your payment for the following reason(s):", comment the database with the reason for rejection and add to the participant's file.
- If the request involves a payment question, Form 1099-H, or is not allowable following normal procedures, elevate to P&A.
- If a remittance is discovered with participant correspondence, see IRM 3.11.29.8.

- (3) When forwarding Form 4442 to AM, include a copy of any correspondence (member, third party, etc.) to assist customer service representatives (CSRs) when responding back to HCTC participants.

- (4) Return Form 4442 to the originator if:

- a. The person named in Form 4442 isn't in the database

**Exception:** If the information attached is related to a Form 13441-A, Health Coverage Tax Credit (HCTC) Monthly Registration and Update, returned because an earlier submission wasn't signed, or the SSN was invalid; the Form 4442 should be processed.

- b. Form 4442 doesn't provide enough information to determine relevance, intention, or identify the applicant
- c. Form 4442 was sent to the Enrollment Team in error

- (5) When P&A issues a substitute Form 4442 with instructions to the Enrollment Team:

- a. Process the item(s) as requested.
- b. Review the change for any additional actions generated, particularly correspondence criteria. See IRM 3.11.29.13

**Example:** A premium change may require a letter to be issued.

- c. Comment the database with the action(s) taken.
- d. Route substitute Form 4442 to QR.

**Note:** If you see indications that the change may be incorrect due to a more recent update of the account or other supporting documentation, refer to the HCTC Coordinator.

- (6) Due to the potential for specific harm to participants - up to and including lapses of health insurance - it is necessary to expedite some cases through the enrollment/update process. If an expedite request is issued, the document should be hand-walked through the enrollment/QR process before the end of the business day (unless otherwise specified).
  - a. If correspondence is required on an expedited document, contact P&A and/or HQ to find out if the correspondence issue can be resolved by contacting the participant and/or vendor.
  - b. If conflicting priorities make expediting the document impossible, P&A and/or HQ must be notified as soon as possible.
  - c. Most expedite requests will be issued from HQ based on contact from the participant/vendor, but P&A and/or the HCTC Coordinator may make the determination if a potential for specific harm is identified. TEs may refer cases to the HCTC Coordinator for review if they believe it is necessary to expedite.
- (7) Form 4442 must be attached to the back of Form 13441-A. See IRM 3.11.29.4, HCTC Program General Information.

3.11.29.15  
(05-18-2021)  
**Qualifying Family  
Member Participant  
(QFMP)**

- (1) A Qualifying Family Member Participant (QFMP) is a family member (spouse or dependent) who may maintain their HCTC enrollment for 24 months after one of the following qualifying events:
  - a. Eligible recipient is eligible for Medicare.
  - b. Eligible recipient is deceased.
  - c. If the QFM is divorced from the eligible recipient.

**Note:** An “eligible recipient” is the PBGC payee or TAA recipient.

- (2) A QFMP relies on the eligibility information of the eligible recipient but must meet all other requirements for enrollment.

**Caution:** Do not confuse a family member who has a separate policy, or is the policy holder on the eligible recipient's policy, for a QFMP. See IRM 3.11.29.9.

- (3) New enrollments should be reviewed for QFMP status. Possible indications that Form 13441-A is related to a QFMP include (but are not limited to):
  - a. Form 13441-A, General Instructions, box 6 is checked
  - b. Form 13441-A is filled out for a name other than the eligible recipient
  - c. Participant correspondence is attached
  - d. Supporting documentation for QFMP status is present (see below)

**Note:** If unable to determine if documentation indicates QFMP enrollment, refer to HCTC Coordinator.

- (4) QFMP due to Medicare Eligibility – In most cases, an individual becomes eligible for Medicare the first day of their birth month the year they turn 65. An individual will be treated as HCTC eligible during their entire birth month in which they turn 65 for purposes of computing the HCTC credit for QFMPs during the 24-month QFMP eligibility period.
- Form 13441-A for enrollment must be completed and signed by either the eligible recipient or the QFMP.
  - One or more of the following must be true:
    - Eligible recipient is 65 or older.
    - Eligible recipient was previously enrolled and was unenrolled from HCTC AMP due to Medicare eligibility.
    - A Medicare enrollment letter, Medicare card, or other documentation of Medicare eligibility is present.
- (5) QFMP due to Divorce – The spouse of the eligible recipient is eligible for enrollment following a divorce. Eligible dependents may be included on either policy.
- Form 13441-A must be completed and signed by the QFMP.
  - A divorce certificate identifying the eligible recipient (or similar legal documentation) is required and must include the date of divorce
- (6) QFMP due to Death – The spouse and/or dependents of a deceased eligible recipient are eligible for enrollment.
- Any spouse of the participant (determined at the time of death) is treated as an eligible individual
  - Any individual who was a QFM immediately before such death is treated as an eligible individual
  - The enrollment form must be completed and signed by the QFMP.
  - A death certificate for the eligible recipient, (or similar documentation which includes the date of death) must be present.
- (7) Determine the QFM Start Date field using qualifying event date:

If	Then
QFMP is eligible due to Medicare	In the QFM Start Date field, enter the first day of the following month. <b>Example:</b> Qualifying Event Date: 05/XX/2019; QFM Start Date: 06/01/2019
QFMP is eligible due to divorce or death <b>and</b> was on eligible recipient's medical policy on the date of the qualifying event	In the QFM Start Date field, enter the first day of the following month. <b>Example:</b> Qualifying Event Date: 05/XX/2019; QFM Start Date: 06/01/2019

If	Then
QFMP is eligible due to divorce or death <b>and</b> was on a separate medical policy on the date of the qualifying event	In the QFM Start Date field, enter the first day of the qualifying event month. <b>Example:</b> Qualifying Event Date: 05/XX/2019; QFM Start Date: 05/01/2019
You cannot determine the date of the qualifying event	Correspond per IRM 3.11.29.13.4 , Correspondence Letter 4540.
The date of the qualifying event does not match the effective date on the form.	Refer to the HCTC Coordinator for determination.

(8) If an individual is identified as a QFMP:

1. Create the database record under the name of the QFMP.
2. Edit the eligible recipient in Part 1, Form 13441-A, if not already present.
3. Edit the policy holder in Part 4, Form 13441-A, if not already present.
4. Include the QFMP name beside the Participant Identification Number in the top right corner of Form 13441-A.
5. If a QFMP was previously enrolled under an eligible recipient, edit an action trail on both forms. Reference the QFMP PIN on the eligible recipient's form and reference the eligible recipient's PIN on the new QFMP form in the top left margin.
6. Comment the database with "QFMP of [eligible recipient's name.]" Include eligible recipient's PIN, if established. If not established, enter the eligible recipient's name and birthdate from Form 13441-A, Part 1.
7. Part 3, Family Member Information, will be completed normally if there is more than one person on the policy. Do not include the eligible recipient in Part 3.

**Note:** If eligible recipient is included in Part 3, elevate to P&A.

8. Complete the QFM information in Part 2: Eligibility in the HCTC database using the information above.
9. The database will calculate an end date of 24 months after the start date.
10. Enter QFMP's name and PIN to eligible recipient's record, if present.

3.11.29.16  
(07-23-2021)  
**Processing Form 14095,  
The Health Coverage  
Tax Credit (HCTC)  
Reimbursement Request  
Form**

- (1) Taxpayers can request 72.5% reimbursement for premiums they paid directly to their administrator while waiting to be accepted into the Advance Monthly Program by using Form 14095, The Health Coverage Tax Credit (HCTC) Reimbursement Request Form.
- (2) **General:** When a Form 14095 is received in the Enrollment Team:
  - a. The Enrollment Team will pull the original Form 13441-A and attach to the Form 14095.

## 3.11 Returns and Documents Analysis

**Note:** If an unprocessed Form 14095 is attached to Form 13441-A, Health Coverage Tax Credit (HCTC) Monthly Registration and Update, refer to the HCTC Coordinator.

- b. The HCTC Coordinator will notify P&A as Forms 14095 are received in the unit
- (3) **P&A:** When a Form 14095 is received, P&A will research eligibility for reimbursement.
  1. P&A will identify and elevate to HQ any discrepancies between information recording in the database and information supplied with Form 14095.
  2. HQ will determine the cause of the variance. If the cause can be determined, the amount should be corrected to reflect the database amounts when possible.
  3. Where HQ cannot determine the cause, the participant is reimbursed based on the attached proof of payment in conjunction with what is on
  4. If the participant paid less than their total premium amount for any month, the participant is reimbursed the substantiated amount. This includes prorated payments and partial payments required due to an unprocessed premium change.
  5. If the variance is greater than the tolerance correspondence is needed. See IRM 3.11.29.13, Correspondence.
  6. If P&A determines that supporting documentation does support Form 14095, they will submit the claim to HQ for final approval.
  7. If P&A determines that supporting documentation does not support Form 14095 claim, they will prepare a Substitute Form 4442, Inquiry Referral, instructing the Enrollment Team to send Letter 4510 or Letter 4511, as appropriate.
  8. On the 15th and 30th of each month, after HQ approval, either the P&A Analyst or HQ will forward the spreadsheet to the public mailbox

30th fall on a non-business day, spreadsheet submission takes place on the business day immediately prior.

- (4) Submit the spreadsheet to CFO with the following information:

"The attached spreadsheet represents payment to participants who submitted Forms 14095. The (Month) (15th or 30th), 202X submission to CFO represents a total of \$(Amount) for reimbursements of the 72.5% portion of the health insurance."

"Retroactive Refunds, the government portion, Fund R0923HTC"

- (5) Due to program constraints, Forms 14095 have an annual cutoff of September 30th and will resume after the beginning of the new year. Any reimbursement requests with a Received Date stamp after September 30th will need to be claimed on the participant's federal tax return using Form 8885, Health Coverage Tax Credit. Forms 14095 with a Received Date stamp after September 30th for the current processing year will be returned to the participant with Letter 4510, using the open paragraph for the September cutoff date. See IRM 3.11.29.13.2, Letter 4510, HCTC Reimbursement Request - Denial.

- (6) **Enrollment Team:** After processing is complete, P&A will return forms to the Enrollment Team for batching, correspondence, and comments.
- (7) The Enrollment Team will prepare the required correspondence indicated by P&A on the substitute Form 4442 and add comments to the HCTC database. P&A will send an email confirmation, to HQ once correspondence is issued. See IRM 3.11.29.13, Correspondence and IRM 3.11.29.4, HCTC Program General Information.
  - a. Letter 5945, HCTC Reimbursement letter, will be used to approve reimbursed amounts. See IRM 3.11.29.13.7.
  - b. Letter 4511, HCTC Reimbursement Request - Insufficient Documentation, will be used to request missing information. See IRM 3.11.29.13.3 .
  - c. Letter 4510, HCTC Reimbursement Request - Denial, will be used to deny ineligible claims. See IRM 3.11.29.13.2

**Caution:** Claims may be for multiple months; therefore P&A may indicate that more than one letter should be issued for the same claim.

- (8) Attach Forms 14095, supporting documentation, and letters to the back of the participant's original Form 13441-A, Health Coverage Tax Credit (HCTC) Monthly Registration and Update, as instructed in IRM 3.11.29.4, HCTC Program General Information

3.11.29.16.1  
(06-28-2019)

**Form 14095, Part 2:  
Determine Eligibility and  
Request Reimbursement**

- (1) P&A will verify the following from Form 14095, The Health Coverage Tax Credit (HCTC) Reimbursement Request Form, with information in the HCTC database.
  - a. The participant is eligible for the requested reimbursement month(s) while they were enrolling in the Advance Monthly Program (AMP) or chose not to be in the AMP program. Reimbursement can only be for January through September of the current calendar year.

**Note:** Credit for October through December will need to be claimed on the participant's Federal tax return using Form 8885, Health Coverage Tax Credit.
  - b. Participant may be eligible for the requested reimbursement month(s) after they were enrolled in the program, in limited circumstances. If participant is requesting reimbursement for month(s) after enrollment in the HCTC AMP, refer to HQ for determination.
  - c. The requested reimbursement months were for months the participant did not receive monthly program payments through their Health Plan Administrator (HPA) or Third Party Administrator (TPA).

3.11.29.16.2  
(06-28-2019)

**Form 14095, Part 3:  
Gathering Supporting  
Documents**

- (1) P&A will verify that a health insurance bill, payment coupon, or similar documentation from the Health Plan Administrator (HPA) or Third Party Administrator (TPA) is present for the months identified in Part 2 of Form 14095, The Health Coverage Tax Credit (HCTC) Reimbursement Request Form. These documents must contain the following information:
  - a. Name of the participant
  - b. Social Security Number (SSN) of the policy holder if different from requestor

- c. Name of health plan
- d. Monthly premium amount
- e. Dates of coverage
- f. Health plan ID number including one of the following:
  - Member ID
  - Group ID
  - Policy ID
  - Plan ID

- (2) Proof of payment must indicate the amount paid and to whom it was paid. Proof of payment includes evidence of full payment of premiums, such as bank statement, copies of checks, credit card statements, or receipts for money orders.
- (3) If it is unclear the available documentation is sufficient to support the claim, refer the claim to HQ for determination. Include a scan of all supporting documents.

3.11.29.16.3  
(08-14-2020)

**Form 14095, Part 4: Sign and Date This Form**

- (1) Form 14095, The Health Coverage Tax Credit (HCTC) Reimbursement Request Form, must be signed. If form 14095 is not signed:
  - a. Correspond with Letter 4511, HCTC Reimbursement Request - Insufficient Documentation. See IRM 3.11.29.13.3.
  - b. Leave comments in the HCTC database specifically stating what is missing.
  - c. Attach letter to base file.

3.11.29.17  
(06-28-2019)

**Replies to Form 14095, The Health Coverage Tax Credit (HCTC) Reimbursement Request Form**

- (1) Replies to correspondence for Form 14095, The Health Coverage Tax Credit (HCTC) Reimbursement Request Form, should be elevated to P&A. This includes participants appealing the decision or requesting additional information on the determination.
- (2) P&A will review replies and return forms to the Enrollment Team for batching and correspondence.

3.11.29.18  
(07-23-2021)

**SF-1034, Public Voucher for Purchases and Services other than Personal, Monthly Payment Reconciliation**

- (1) Each month the Department of Treasury transmits 100% of the insurance premium payments to the Health Plan Administrator (HPA) or Third-Party Administrator (TPA) through a payment file for all enrolled participants associated with the HPA/TPA's vendor number. This payment file is used to reconcile payments for each participant.
- (2) If after reconciliation it is discovered participants had an unapproved vendor, duplicate payments, misapplied payments, were using an incorrect Participant Identification Number (PIN), among other instances, then HPA/TPA/Participants may be refunded their portion of the insurance premium.
- (3) Payment reconciliation is handled on a case-by-case basis by HQ with two different processes: participants and vendors.
- (4) For participants, the reimbursement process is completed by HQ on a spreadsheet and is submitted to Chief Financial Office (CFO).
  - a. When submitting the spreadsheet to CFO, use the following information:

“The 1034 spreadsheet represents HCTC payments to participants based on reconciliation. The spreadsheet submission for (month day), 202(X) is a total of \$(amount) in payments of the 27.5% portion of their health insurance. Fund R6163HTC.”

- b. For participants, the spreadsheet is submitted using:  
Vendor number 02020069  
Fund R6163HTC
- (5) Once the SF-1034 reimbursement spreadsheet for individuals has been submitted to CFO, it will be provided to the Enrollment team for batching, correspondence, and comments. P&A will send an email confirmation, to HQ once correspondence is issued.
- (6) For vendors, the disbursement process is completed by HQ and Standard Forms 1034 are submitted to CFO.
- (7) The 1034 reimbursements/disbursements will be added to the payment history within the HCTC database by P&A.
- (8) If the Enrollment Team is contacted regarding a reconciliation issue, elevate to P&A.

3.11.29.18.1  
(07-23-2021)  
**Completing SF-1034**

- (1) Use the following information, to complete SF-1034 for vendor disbursement.
  - Input the voucher number in the format of HPA/TPA MM-YYYY (M=month Y= year). For example, BCBSM 01-2017.
  - U.S. DEPARTMENT, BUREAU, OR ESTABLISHMENT AND LOCATION – HCTC Program Office
  - DATE VOUCHER PREPARED – Enter date voucher is prepared
  - CONTRACT NUMBER AND DATE, REQUISITION NUMBER AND DATE, SCHEDULE NO, and PAID BY– Leave Blank
  - DATE INVOICE RECEIVED – Enter date voucher is prepared
  - DISCOUNT TERMS – Leave Blank
  - PAYEE’S ACCOUNT NUMBER – Enter the vendor’s employer identification number (EIN)/taxpayer identification number (TIN)
  - PAYEE’S NAME AND ADDRESS – Enter the vendor identification number followed by vendor’s name and address. For example:  
Vendor Number 00012345  
John Doe Insurance  
123 Main Street.  
Anytown, TX 78704
  - SHIPPED FROM, TO, WEIGHT, GOVERNMENT B/L/ NUMBER, NUMBER AND DATE OF ORDER (column), and DATE OF DELIVERY OR SERVICE (column) – Leave Blank
  - ARTICLES OR SERVICES (column) – Enter a description for the reimbursement, the date of the return of funds (if available), the program name (HCTC AMP (Advance Monthly Payment)), and a breakdown of the government’s percentages and the participant’s percentage. For example:  
Payment to (vendor) to reconcile (month(s)).  
Return of Funds from (vendor) on (date)  
HCTC AMP

27.5% portion = (calculate 27.5% of total)

72.5% portion = (calculate 72.5% of total)

- QUANTITY (column) and UNIT PRICE (column) – Leave Blank
- AMOUNT – Enter amount of reimbursement
- TOTAL – Enter total amount of reimbursement. This amount must match the APPROVED FOR amount.
- PAYMENT (check boxes) – Leave Blank
- APPROVED FOR – Enter the amount of reimbursement. This amount must match the TOTAL amount.
- EXCHANGE RATE, DIFFERENCES, BY(2), and TITLE– Leave Blank

(2) ACCOUNTING CLASSIFICATION Section

- a. Enter the appropriate Accounting Classification Codes provided by CFO for the 72.5% appropriation account.

**Example:** For the 72.5% appropriation account use the following:

Fund: R0923HTC

Commitment: 41

Funds Center RA04

Functional Area - RMAD

Order - CHTC

Business Area – 0002

- b. Enter the appropriate Accounting Classification Codes provided by CFO for the 27.5% appropriation account.

**Example:** For the 27.5% appropriation account use the following:

Fund: R6163HTC

Commitment: 2400

Funds Center RA04

Functional Area - RMAD

Order - CHTC

Business Area – 0002

3.11.29.19  
(12-08-2017)

**Form 8885, Health  
Coverage Tax Credit**

- (1) Any documentation related to Form 8885, Health Coverage Tax Credit, received in the Entity unit should first be reviewed to determine if it is related to the Advanced Monthly Program or Form 1040.
- a. If the documentation was sent in support of the Advanced Monthly Program, it should be processed following standard HCTC procedures.
- b. If the documentation was sent in support of Form 1040, route to CIS/AM.
- Edit “(HCTC)” in the left margin
  - Place in your route-out folder

3.11.29.20  
(05-18-2021)

**Form 3881-A, ACH  
Vendor / Miscellaneous  
Payment Enrollment –  
HCTC**

- (1) Health Plan Administrators (HPA) and Third Party Administrators (TPA) must be able to receive payments via Electronic Funds Transfer (EFT) processed through the Direct Deposit Program as an Automated Clearing House (ACH) payment.
- (2) HPAs/TPAs must be enrolled in the EFT program to receive insurance premium payments for their customers who are participants in the HCTC

program. Receiving electronic payments ensures timely, accurate payments and reduces the risk of payments being misdirected within the HPA/TPA's organization.

- (3) HPAs and TPAs must complete Form 3881-A, ACH Vendor / Miscellaneous Payment Enrollment – HCTC, to enroll and begin receiving HCTC payments. If a vendor is not set-up as an approved HCTC vendor, correspond with Letter 4540 using selectable paragraph 12. See IRM 3.11.29.13.4, Letter 4540, HCTC Candidate Eligibility Denial.
- (4) Once a HPA/TPA has sent Form 3881-A and is established to receive payments, they do **NOT** need to submit another Form 3881-A if additional individuals enroll after the HPA/TPA is established.
- (5) However, a HPA/TPA must recertify each year by submitting a new Form 3881-A. See IRM 3.11.29.20.2, Recertifying with Form 3881-A, ACH Vendor / Miscellaneous Payment Enrollment – HCTC.

3.11.29.20.1  
(05-14-2020)  
**Submitting Form 3881-A**

- (1) Form 3881-A, ACH Vendor / Miscellaneous Payment Enrollment – HCTC, is processed by the HCTC Headquarters Analyst. If attached to an application, elevate to the Coordinator.
- (2) Form 3881-A may be received through the Stakeholder mailbox, submitted with an application, or sent through the mail. If a physical form is sent in, scan the form and e-mail it to *wi.hctc.stakehldr.en@irs.gov*.

3.11.29.20.2  
(05-18-2021)  
**Recertifying with Form 3881-A**

- (1) Health Plan Administrators (HPA) and Third Party Administrators (TPA) must recertify annually to receive insurance payments from their participants via Electronic Funds Transfer (EFT) through the Direct Deposit Program as an Automated Clearing House (ACH) payment by submitting a new Form 3881-A.
- (2) For Recertification:
  - a. HQ Analysts will provide a one-month notification to P&A either through e-mail or spreadsheet of upcoming renewals.
  - b. P&A will issue notifications as Forms 4442, Inquiry Referral, to the Enrollment Team. See IRM 3.11.29.14, Form 4442, Inquiry Referral.
  - c. The Enrollment Team will generate a Letter 5974, Annual HCTC Vendor Renewal Certification, for the HPA/TPA. See IRM 3.11.29.13.8, Letter 5974
  - d. The Enrollment Team will batch the notifications as Forms 4442. See IRM 3.11.29.14.
  - e. The Enrollment Team will notify P&A of completion and HQ will monitor the renewals.

3.11.29.21  
(03-05-2021)  
**Payment Submission / Lockbox / Daily Mail-Out Package**

- (1) HCTC participants are instructed to send their payments to a lockbox depository for payment processing.
- (2) If payment(s) received at the lockbox require additional information to process, such as a missing or invalid Participant Identification Number, Lockbox will request the missing information from the Enrollment Team, via email by 12:00 p.m. CST daily.

- (3) The Enrollment Team will research the HCTC database for missing information/invalid Participant Identification Number and provide a response to  
\_\_\_\_\_
- (4) If the Enrollment Team supplies sufficient information for the missing/invalid PIN, the Lockbox site will process the remittance.
- (5) If a valid PIN number cannot be located, Lockbox will reject the payment back to the participant with all original contents.
- (6) The Lockbox site will return rejected payments/unprocessable items back to the participant, with a reject letter. A copy of the reject letter and all contents that were mailed to the participant will be sent from Lockbox to the Enrollment Team, with a Form 3210, Document Transmittal, as part of a daily mail out package.
- (7) As part of the daily package mail-out to the Enrollment Team, Lockbox will include correspondence items and envelopes received at the Lockbox site in which the site processed the participant's remittance. Correspondence includes an item received that is not a payment coupon or remittance.
- (8) The Lockbox site must use an approved dedicated overnight private delivery/freight service (e.g., FedEx, DHL, and UPS) to deliver shipments to the Enrollment Team.
- (9) Once the shipment is received, the Enrollment Team will:
  - a. Verify the contents were received and sign the acknowledgment copy of the Form 3210. The Enrollment team will return the signed, dated and
  - b. Batch the content as Form 4442s. See IRM 3.11.29.14, Form 4442, Inquiry Referral.
- (10) If Lockbox does not have a daily mail out package to send to the Enrollment Team, they will send an e-mail to the Stakeholder mailbox to advise there is no mail out package.

#  
##  
#

3.11.29.22  
(05-18-2021)  
**Insufficient Funds  
Notification**

- (1) CFO will send an e-mail to the Stakeholder mailbox when insurance premium payments have been returned due to insufficient funds.
- (2) Insufficient Funds are worked by HQ.

3.11.29.23  
(05-18-2021)  
**Rejected Payments by  
Vendors**

- (1) The Rejected payments are worked by HQ.
- (2) CFO will send notification of rejected payments to the stakeholder inbox.
- (3) Once official notification of rejected payments is received, the payments are added to the Return of Funds (ROF) spreadsheet and tracked for the 27.5% reimbursement allowed on Standard Form 1034, Public Voucher for Purchases and Services other than Personal. See IRM 3.11.29.18, SF-1034, Public Voucher for Purchases and Services other than Personal, Monthly Payment Reconciliation.

- (4) Once payments are researched to determine both the cause of the return and where the payment should now be applied, they are added to the database by P&A and comments are added or updated in the database.
  
- 3.11.29.24  
(12-08-2017)  
**Operations Assistance Request (OARs)**

  - (1) Operations Assistance Request (OARs) from Taxpayer Advocate Services are normally received through the Stakeholder mailbox (\*W&I HCTC STAKEHOLDER ENGAGEMENT <WI.HCTC.Stakehldr.En@irs.gov>) and are worked by P&A.
  - (2) If any OARs are received outside of the Stakeholder mailbox, refer to the HCTC Coordinator to be elevated to P&A.
  
- 3.11.29.25  
(01-25-2021)  
**Record Retention Requirements**

  - (1) Forms 13441-A, Health Coverage Tax Credit (HCTC) Monthly Registration and Update, must be retained in AUSP Files or designated area for six (6) years, then retired to the Federal Record Center (FRC) to follow the Record Retention requirements for *Document 12990*, Records and Information Management Records Control Schedules.
  - (2) The Lockbox site must capture an image of the front and back of all remittances and the payment posting documents (vouchers, facsimiles, remittance photocopies) for all transactions they process.
    - a. The Lockbox site must retain electronically processed remittances for a period of five (5) business days after the electronic check processing (ECP) settlement date. These documents must be kept in a manner that is easily retrievable.
    - b. The Lockbox site must retain paper vouchers or payment posting documents/ facsimiles/photocopies for a period of five (5) business days after the ECP settlement date. These documents must be kept in a manner that is easily retrievable.
    - c. RTR (Image) files must be retrievable for a period of 30 calendar days from creation.
  
- 3.11.29.26  
(12-08-2017)  
**Daily Reports**

  - (1) The following daily reports are prepared and submitted by Lockbox through the Stakeholder mailbox.
    - a. Daily Deposit Production Report
    - b. Payment Reject Letter Tracking Report
  - (2) The Daily Deposit Production Report shows payments processed and other activity, such as overpayments.
  - (3) The Payment Reject Letter Tracking Report must include the following:
    - a. The date the reject letter was mailed to the participant by Lockbox
    - b. Participant's last name
    - c. Participant Identification Number (PIN)
    - d. A reason the item was rejected (A-H)
    - e. A daily count of the rejected items

- (4) If the reject reason is "H" (other), a comment must be added to explain the reason the payment was rejected. If payment was rejected for an invalid or missing PIN (Reason Code D) and faxed to the Austin Enrollment Team, the date and time of fax is entered.
- (5) The Lockbox Site must retain copies of rejected items such as reject letters, original payment coupons, remittances and correspondence on site for one year in retrievable format to support responses to government inquiries.

3.11.29.27  
(01-01-2022)  
**Weekly Reports**

- (1) There are three weekly reports for the HCTC program: Weekly Statistical Report, HCTC Production Report, and the HCTC Weekly Refund Report.
- (2) Weekly Statistical Report. The report is received every Monday morning from the HCTC Coordinator or Entity Team Work Leader to provide weekly data on HCTC volumes.
- (3) HCTC Production Report. This report is received from P&A each Monday.
- (4) HCTC Weekly Refund Report. This report is received weekly from IRS Beckley Office and is used by HQ and P&A to reconcile payments. The report shows return of funds from Health Plan Administrators (HPAs)/ Third Party Administrators (TPAs). It is received with a zero balance if there are no return of funds for the week.

# Health Coverage Tax Credit (HCTC) Enrollment Processing 3.11.29

page 47

**Exhibit 3.11.29-1 (12-08-2017)**  
**Letter 3772 - End of Program Letter**



**Department of the Treasury**  
**Internal Revenue Service**  
Stop 6098 AUSC  
Austin, TX 78741

Date:

Taxpayer ID number (last 4 digits):

Contact telephone number:  
1-844-853-7210

Dear HCTC Program Participant:

You're no longer enrolled in the monthly Health Coverage Tax Credit (HCTC) program. You're now ineligible for the program and we've cancelled your registration.

The HCTC program recently notified you that you were ineligible for the HCTC for one or more of these reasons:

- You or your family member is eligible to enroll in Medicare.
- The COBRA health plan on your HCTC registration expired.

Because you didn't dispute the information in that letter, we've cancelled your HCTC registration.

Please note, if your HCTC account currently shows a credit balance, we will refund it to you by check once we reconcile your account.

If you believe the information in this letter is incorrect:

1. Continue to pay your health insurance bills, in full, directly to your health plan. You can claim the HCTC on your federal tax return for any months you were eligible for the tax credit and made direct premium payments for qualified health insurance coverage. Keep a record of the payments you make.
2. Send us supporting documentation within 20 days from the date of this letter, along with your name and taxpayer identification number, to the address at the top of this letter. If you want to send the information by fax, our fax number is 1-855-250-1731. Due to the high volume, we can't acknowledge receipt of your fax. Your faxed signatures will become a permanent part of your filing. Don't send another copy by mail. Doing so could delay the processing of your monthly registration. Be sure to put your taxpayer identification number on each page you fax. Include a cover sheet with the following information:
  - Date
  - Attention: Stop 6098 AUSC
  - Your name
  - Your phone number
  - Your taxpayer identification number
  - Tax period
  - Number of pages faxed

**Letter 3772 (Rev. 9-2016)**  
Catalog Number 37105K

**Exhibit 3.11.29-1 (Cont. 1) (12-08-2017)**

**Letter 3772 - End of Program Letter**

If you have questions about this letter, you can call the number at the top of the first page of this letter or visit [www.irs.gov/hctc](http://www.irs.gov/hctc).

Sincerely,

[Name]

[Title]

**Letter 3772 (Rev. 9-2016)**  
Catalog Number 37105K

# Health Coverage Tax Credit (HCTC) Enrollment Processing 3.11.29

page 49

Exhibit 3.11.29-2 (12-08-2017)

## Letter 4510 - HCTC Reimbursement Request Denial



Department of the Treasury  
Internal Revenue Service  
Stop 6098 AUSC  
Austin, TX 78741

Date:  
10/10/2017  
Taxpayer ID number (last 4 digits):

Contact telephone number:  
844-853-7210

Contact hours:  
7 a.m. – 7 p.m. ET

Dear HCTC Program participant:

### Why you are receiving this letter

You recently requested a Health Coverage Tax Credit (HCTC) reimbursement for the payment(s) you made in the month(s) of [enter months] for the amount of \$0.00. Unfortunately, we have determined you're not entitled to a reimbursement because of the following:

☐ **No eligibility on file:**

You're not eligible to receive reimbursement for the month(s) you requested. Our records do not show that you were a Trade Adjustment Assistance (TAA), Alternative TAA (ATAA), or Reemployment TAA (RTAA) recipient, or a Pension Benefit Guaranty Corporation (PBGC) payee.

☐ **Ineligible month(s):**

You're not eligible to receive reimbursement for the month(s) you requested. The month(s) for which you requested reimbursement occurred prior to the month you were an eligible Trade Adjustment Assistance (TAA), Alternative TAA (ATAA), or Reemployment TAA (RTAA) recipient, or a Pension Benefit Guaranty Corporation (PBGC) payee.

☐ **Ineligible benefits claimed:**

The benefits you requested are ineligible for the HCTC. The HCTC doesn't cover dental and vision plans. You should deduct these amounts from the monthly premium amount for which you are requesting reimbursement.

☐ **HCTC enrollee:**

You're not currently registered in the monthly HCTC Program or haven't submitted Form 13441-A, HCTC Program Registration Form, to begin your monthly HCTC registration.

☐ **Non-qualified health insurance coverage:**

The health insurance coverage for which you requested reimbursement isn't qualified for the HCTC. HCTC-qualified health insurance coverage includes the following:

- COBRA continuation coverage
- Spousal coverage
- Non-group/individual health plan other than coverage enrolled in through an Exchange
- Coverage under a health plan funded by a voluntary employees' beneficiary association (VEBA)

Letter 4510 (Rev. 7-2017)  
Catalog Number 53675R

**Exhibit 3.11.29-2 (Cont. 1) (12-08-2017)****Letter 4510 - HCTC Reimbursement Request Denial**☐ **Supporting documentation - Letter 4511:**

You didn't reply to our request for additional documents needed to approve your reimbursement request.

Review the instructions for Form 8885, Health Coverage Tax Credit, when you complete your federal income tax return to determine if you qualify for the yearly HCTC for the payments that were denied reimbursement.

**What to do if you have questions**

If you have questions about this letter, you can call the number at the top of this letter or visit [www.irs.gov/hctc](http://www.irs.gov/hctc).

Sincerely,

[Name]

[Title]

**Letter 4510 (Rev. 7-2017)**  
Catalog Number 53675R

**Exhibit 3.11.29-3 (12-08-2017)****Letter 4511 - HCTC Reimbursement Request - Insufficient Documentation**

**Department of the Treasury**  
**Internal Revenue Service**  
Stop 6098 AUSC  
Austin, TX 78741

**Date:**  
10/10/2017  
**Taxpayer ID number (last 4 digits):**

**Contact telephone number:**  
844-853-7210

**Contact hours:**  
7 a.m. – 7 p.m. ET

**Contact fax number:**  
855-250-1731

Dear HCTC Program participant:

**Why you are receiving this letter**

You recently requested a Health Coverage Tax Credit (HCTC) reimbursement. Unfortunately, we couldn't complete your request because we haven't received all of the required supporting documentation for you or your family members.

**What you should do**

We require the following documentation to complete your reimbursement request:

1. A copy of your health insurance bill (dated within the last 60 days) or payment coupons for all of the months for which you have requested reimbursement. These documents must show the following information:

- Your name (or policy holder name)
- Social Security number of the policy holder (if not you)
- Dates of coverage
- Name of your health plan
- Health plan identification numbers (including member ID, group ID, policy or plan ID)
- Monthly premium amount

If applicable, the documents should also show the following:

- Separate costs for family members who are not eligible for the HCTC
- Separate amounts that do not count towards the HCTC (such as dental or vision coverage)

If the health plan related to your reimbursement request is different from your monthly HCTC registration, we may require additional documents.

If your qualified health plan doesn't provide members with an insurance bill or COBRA payment coupon, you must provide health plan enrollment documents or an official letter from your health plan that has the required information listed in the bullets above.

**Letter 4511 (Rev. 7-2017)**  
Catalog Number 53676C

**Exhibit 3.11.29-3 (Cont. 1) (12-08-2017)****Letter 4511 - HCTC Reimbursement Request - Insufficient Documentation**

2. Proof of payment, such as:

- Canceled checks (copy of front and back)
- Bank statements
- Credit card statements
- Money order receipts

*Your proof of payment must show the amount paid and to whom it was paid. If you don't have proof of payment, contact your health plan for a record of your payments.*

3. Original signature on your Form 14095, The Health Coverage Tax Credit (HCTC) Reimbursement Request Form. Please sign the enclosed Form 14095 and return it to us by mail or fax.

**Where to send your supporting documentation**

Send us your supporting documentation, along with your name and Social Security number or HCTC Participant ID number, within 20 days from the date of this letter. The documentation can be mailed or faxed to the address or fax number at the top of this letter. Due to the high volume of faxes we receive, we can't acknowledge receipt of your fax. Your faxed signatures will become a permanent part of your filing. If you choose to fax the information, do not send another copy by mail. Doing so could delay the processing of your Form 14095. Write your Social Security number or HCTC Participant ID number on each page you fax and include a cover sheet with the following information:

- Date
- Attention: Stop 6098 AUSC
- Your name
- Your phone number
- Your Social Security number or HCTC Participant ID number
- Number of pages faxed

**What to do if you have questions**

If you have questions about this letter, you can call the number at the top of this letter or visit [www.irs.gov/hctc](http://www.irs.gov/hctc).

Sincerely,

[Name]  
[Title]

Enclosure:  
Form 14095

**Letter 4511 (Rev. 7-2017)**  
Catalog Number 53676C

# Health Coverage Tax Credit (HCTC) Enrollment Processing 3.11.29

page 53

Exhibit 3.11.29-4 (12-08-2017)


Letter 4540 - HCTC Notice of Ineligibility

Hide Selectable Paragraph Pages

Show Selectable Paragraph Pages

Clear All Fields

Print Form



Department of the Treasury  
Internal Revenue Service  
Stop 6098 AUSC  
Austin, TX 78741

Date:  
Taxpayer ID number (last 4 digits):  
Contact Telephone number:  
1-844-853-7210

Click "Show Selectable Paragraph Pages."

Dear HCTC candidate:

We received your HCTC registration form and thank you for your interest in the monthly Health Coverage Tax Credit (HCTC). At this time, you cannot receive the monthly HCTC because:

**What to do if you disagree**

If you believe the information in this letter is incorrect, you must:

1. Continue to pay your health insurance bills in full directly to your health plan. You can claim the HCTC on your federal tax return for any months you were eligible for the tax credit and made direct premium payments for qualified health insurance coverage. Keep a record of the payments you make.
2. Send us supporting documentation within 20 days from the date of this letter, along with your name and social security number, to the address at the top of this letter. If you want to send the information by fax, our fax number is 1-855-250-1731. Due to the high volume, we can't acknowledge receipt of your fax. Your faxed signatures will become a permanent part of your filing. You don't need to send another copy by mail as this could delay the processing of your monthly registration. Be sure to put your taxpayer identification number on each page faxed. Include a cover sheet with the following information:
  - Date
  - Attention: Stop 6098 AUSC
  - Your name
  - Your phone number
  - Your taxpayer identification number
  - Tax period
  - Number of pages faxed

Letter4540 (Rev. 12-2016)  
Catalog Number 54315W

**Exhibit 3.11.29-4 (Cont. 1) (12-08-2017)****Letter 4540 - HCTC Notice of Ineligibility**

<input type="button" value="Hide Selectable Paragraph Pages"/>	<input type="button" value="Show Selectable Paragraph Pages"/>	<input type="button" value="Clear All Fields"/>	<input type="button" value="Print Form"/>
 <b>Letter 4540</b>  <b>Do Not Mail This Page</b>  <b>Selectable Paragraphs</b>  <b>Select all that apply</b>			
<input type="checkbox"/> <b>Selectable Paragraph 1</b>			
<b>Dependent status</b> You stated that someone else could claim you as a dependent on his or her federal tax return.			
<input type="checkbox"/> <b>Selectable Paragraph 2</b>			
<b>Disqualifying health insurance coverage</b> You stated that you either:			
<ul style="list-style-type: none"><li>• Can receive Medicare benefits or health coverage through the U.S. military health system (CHAMPUS/TRICARE), or</li><li>• Are enrolled in Medicaid, the State Children's Health Insurance Program (SCHIP), or the Federal Employees Health Benefits Program (FEHBP).</li></ul>			
<input type="checkbox"/> <b>Selectable Paragraph 3</b>			
<b>Age requirement (PBGC only)</b> You stated that you were under 55, and therefore do not meet the age required for Pension Benefit Guaranty Corporation (PBGC) recipients.			
<input type="checkbox"/> <b>Selectable Paragraph 4</b>			
<b>Imprisonment</b> You stated that you were in prison.			
<input type="checkbox"/> <b>Selectable Paragraph 5</b>			
<b>Incomplete registration form</b> You didn't complete your HCTC registration form. We can't register you for the monthly HCTC without the missing information. To reapply, you must complete your copy of the registration form or fill out a new form, and submit it to the HCTC program.			
<input checked="" type="checkbox"/> <b>Selectable Paragraph 6</b>			
<b>Missing supporting documents</b> You didn't include the required supporting documents with your registration form. Refer to Part IV, "Gather supporting documents to send us," of the form for a list of documents you must provide. To reapply for the monthly HCTC, you must submit your copy of the HCTC registration form (or a new registration form) with the required supporting documents.			
<b>Select a paragraph by clicking the box <u>above</u> the paragraph. For example, Selectable Paragraph 6 is for "Missing supporting documents."</b>  <b>There are three pages of paragraphs. Select all that apply.</b>			

# Health Coverage Tax Credit (HCTC) Enrollment Processing 3.11.29

page 55

## Exhibit 3.11.29-4 (Cont. 2) (12-08-2017) Letter 4540 - HCTC Notice of Ineligibility

<input type="button" value="Hide Selectable Paragraph Pages"/>	<input type="button" value="Show Selectable Paragraph Pages"/>	<input type="button" value="Clear All Fields"/>	<input type="button" value="Print Form"/>
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☐ **Selectable Paragraph 7**

**Spousal coverage**  
You stated that your spouse's health plan provides you health care coverage, both of you are on the plan, and your spouse's employer pays more than 50% of the health plan premium. This coverage makes you ineligible for the monthly HCTC. If in the future your coverage is also COBRA, you may become eligible for the monthly HCTC.

As an alternative to the monthly HCTC, you can choose to receive the yearly HCTC on your federal tax return. To maintain eligibility, continue to pay your health insurance bills in full directly to your health plan and keep a record of the payments you make. Claim the yearly HCTC on IRS Form 8885, *Health Coverage Tax Credit*, and attach the required supporting documents to your federal tax return.

☐ **Selectable Paragraph 8**

**Unqualified Health Insurance Coverage**  
Your health plan is not qualified for the HCTC. Review HCTC guidelines for qualified health insurance coverage at [www.irs.gov/hctc](http://www.irs.gov/hctc).

☐ **Selectable Paragraph 9**

**Participant eligibility**  
We couldn't determine your HCTC eligibility for registration in the monthly program. We need a copy of the official letter of eligibility from the Department of Labor, your state workforce agency or employment office, or the Pension Benefit Guaranty Corporation (PBGC) to complete your enrollment. PBGC payees should call 1-800-400-7242 to request a letter. Recipients of trade adjustment assistance, alternative trade adjustment assistance, or reemployment trade adjustment assistance should call the Department of Labor at 1-877-872-5627 to request a letter. Only these organizations can determine your eligibility.

**Selectable paragraphs for family member eligibility.**

☒ **Selectable Paragraph 10**

**Family member eligibility**

**Insufficient documentation**  
You didn't include the required supporting documentation with your registration form and we couldn't verify your eligibility.

☐ **Selectable Paragraph 11**

**Family member eligibility**

**Unable to confirm eligibility**  
We couldn't confirm information about the original HCTC candidate who made you eligible for the family member continuation.

☐ **Selectable Paragraph 12**

**Family member eligibility**

**You are not eligible**  
Based on the date of the qualifying event, the period of family member continuation has expired.

**Letter4540 (Rev. 12-2016)**  
Catalog Number 54315W

**Exhibit 3.11.29-4 (Cont. 3) (12-08-2017)**  
**Letter 4540 - HCTC Notice of Ineligibility**

<input type="button" value="Hide Selectable Paragraph Pages"/>	<input type="button" value="Show Selectable Paragraph Pages"/>	<input type="button" value="Clear All Fields"/>	<input type="button" value="Print Form"/>
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☐ **Selectable Paragraph 13**

**Unable to verify Health Plan Administrator (HPA) set up**  
Based on the Health Plan Information you provided in Part 4 of your registration form, we cannot confirm your Health Plan Administrator's (HPA's) participation in the advance monthly program. You must notify your HPA to complete Form 3881, *ACH Vendor/Miscellaneous Payment Enrollment*, as soon as possible in order for the IRS to make payments to them on your behalf. They can find Form 3881 at [www.irs.gov/hctc](http://www.irs.gov/hctc) along with instructions for where to send the form. You cannot be enrolled in the advance monthly program until your HPA is set up as a vendor for payment.

☐ **Selectable Paragraph 14 Miscellaneous missing information**

[Open paragraph]

**Letter 4540 (Rev. 12-2016)**  
Catalog Number 54315W

# Health Coverage Tax Credit (HCTC) Enrollment Processing 3.11.29

page 57

Exhibit 3.11.29-4 (Cont. 4) (12-08-2017)

Letter 4540 - HCTC Notice of Ineligibility


Hide Selectable Paragraph Pages

Show Selectable Paragraph Pages

Clear All Fields

Print Form

1

**Department of the Treasury**  
**Internal Revenue Service**  
Stop 6098 AUSC  
Austin, TX 78741

2/20/2017  
Taxpayer ID number (last 4 digits):  
3781  
Contact Telephone number:  
1-844-853-7210

3

4

Beck Redpoll  
8712 Madison Dr.  
Memphis, TN 38101

Participant ID: 00000167XX

Dear HCTC candidate:

We received your HCTC registration form and thank you for your interest in the monthly Health Coverage Tax Credit (HCTC). At this time, you cannot receive the monthly HCTC because:

**Missing supporting documents**  
You didn't include the required supporting documents with your registration form. Refer to Part IV, "Gather supporting documents to send us," of the form for a list of documents you must provide. To reapply for the monthly HCTC, you must submit your copy of the HCTC registration form (or a new registration form) with the required supporting documents.

**Family member eligibility**  
**Insufficient documentation**  
You didn't include the required supporting documentation with your registration form and we couldn't verify your eligibility.

1 Click "Hide Selectable Paragraph Pages."

2 The paragraphs you selected are now included in the letter.

3 Fill in the taxpayer's information.

4 Click "Print Form" to print the completed letter.  
The letter will be at least two pages. Make sure your printer is set to print on both sides of the paper.

Letter4540 (Rev. 12-2016)  
Catalog Number 54315W

**Exhibit 3.11.29-4 (Cont. 5) (12-08-2017)**  
**Letter 4540 - HCTC Notice of Ineligibility**[Hide Selectable Paragraph Pages](#)[Show Selectable Paragraph Pages](#)[Clear All Fields](#)[Print Form](#)**What to do if you disagree**

If you believe the information in this letter is incorrect, you must:

1. Continue to pay your health insurance bills in full directly to your health plan. You can claim the HCTC on your federal tax return for any months you were eligible for the tax credit and made direct premium payments for qualified health insurance coverage. Keep a record of the payments you make.
2. Send us supporting documentation within 20 days from the date of this letter, along with your name and social security number, to the address at the top of this letter. If you want to send the information by fax, our fax number is 1-855-250-1731. Due to the high volume, we can't acknowledge receipt of your fax. Your faxed signatures will become a permanent part of your filing. You don't need to send another copy by mail as this could delay the processing of your monthly registration. Be sure to put your taxpayer identification number on each page faxed. Include a cover sheet with the following information:
  - Date
  - Attention: Stop 6098 AUSC
  - Your name
  - Your phone number
  - Your taxpayer identification number
  - Tax period
  - Number of pages faxed

The HCTC program will review your follow up documentation and respond with a decision letter.

If you have questions about this letter, you can call the number at the top of this letter or visit [www.irs.gov/hctc](http://www.irs.gov/hctc).

Sincerely,

[Name]

[Title]

Enclosure:

Your HCTC registration form

**Letter 4540 (Rev. 12-2016)**  
Catalog Number 54315W

# Health Coverage Tax Credit (HCTC) Enrollment Processing 3.11.29

page 59

Exhibit 3.11.29-5 (12-08-2017)

Letter 4545 - HCTC Enrollment Letter



Department of the Treasury  
Internal Revenue Service  
Stop 6098 AUSC  
Austin, TX 78741

Date:

Taxpayer ID number (last 4 digits):

Contact telephone number:  
1-844-853-7210

Participant ID number:

Dear HCTC program participant:

You have successfully registered for the monthly Health Coverage Tax Credit (HCTC). Your eligibility for the HCTC has been certified by the Secretary of Labor, your state workforce agency, your employment office, or the Pension Benefit Guaranty Corporation (PBGC). You are certified for advance payments of the credit.

Your payment of \$[Amount due] is due by the 10th day of each month. Follow the steps below when paying your monthly premium to the HCTC program.

## **Making your monthly HCTC payment**

1. To ensure we apply your payment correctly and timely, you must mail the monthly payment coupon each month with your payment. Please visit [www.irs.gov/hctc](http://www.irs.gov/hctc) to download, complete, and print the HCTC payment coupon.
2. Include the bottom portion of the HCTC payment coupon with your check when you make your HCTC payment. Follow the instructions on the HCTC payment coupon for how to pay by check.
3. Your payment is due by the 10th day of each month. We must receive your payment by the HCTC due date. If your payment is late, we won't accept it and will return the payment to you. If we return your payment, you'll be responsible for paying any unpaid premium directly to your health plan.
4. You must pay the exact amount due. If we don't receive the full payment, we'll return the payment to you. If the amount you send is more than the amount due for one month, we'll refund the overpayment to you.

## **Maintaining your relationship with your health plan**

You may receive insurance bills from your health plan even after you register with the HCTC program. You should keep these bills for your records and review them to ensure that any amount owed to your health plan is correct. If you have questions about your health plan account, contact your health plan at its customer service number.

## **Updating your HCTC registration**

When you are enrolled in the monthly HCTC Program, you must inform us of all changes that affect your HCTC eligibility, including your:

- Family member information
- Health plan enrollment
- Monthly insurance premiums

**Letter 4545 (Rev. 1-2017)**  
Catalog Number 54321A

**Exhibit 3.11.29-5 (Cont. 1) (12-08-2017)****Letter 4545 - HCTC Enrollment Letter**

Please complete and submit a revised Form 13441-A, *Health Coverage Tax Credit (HCTC) Monthly Registration*, check box 6, General Instructions, and only provide the updated information.

If you don't update your HCTC registration, the HCTC program may send incorrect payments to your health plan. If the program pays any amount on your behalf to your health plan after you're no longer eligible or don't have qualified health insurance coverage, you'll need to report and repay those amounts when you file your federal income tax return.

You have several options for health insurance that qualify for the HCTC. None include any state-qualified health plans, however. The state you live in has not elected any health programs to be qualified health insurance for purposes of the HCTC.

Keep copies of all forms and documentation you send or receive about the HCTC program for your records. If you have questions about this letter, you can call the number at the top of the first page of this letter or visit [www.irs.gov/hctc](http://www.irs.gov/hctc).

Sincerely,

[Name]

[Title]

**Letter 4545 (Rev. 1-2017)**  
Catalog Number 54321A

# Health Coverage Tax Credit (HCTC) Enrollment Processing 3.11.29

page 61

**Exhibit 3.11.29-6 (12-08-2017)**

**Letter 5758 - Health Coverage Tax Credit Enrollment in Process**



**Department of the Treasury  
Internal Revenue Service**  
Stop 6098 AUSC  
Austin, TX 78741

Date:

Taxpayer ID number (last 4 digits):

Contact telephone number:  
1-844-853-7210

Dear HCTC Candidate:

Thank you for your interest in the Health Coverage Tax Credit (HCTC) program. We are processing your registration form and supporting documentation. If we are missing any required documents, we'll suspend processing and request the documents from you. Otherwise, you'll receive your enrollment letter after we've processed your registration, which can take up to six weeks.

Keep a copy of this letter for your records. Some HCTC qualified health plans require proof of eligibility for enrollment, and this letter provides evidence of eligibility.

If you have questions about the next steps of registration, you can call the number at the top of this letter or visit [www.irs.gov/HCTC](http://www.irs.gov/HCTC).

We appreciate your patience while we complete your registration.

Sincerely,

[Name]  
[Title]

**Letter 5758 (9-2016)**  
Catalog Number 68584V

**Exhibit 3.11.29-7 (12-08-2017)****Letter 5945 - HCTC Reimbursement Approval**

**Department of the Treasury**  
**Internal Revenue Service**

Stop 6098 AUSC  
Austin, TX 78741

**Date:**

10/13/2017

**Taxpayer ID number (last 4 digits):****Contact telephone number:**

844-853-7210

**Contact hours:**

7 a.m. – 7 p.m. ET

Dear HCTC Program participant:

We processed your Health Coverage Tax Credit (HCTC) reimbursement request. We determined that you're eligible for reimbursement for the premiums you paid for qualified coverage prior to your enrollment in the monthly HCTC program. You should receive a payment in the amount of \$0.00 within 3 weeks from the date of this letter.

Do not include the premiums you paid for any reimbursed month on your federal tax return, either as a deduction to your income or to claim additional HCTC on Form 8885, Health Coverage Tax Credit.

You must still file Form 8885 to elect the HCTC. Include these reimbursed months and all eligible coverage months when you complete Form 8885, line 1, to elect to receive the benefit of the HCTC and confirm your monthly eligibility for the HCTC. But, do not report any payments for these reimbursed months on Form 8885, line 2. File Form 8885 with Form 1040, 1040NR, 1040-SS, or 1040-PR.

If you have questions about this letter, you can call the number at the top this letter or visit [www.irs.gov/hctc](http://www.irs.gov/hctc).

Sincerely,

[Name]

[Title]

**Letter 5945 (6-2017)**

Catalog Number 69604M

# Health Coverage Tax Credit (HCTC) Enrollment Processing 3.11.29

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**Exhibit 3.11.29-8 (12-08-2017)**

**Letter 5974 - Annual HCTC Vendor Renewal Notification**



**Department of the Treasury**  
**Internal Revenue Service**  
Stop 6098 AUSC  
Austin, TX 78741

**Date:**

10/13/2017

**Taxpayer ID number (last 4 digits):**

**Contact telephone number:**

844-853-7210

**Contact hours:**

7 a.m. – 7 p.m. ET, Monday - Friday

Dear HCTC Vendor [insert HPA/TPA name]:

The IRS Health Coverage Tax Credit (HCTC) program currently sends you the health insurance premiums for participants who receive the benefit of the HCTC through its advance monthly payment program.

To continue receiving these Automated Clearing House (ACH) payments (also referred to as Electronic Funds Transfers (EFTs)), you must complete and submit Form 3881-A, ACH Vendor/Miscellaneous Payment Enrollment – HCTC.

If you don't submit Form 3881-A when the IRS requests it every year, the IRS won't be able to deposit the HCTC payments to your account on the behalf of your customers. Please check the annual renewal box in Part 2 and complete and return the enclosed form to the address at the top of this letter by [insert date].

If you have questions about this letter, please call the number at the top of this letter or visit [www.irs.gov/hctc](http://www.irs.gov/hctc).

Sincerely,

[Name]

[Title]

Enclosure:  
Form 3881-A

**Letter 5974 (5-2017)**  
Catalog Number 69749A

**Exhibit 3.11.29-9 (12-08-2017)****Letter 6009 - Refund of HCTC Payments**

**Department of the Treasury**  
**Internal Revenue Service**  
Mail Stop 6098 AUSC  
Austin, TX 78741

**Date:**

10/13/2017

**Taxpayer ID number (last 4 digits):****Contact telephone number:**

844-853-7210

**Contact hours:**

7 a.m. - 7 p.m. ET

**Participant ID number:**

Dear HCTC Program participant:

**Why you are receiving this letter**

You submitted a Health Coverage Tax Credit (HCTC) payment for the [select] of [enter months]. Through coordination with your Health Plan Administrator (HPA) or Third Party Administrator (TPA), we determined that we can't apply this payment on your behalf. We'll return your payment of \$[123,456.00] within 3 weeks from the date of this letter.

[Open paragraph to use, if needed.]

Do not report the payments we're returning to you when you complete Form 8885, Health Coverage Tax Credit, with your federal income tax return. Instead, you may qualify for the HCTC on Form 8885 for payments you made directly to your HPA or TPA for these months.

**What to do if you have questions**

If you have questions about this letter, you can call the number at the top of this letter or visit [www.irs.gov/hctc](http://www.irs.gov/hctc).

If you have questions about your health plan account, contact HPA or TPA.

Sincerely,

[Name]

[Title]

**Letter 6009 (9-2017)**

Catalog Number 70710B

# Health Coverage Tax Credit (HCTC) Enrollment Processing 3.11.29

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**Exhibit 3.11.29-10 (12-11-2018)**  
**Letter 6011 - Return of HCTC Funds**



**Department of the Treasury**  
**Internal Revenue Service**  
**Wage and Investment Division**  
Stop 6098 AUSC  
Austin, TX 78741

**Date:**  
08/20/2018  
**Taxpayer ID number (last 4 digits):**

**Contact telephone number:**  
866-853-7210  
**Contact hours:**  
7 a.m. to 7 p.m., ET  
Monday - Friday

Dear HCTC program participant:

We reviewed your Health Coverage Tax Credit (HCTC) account and found the following:

**If you agree with the amount due**

Repay \$0.00 to the US Treasury within 30 days from the date of this letter. Make your check or money order payable to "US Treasury – HCTC," and include the PIN referenced above on the memo line of your check or money order. Mail your payment and a copy of this letter to:

US Treasury – HCTC  
Beckley Finance Center  
P.O. Box 9002  
Beckley, WV 25802-9002

**If you disagree with the amount due**

If you believe the information in this letter is incorrect, send us supporting documentation within 20 days from the date of this letter, along with your name and Social Security number, to the address at the top of this letter.

If you want to send the information by fax, our secure fax number is 855-250-1731. Be sure to put your Social Security number on each page faxed and include a cover sheet with the following information:

- Date
- Attention: Stop 6098 AUSC
- Your name
- Your phone number
- Your Social Security number
- Number of pages faxed

Due to the high volume, we can't acknowledge receipt of your fax. Your faxed signatures will become a permanent part of your filing. Don't send another copy by mail.

**Letter 6011 (8-2018)**  
Catalog Number 70736H

**Exhibit 3.11.29-10 (Cont. 1) (12-11-2018)**

**Letter 6011 - Return of HCTC Funds**

We'll review your records and make a final determination about your account.

If you have questions about this letter, you can call the number at the top of this letter.

Sincerely,

[Name]

[Title]

[Enclosure:]

[Erroneous overpayments report]

**Letter 6011 (8-2018)**  
Catalog Number 70736H