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Most forms and publications have a page on IRS.gov: IRS.gov/Form1040 for Form 1040; IRS.gov/Pub501 for Pub. 501; IRS.gov/W4 for Form W-4; and IRS.gov/ScheduleA for Schedule A (Form 1040), for example, and similarly for other forms, pubs, and schedules for Form 1040. When typing in a link, type it into the address bar of your browser, not a Search box on IRS.gov.

If you wish, you can submit comments to the IRS about draft or final forms, instructions, or pubs at IRS.gov/FormsComments. Include “NTF” followed by the form or pub number (for example, “NTF1040”, “NTFW4”, “NTF501, etc.) in the body of the message to route your message properly. We cannot respond to all comments due to the high volume we receive and may not be able to consider many suggestions until the subsequent revision of the product, but we will review each “NTF” message. If you have comments on reducing paperwork and respondent (filer) burden, with respect to draft or final forms, please respond to the relevant information collection through the Federal Register process; for more info, click here.

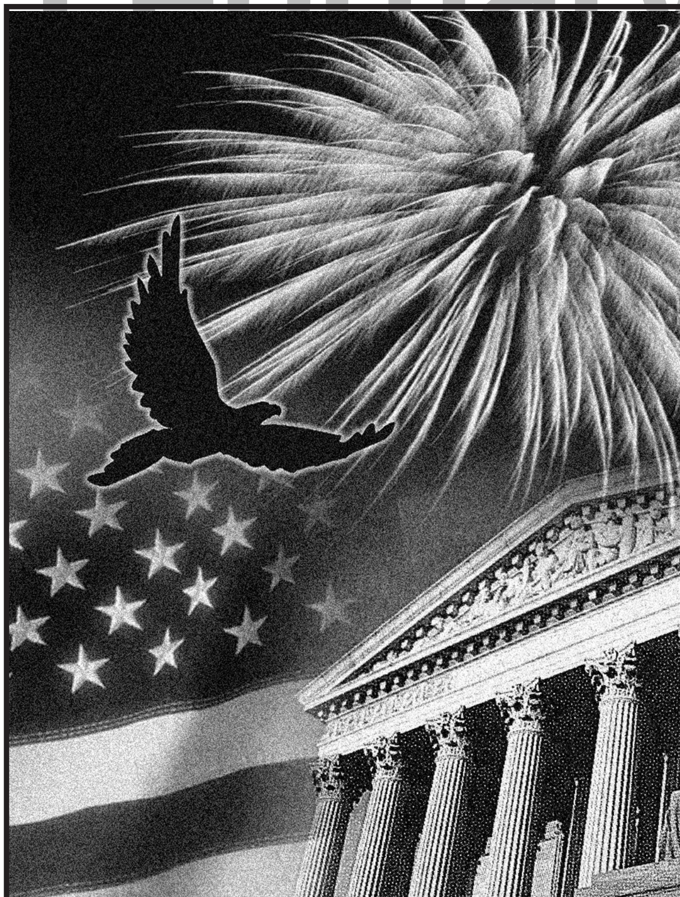
Department of the Treasury
Internal Revenue Service

Publication 974
Cat. No. 66452Q

Premium Tax Credit (PTC)

For use in preparing

2023 Returns



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Feb 15, 2024

Contents

Future Developments

For the latest information about developments related to Pub. 974, such as legislation enacted after it was published, go to *IRS.gov/Pub974*.

What's New

New Form 7206. Form 7206, Self-Employed Health Insurance Deduction, and its separate instructions have replaced Worksheet 6-A, Self-Employed Health Insurance Deduction Worksheet, that was previously published in Pub. 535, Business Expenses. Use Form 7206 and its instructions to determine any amount of the self-employed health insurance deduction you may be able to claim and report on Schedule 1 (Form 1040), line 17.

New employer-coverage affordability rule for family members of employees. For tax years beginning after December 31, 2022, for purposes of determining eligibility for the PTC, affordability of employer coverage for an employee's spouse or dependent eligible to enroll in the employer coverage is no longer based on the employee's share of the premium to cover only the employee.

Affordability of the employer coverage for these family members is now based on the portion of the annual premium the employee must pay for coverage of the employee and these other family members.

Applicable federal poverty line percentages. For tax years 2023 through 2025, taxpayers with household income that exceeds 400% of the federal poverty line for their family size may be allowed a PTC.

Reminders

Health Coverage Tax Credit (HCTC). The HCTC expired on December 31, 2021. Beginning in tax year 2022, Form 8885 and its instructions have been discontinued by the IRS.

Health reimbursement arrangements (HRAs). Beginning in 2020, employers can offer individual coverage health reimbursement arrangements (individual coverage HRAs) to help employees and their families with their medical expenses. If you are offered an individual coverage HRA, see *Individual Coverage HRAs*, later, for more information on whether you can claim a PTC for you or a member of your family for Marketplace coverage.

Qualified small employer health reimbursement arrangement (QSEHRA). Under a QSEHRA, an eligible employer can reimburse eligible employees for medical expenses, including premiums for Marketplace health insurance. If you were provided a QSEHRA, your employer should have reported the annual permitted benefit in box 12 of your Form W-2 with code FF. If the QSEHRA is considered affordable coverage for a month, no premium tax credit (PTC) is allowed for the month. If the QSEHRA is not considered affordable coverage for a month, you may still be eligible for the PTC but you must reduce the monthly PTC (but not below -0-) by the monthly permitted benefit amount. For more information, see *Qualified Small Employer Health Reimbursement Arrangement*, later.

Requirement to reconcile advance payments of the premium tax credit. If you, your spouse with whom you are filing a joint return, or a dependent was enrolled in coverage through the Marketplace for 2023 and advance payments of the premium tax credit (APTC) were made for this coverage, you must file a 2023 return and attach Form 8962 to claim a net PTC. You (or whoever enrolled you) should have received Form 1095-A, Health Insurance Marketplace Statement, from the Marketplace with information about your coverage and any APTC. You must attach Form 8962 even if someone else enrolled you, your spouse, or your dependent. If you are a dependent who is claimed on someone else's 2023 return, you do not have to attach Form 8962.

Report changes in circumstances when you re-enroll in coverage and during the year. If APTC is being paid for an individual in your tax family (defined later) and you have had certain changes in circumstances (see the examples below), it is important that you report them to the Marketplace where you enrolled in coverage. Reporting changes in circumstances promptly will allow the Marketplace to adjust your APTC to reflect the PTC you are estimated to be able to take on your tax return. Adjusting your APTC when you re-enroll in coverage and during the year can help you avoid owing tax when you file your tax return. Changes that you should report to the Marketplace include the following.

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

For more information on how to report a change in circumstances to the Marketplace, go to *HealthCare.gov* or your state Marketplace website.

Health insurance options. If you need health coverage, go to *HealthCare.gov* to learn about health insurance options that are available for you and your family, how to purchase health insurance, and how you might qualify to get financial assistance with the cost of insurance.

Additional information. For additional information about the tax provisions of the Affordable Care Act (ACA), including the individual shared responsibility provisions and the PTC, see *IRS.gov/Affordable-Care-Act/Individuals-and-Families* or call the IRS Healthcare Hotline for ACA questions (800-919-0452).

Photographs of missing children. The Internal Revenue Service is a proud partner with the *National Center for Missing & Exploited Children® (NCMEC)*. Photographs of missing children selected by the Center may appear in this publication on pages that would otherwise be blank. You can help bring these children home by looking at the photographs and calling 1-800-THE-LOST (1-800-843-5678) if you recognize a child.

Introduction

This publication covers the following general topics, relating to the PTC, which are also covered in the Form 8962 instructions.

- What is the PTC?
- Who must file Form 8962.
- Who can take the PTC. (See Figure A, later.)

This publication also provides additional instructions for taxpayers in the following special situations.

- Taxpayers who take the PTC and who are filing a separate return from their spouses because of domestic abuse or spousal abandonment.
- Taxpayers who take the PTC and who are also provided a QSEHRA.

- Taxpayers who need to calculate the PTC and APTC for a policy that covered an individual not lawfully present in the United States.
- Taxpayers who need to determine the applicable second lowest cost silver plan (SLCSP) premium.
- Taxpayers who need to allocate policy amounts for individuals not included in any tax family.
- Taxpayers who need to allocate policy amounts because one qualified health plan covers individuals from three or more tax families in the same month.
- Taxpayers who married during the tax year and want to use an alternative PTC calculation that may lower their taxes.
- Self-employed taxpayers who wish to take the PTC and the self-employed health insurance deduction.

This publication also provides additional information to help you determine if your health care coverage is minimum essential coverage (MEC).

Comments and suggestions. We welcome your comments about this publication and suggestions for future editions.

You can send us comments through *IRS.gov/FormComments*. Or, you can write to the Internal Revenue Service, Tax Forms and Publications, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224.

Although we can't respond individually to each comment received, we do appreciate your feedback and will consider your comments and suggestions as we revise our tax forms, instructions, and publications. **Don't** send tax questions, tax returns, or payments to the above address.

Getting answers to your tax questions. If you have a tax question not answered by this publication or the *How To Get Tax Help* section at the end of this publication, go to the IRS Interactive Tax Assistant page at *IRS.gov/Help/ITA* where you can find topics by using the search feature or viewing the categories listed.

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Questions about Form 1095-A, Health Insurance Marketplace Statement. If you or a member of your tax family was enrolled in a qualified health plan through a Marketplace in 2023, you should have received a Form 1095-A by early February 2024. Contact your Marketplace if you do not receive a Form 1095-A or if you have questions about the accuracy of your Form 1095-A.

Useful Items

You may want to see:

Form (and Instructions)

❏ **1095-A** Health Insurance Marketplace Statement

❏ **1095-B** Health Coverage

❏ **1095-C** Employer-Provided Health Insurance Offer and Coverage

❏ **7206** Self-Employed Insurance Deduction

❏ **8962** Premium Tax Credit (PTC)

See *How To Get Tax Help*, at the end of this publication, for information about getting publications and forms.

What Is the Premium Tax Credit (PTC)?

Premium tax credit (PTC). The PTC is a tax credit for certain people who enroll, or whose family member enrolls, in a qualified health plan offered through a Marketplace. The credit provides financial assistance to pay the premiums for the qualified health plan by reducing the amount of tax you owe, giving you a refund, or increasing your refund amount. You must file Form 8962 to compute and take the PTC on your tax return.

Advance payments of the premium tax credit (APTC). The APTC is a payment made during the year to your insurance provider that pays for part or all of the premiums for a qualified health plan covering you or an individual in your tax family. Your APTC eligibility is based on the Marketplace's estimate of the PTC you will be able to take on your tax return. If APTC was paid for you or an individual in your tax family, you must file Form 8962 to reconcile (compare) this APTC with your PTC. If the APTC is *more* than your PTC, you have excess APTC and you must repay the excess, subject to certain limitations. If the APTC is *less* than the PTC, you can get a credit for the difference, which reduces your tax payment or increases your refund.

Changes in circumstances. The Marketplace determined your eligibility for, and the amount of, your 2023 APTC using projections of your income and the number of individuals you certified to the Marketplace would be in your tax family (yourself, spouse, and dependents) when you enrolled in a qualified health plan. If this information changed during 2023 and you did not promptly report it to the Marketplace, the amount of APTC paid may be substantially different from the amount of PTC you can take on your tax return. See *Report changes in circumstances when you re-enroll in coverage and during the year*, earlier, for changes that can affect the amount of your PTC.

Who Must File Form 8962

You must file Form 8962 with your income tax return (Form 1040, 1040-SR, or 1040-NR) if any of the following apply to you.

- You are taking the PTC.
- APTC was paid for you or another individual in your tax family.
- APTC was paid for an individual you told the Marketplace would be in your tax family and neither you nor anyone else included that individual in a tax family. See *Individual you enrolled who is not included in a tax family* under *Lines 12 Through 23—Monthly Calculation* in the Form 8962 instructions.

If any of the circumstances above apply to you, you must file an income tax return and attach Form 8962 even if you are not otherwise required to file. You must use Form 1040, 1040-SR, or 1040-NR. For help in determining which of these forms to file, see the Instructions for Form 1040 or the Instructions for Form 1040-NR.

CAUTION *If you are filing Form 8962, you cannot file Form 1040-SS or 1040-PR.*

If someone else enrolled an individual in your tax family in coverage, and APTC was paid for that individual's coverage, you must file Form 8962 to reconcile the APTC. You need to obtain a copy of the Form 1095-A from the person who enrolled the individual.

TIP *If you are claimed as a dependent, the person who claims you will file Form 8962 to take the PTC and, if necessary, repay excess APTC for your coverage. You do not need to file Form 8962.*

Who Can Take the PTC

You can take the PTC for 2023 if you meet the conditions under (1), (2), **and** (3) below.

1. For at least 1 month of the year, all of the following were true.
   a. An individual in your tax family was enrolled in a qualified health plan offered through the Marketplace on the first day of the month.
   b. That individual was not eligible for MEC for the month, other than individual market coverage. An individual is generally considered eligible for MEC for the month only if they were eligible for every day of the month (see *Minimum Essential Coverage*, later).
   c. The portion of the enrollment premiums (described later) for the month for which you are responsible was paid by the due date of your tax return (**not** including extensions). However, if you became eligible for APTC because of a successful eligibility appeal and you retroactively enrolled in the plan, then the portion of the enrollment premium for which you are responsible must be paid on or before the 120th day following the date of the appeals decision.
2. No one can claim you as a dependent for the year.
3. You are an applicable taxpayer for 2023. To be an applicable taxpayer, you must meet all of the following requirements.
   a. Your household income for 2023 is at least 100% of the federal poverty line for your family size (see *Line 4* in the Form 8962 instructions). However, having household income below 100% of the federal poverty line will not disqualify you from taking the PTC if you meet certain requirements described under *Household income below 100% of the federal poverty line* under *Line 5* in the Form 8962 instructions.
   b. If you were married at the end of 2023, you must generally file a joint return. However, filing a separate return from your spouse will not disqualify you from being an applicable taxpayer if you meet certain requirements described under *Married taxpayers*, later.

You are not entitled to the PTC for health coverage for an individual for any period during which the individual is not lawfully present in the United States.

For additional requirements and more details, see *Applicable taxpayer*, later.

Terms You May Need To Know

The terms defined below are generally the same as those in the Form 8962 instructions. However, additional information is provided below on what documentation to keep if you are a victim of domestic abuse or spousal abandonment, and on MEC, later.

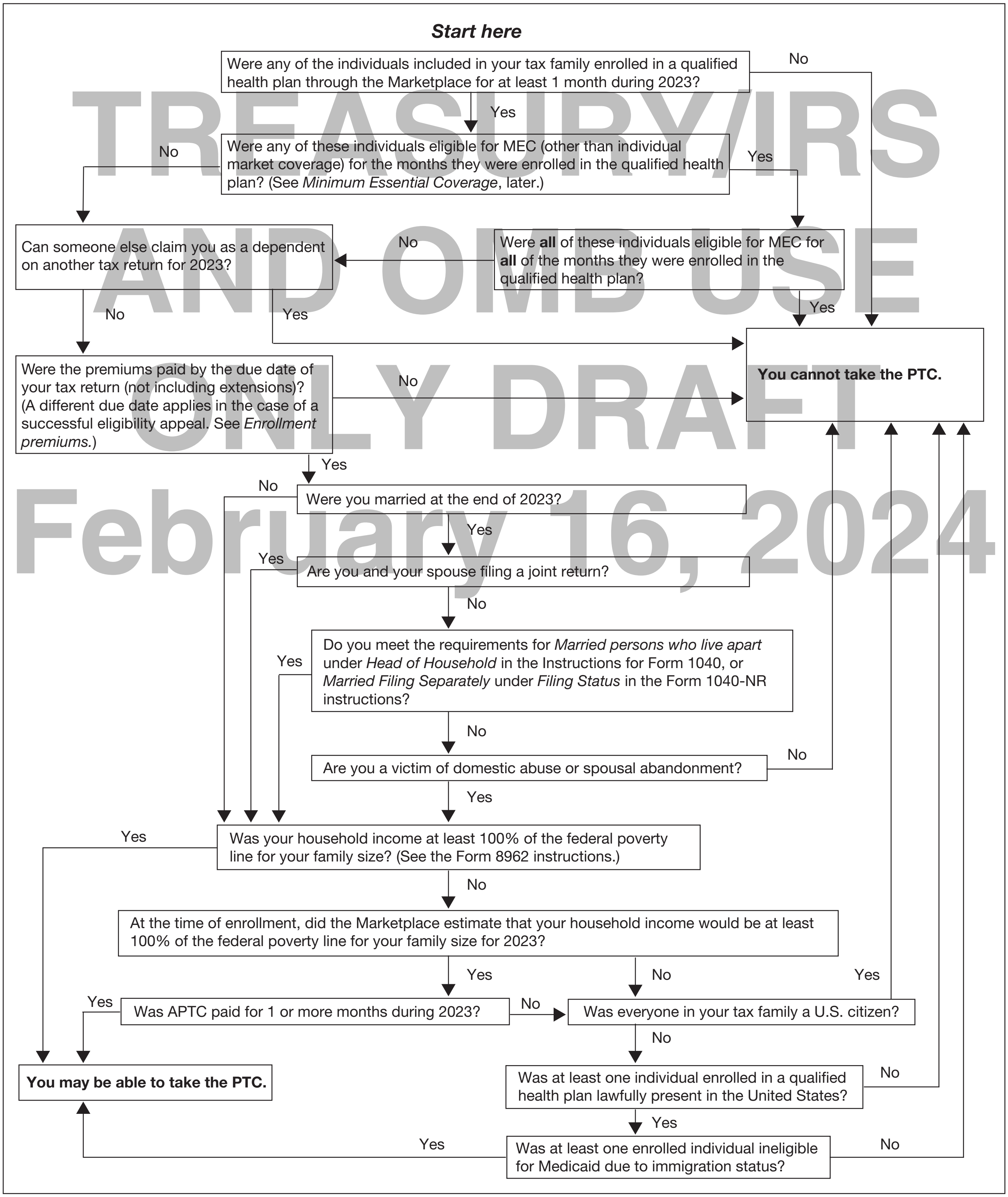
Tax family. For purposes of the PTC, your tax family consists of the following individuals.

- You, if you file a tax return for the year and you can't be claimed as a dependent on someone else's 2023 tax return.
- Your spouse if filing jointly and they can't be claimed as a dependent on someone else's 2023 tax return.
- Your dependents whom you claim on your 2023 tax return. If you are filing Form 1040-NR, you should include your dependents in your tax family only if you are a U.S. national; a resident of Canada, Mexico, or South Korea; or a resident of India who was a student or business apprentice.

Your family size equals the number of qualifying individuals in your tax family (including yourself).

Figure A. **Can You Take the PTC?**

This flowchart can help you determine whether you can take the PTC. But do not rely on this flowchart alone. Be sure you read *Who Can Take the PTC*, earlier, or in the Form 8962 instructions.



Note. Listing your dependents by name and social security number (SSN) or individual taxpayer identification number (ITIN) on your tax return is the same as claiming them as a dependent. If you have more than four dependents, see the Instructions for Form 1040 or the Instructions for Form 1040-NR.

Household income. For purposes of the PTC, household income is the modified adjusted gross income (modified AGI) of you and your spouse (if filing a joint return) (see *Line 2a* in the Form 8962 instructions) plus the modified AGI of each individual whom you claim as a dependent and who is required to file an income tax return because their income meets the income tax return filing threshold (see *Line 2b* in the Form 8962 instructions). Household income does not include the modified AGI of those individuals whom you claim as dependents and who are filing a 2023 return only to claim a refund of withheld income tax or estimated tax.

Modified AGI. For purposes of the PTC, modified AGI is the AGI on your tax return plus certain income that is not subject to tax (foreign earned income, tax-exempt interest, and the portion of social security benefits that is not taxable). Use Worksheet 1-1 and Worksheet 1-2 in the Form 8962 instructions to determine your modified AGI.

Taxpayer's tax return including income of a dependent child. A taxpayer who includes the gross income of a dependent child on the taxpayer's tax return must include on Worksheet 1-2 the child's tax-exempt interest and the portion of the child's social security benefits that is not taxable.

Coverage family. Your coverage family includes all individuals in your tax family who are enrolled in a qualified health plan and are not eligible for MEC (other than individual market coverage). The individuals included in your coverage family may change from month to month. If an individual in your tax family is not enrolled in a qualified health plan, or is enrolled in a qualified health plan but is eligible for MEC (other than individual market coverage), they are not part of your coverage family. Your PTC is available to help you pay only for the coverage of the individuals included in your coverage family.

Monthly credit amount. The monthly credit amount is the amount of your tax credit for a month. Your PTC for the year is the sum of all of your monthly credit amounts. Your credit amount for each month is the lesser of:

- The enrollment premiums (described next) for the month for one or more qualified health plans in which you or any individual in your tax family enrolled, or
- The amount of the monthly applicable SLCSP premium (described later) less your monthly contribution amount (described later).

To qualify for a monthly credit amount, at least one individual in your tax family must be enrolled in a qualified health plan on the first day of that month. Generally, if coverage in a qualified health plan began after the first day of the month, you are not allowed a monthly credit amount for the coverage for that month. However, if an individual in your tax family enrolled in a qualified health plan in 2023 and the enrollment was effective on the date of the individual's birth, adoption, or placement for adoption or in foster care, or on the effective date of a court order placing the individual with your family, the individual is treated as enrolled as of the first day of that month. Therefore, the individual may be a member of your tax family and coverage family for the entire month for purposes of computing your monthly credit amount.

Enrollment premiums. The enrollment premiums are the total amount of the premiums for the month, reduced by any premium amounts for that month that were refunded in the same tax year as the premium liability was incurred, for one or more qualified health plans in which any individual in your tax family enrolled. Form 1095-A, Part III, column A, reports the enrollment premiums.

You are generally not allowed a monthly credit amount for the month if any part of the enrollment premiums for which you are responsible that month has not been paid by the due date of your tax return (not including extensions). However, if you became eligible for APTC because of a successful eligibility appeal and you retroactively enrolled in the plan, the portion of the enrollment premium for which you are responsible must be paid on or before the 120th day following the date of the appeals decision. Premiums another person pays on your behalf are treated as paid by you.

If your share of the enrollment premiums is not paid, the issuer may terminate coverage. The termination is generally effective no sooner than the second month of nonpayment. For any months you were covered but did not pay your share of the premiums, you are not allowed a monthly credit amount.

Applicable SLCSP premium. The applicable SLCSP premium is the second lowest cost silver plan premium offered through the Marketplace where you reside that applies to your coverage family (described earlier). The SLCSP premium is not the same as your enrollment premium unless you enroll in the applicable SLCSP. Form 1095-A, Part III, column B, generally reports the applicable SLCSP premium. If no APTC was paid for your coverage, Form 1095-A, Part III, column B, may be wrong or blank or may report your applicable SLCSP premium as -0-. Also, if you had a change in circumstances during 2023 that you did not report to the Marketplace, the SLCSP premium reported on Form 1095-A in Part III, column B, may be wrong. In either case, you must determine your correct applicable SLCSP premium. You do not have to request a corrected Form 1095-A from the Marketplace. See *Missing or incorrect SLCSP premium on Form 1095-A* under *Line 10* in the Form 8962 instructions.

Monthly contribution amount. Your monthly contribution amount is used to calculate your monthly credit amount. It is the amount of your household income you would be responsible for paying as your share of premiums each month if you enrolled in the applicable SLCSP. It is not based on the amount of premiums you paid out of pocket during the year. You will compute your monthly contribution amount in Part I of Form 8962.

Qualified health plan. For purposes of the PTC, a qualified health plan is a health insurance plan or policy purchased through a Marketplace at the bronze, silver, gold, or platinum level. Throughout this publication, a qualified health plan is also referred to as a "policy." Catastrophic health plans and stand-alone dental plans purchased through the Marketplace, and all plans purchased through the Small Business Health Options Program (SHOP), are not qualified health plans for purposes of the PTC. Therefore, they do not qualify a taxpayer to take the PTC.

Applicable taxpayer. You must be an applicable taxpayer to take the PTC. Generally, you are an applicable taxpayer if your household income for 2023 (described earlier) is at least 100% of the federal poverty line for your family size (provided in Tables 1-1, 1-2, and 1-3 in the Form 8962 instructions) and no one can claim you as a dependent for 2023. In addition, if you were married at the end of 2023, you must file a joint return to be an applicable taxpayer unless you meet one of the exceptions described under *Married taxpayers*, later.

For individuals with household income below 100% of the federal poverty line, see *Household income below 100% of the federal poverty line* under *Line 5* in the Form 8962 instructions. However, the exception described under *Estimated household income at least 100% of the federal poverty line* in the Form 8962 instructions does not apply if, with intentional or reckless disregard for the facts, you provide incorrect information to the Marketplace for the year of coverage. You provide information with intentional disregard for the facts if you know that the information provided is inaccurate. You provide information with a reckless disregard for the facts if you make little or no effort to determine whether the information provided is accurate and your lack of effort to provide accurate information is substantially different from what a reasonable person would do under the circumstances.

Individuals who are incarcerated. Individuals who are incarcerated (other than pending disposition of charges, for example, awaiting trial) are not eligible for coverage in a qualified health plan through a Marketplace. However, these individuals may be applicable taxpayers and take the PTC for the coverage of individuals in their tax families who are eligible for coverage in a qualified health plan.

Individuals who are not lawfully present. Individuals who are not lawfully present in the United States are not eligible for coverage in a qualified health plan through a Marketplace. They cannot take the PTC for their own coverage and are not eligible for the repayment limitations in Table 5 (in the Form 8962 instructions) for APTC paid for their own coverage. However, these individuals may be applicable taxpayers and take the PTC for the coverage of individuals in their tax families, such as their children, who are lawfully present and eligible for coverage in a qualified health plan. For more information about who is treated as lawfully present for this purpose, go to *HealthCare.gov*. See *Individuals Not Lawfully Present in the United States Enrolled in a Qualified Health Plan*, later, for more information on reconciling APTC when an unlawfully present person is enrolled individually or with lawfully present family members.

Married taxpayers. If you are considered married for federal income tax purposes, you must file a joint return with your spouse to take the PTC unless one of the two exceptions below applies to you.

You are not considered married for federal income tax purposes if you are divorced or legally separated according to your state law under a decree of divorce or separate maintenance. In that case, you cannot file a joint return but may be able to take the PTC on your separate return. See Pub. 501, Dependents, Standard Deduction, and Filing Information.

If you are considered married for federal income tax purposes, you may be eligible to take the PTC without filing a joint return if one of the two exceptions below applies to you. If Exception 1 applies, you can file a return using head of household or single filing status and take the PTC. If Exception 2 applies, you are treated as married but can take the PTC with the filing status of married filing separately.

Exception 1—Certain married persons living apart. You may file your return as if you are unmarried and take the PTC if one of the following applies to you.

- You file a separate return from your spouse on Form 1040 or 1040-SR because you meet the requirements for *Married persons who live apart* under *Head of Household* in the Instructions for Form 1040.
- You file as single on your Form 1040-NR because you meet the requirements for *Married persons who live apart* under *Married Filing Separately* in the Instructions for Form 1040-NR.

Exception 2—Victim of domestic abuse or spousal abandonment. If you are a victim of domestic abuse or spousal abandonment, you can file a return as married filing separately and take the PTC for 2023 if all of the following apply to you.

- You are living apart from your spouse at the time you file your 2023 tax return.
- You are unable to file a joint return because you are a victim of domestic abuse (described next) or spousal abandonment (described below).
- You check the box on your Form 8962 to certify that you are a victim of domestic abuse or spousal abandonment.
- You have not used this exception to take the PTC in each of 2020, 2021, and 2022.

Domestic abuse. Domestic abuse includes physical, psychological, sexual, or emotional abuse, including efforts to control, isolate, humiliate, and intimidate, or to undermine the victim's ability to reason independently. All the facts and circumstances are considered in determining whether an individual is abused, including the effects of alcohol or drug abuse by the victim's spouse. Depending on the facts and circumstances, abuse of an individual's child or other family member living in the household may constitute abuse of the individual. If you have concerns about your safety, please consider contacting the confidential 24-hour National Domestic Violence Hotline at 1-800-799-SAFE (7233), or 1-800-787-3224 (TTY), or 1-855-812-1001 (video phone, only for deaf callers). For additional information and resources, see Pub. 3865, Tax Information for Survivors of Domestic Abuse, available at *IRS.gov/Pub3865*; and Part V of Form 8857, Request for Innocent Spouse Relief, available at *IRS.gov/Form8857*.

Spousal abandonment. A taxpayer is a victim of spousal abandonment for a tax year if, taking into account all facts and circumstances, the taxpayer is unable to locate their spouse after reasonable diligence.

Records of domestic abuse and spousal abandonment. If you checked the box in the upper right corner of Form 8962 indicating that you are eligible for the PTC despite having a filing status of married filing separately, you should keep records relating to your situation, like with all aspects of your tax return. What you have available may depend on your circumstances. However, the following list provides some examples of records that may be useful. (Do not attach these records to your tax return.)

- Protective and/or restraining order.
- Police report.
- Doctor's report or letter.
- A statement from someone who was aware of, or who witnessed, the abuse or the results of the abuse. The statement should be notarized if possible.
- A statement from someone who knows of the abandonment. The statement should be notarized if possible.

Married filing separately. If you file as married filing separately and are not a victim of domestic abuse or spousal abandonment (see *Exception 2—Victim of domestic abuse or spousal abandonment* under *Married taxpayers*, earlier), then you are not an applicable taxpayer and you cannot take the PTC. You must generally repay all of the APTC paid for a qualified health plan that covered only individuals in your tax family. If the policy also covered at least one individual in your spouse's tax family, you must generally repay half of the APTC paid for the policy. See *Line 9* in the Form 8962 instructions. However, the amount of APTC you have to repay may be limited. See *Line 28* in the Form 8962 instructions.

Minimum Essential Coverage (MEC)

Under the health care law, certain health coverage is called MEC. You generally cannot take the PTC for an individual in your tax family for any month that the individual is eligible for MEC, except for individual market coverage (defined below). MEC includes the following.

- Individual market coverage (including qualified health plans).
- Most coverage through government-sponsored programs (including Medicaid coverage, Medicare Part A or C, the Children's Health Insurance Program (CHIP), certain benefits for veterans and their families, TRICARE, and health coverage for Peace Corps volunteers).
- Most types of employer-sponsored coverage.
- Grandfathered health plans.
- Other health coverage designated by the Department of Health and Human Services (HHS) as MEC.

TIP *MEC does not include coverage consisting solely of excepted benefits. Excepted benefits include vision and dental coverage not part of a comprehensive health insurance plan, workers' compensation coverage, and coverage limited to a specified disease or illness.*

For more information on what is MEC, see *IRS.gov/Affordable-Care-Act/Individuals-and-Families/Individual-Shared-Responsibility-Provision*.

Note. Your MEC may be reported to you on Form 1095-A, 1095-B, or 1095-C.

MEC eligibility when Marketplace does not discontinue APTC. If an individual in your tax family is enrolled in a qualified health plan for which APTC was made and the individual is or will soon become eligible for other MEC, you must notify the Marketplace about the other MEC and that the APTC for the individual's coverage should be discontinued. If the Marketplace does not discontinue APTC for the first calendar month beginning after the month you notify the Marketplace, the individual is treated as eligible for the other MEC no earlier than the first day of the second calendar month beginning after the first month the individual may enroll in the other MEC. A different rule applies to Medicaid and CHIP eligibility, discussed later under *Government-Sponsored Programs*.

Expatriate Health Plans

In general, an expatriate health plan is certain health insurance coverage that is offered to foreign nationals who are temporarily assigned for work in the United States, U.S. residents who are temporarily working outside of the United States, and certain nonemployees (such as students and missionaries) who are traveling internationally. To qualify, the health insurance coverage must generally offer a minimum level of benefits in the region in which the covered individual is temporarily located and be offered by a qualifying expatriate health insurance issuer. An expatriate health plan is considered employer-sponsored coverage for a primary insured who receives it through their employer (and for that employee's covered dependents). It is considered individual market coverage for any other primary insured.

Individual Market Coverage

A health plan offered in the individual market is health insurance coverage provided to an individual by a health insurance issuer licensed by a state, including a qualified health plan offered through the Marketplace. Even though these plans are MEC, eligibility for individual market coverage does not prevent an individual from qualifying for the PTC for coverage in a qualified health plan purchased through the Marketplace.

Individual market coverage also includes coverage under certain expatriate health plans offered to students and religious missionaries traveling internationally. See *Expatriate Health Plans*, earlier.

Government-Sponsored Programs

The following government-sponsored programs are MEC.

1. Medicare Part A coverage.
2. Medicare Advantage plans.
3. Medicaid, except for the following programs.
   a. Optional coverage of family planning services.
   b. Optional coverage of tuberculosis-related services.
   c. Coverage of pregnancy-related services in states that do not provide full Medicaid benefits on the basis of pregnancy.
   d. Coverage limited to the treatment of emergency medical conditions.
   e. Coverage of medically needy individuals (except for coverage for medically needy individuals that HHS has designated as MEC—see *Other Coverage Designated by the Department of Health and Human Services*, later).
   f. Coverage under a section 1115 demonstration waiver program (except for coverage under a section 1115 demonstration program that HHS has designated as MEC—see *Other Coverage Designated by the Department of Health and Human Services*, later).

   Call your state Medicaid office if you have any questions about the coverage you have.
4. CHIP, except certain CHIP coverage for pregnancy services. (Certain coverage often called a CHIP buy-in program is not considered a government-sponsored program and is discussed later under *Other Coverage Designated by the Department of Health and Human Services*.)
5. Coverage under the TRICARE program, except for the following programs.
   a. Coverage on a space-available basis in a military treatment facility for individuals who are not eligible for TRICARE coverage for private sector care.
   b. Coverage for a line-of-duty-related injury, illness, or disease for individuals who have left active duty.
6. The following coverage administered by the Department of Veterans Affairs.
   a. Coverage consisting of the medical benefits package for eligible veterans.
   b. Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA).
   c. Comprehensive health care for children suffering from spina bifida who are the children of Vietnam veterans and veterans of covered service in Korea.
7. Health coverage provided to Peace Corps volunteers.
8. Refugee Medical Assistance.
9. Coverage through a Basic Health Program (BHP) standard health plan.

In general, you cannot get the PTC for your coverage in a qualified health plan if you are eligible for government-sponsored MEC. You are generally considered eligible for a government-sponsored program if you meet the criteria for coverage under the program. But see *Exceptions*, later. However, you will not lose the PTC for your coverage until the first day of the first full month you can receive benefits under the government-sponsored program. If you can be covered under a government-sponsored program, you must complete the requirements necessary to receive benefits (for example, submitting an application or providing required information) by the last day of the third full calendar month following the event that establishes eligibility (for example, becoming eligible for Medicare when you turn 65). If you do not complete the necessary requirements in this time, you will lose the PTC for your coverage in a qualified health plan beginning with the first day of the fourth calendar month following the event that makes you eligible for the government coverage.

Example 1. Ellen was enrolled in a qualified health plan with APTC. She turned 65 on June 3 and became eligible for Medicare. Ellen must apply to Medicare to receive benefits. She applied to Medicare in September and was eligible to receive Medicare benefits beginning on December 1. Ellen completed the requirements necessary to receive Medicare benefits by September 30 (the last day of the third full calendar month after the event that established her eligibility, turning 65). She was eligible for Medicare coverage on December 1, the first day of the first full month that she could receive benefits. Thus, Ellen can get the PTC for her coverage in the qualified health plan for January through November. Beginning in December, Ellen cannot get the PTC for her coverage in the qualified health plan because she is eligible for Medicare.

Example 2. The facts are the same as in *Example 1*, except that Ellen did not apply for the Medicare coverage by September 30. Ellen is considered eligible for government-sponsored coverage beginning on October 1. She can get the PTC for her coverage for January through

September. She cannot get the PTC for her coverage in a qualified health plan as of October 1, the first day of the fourth month after she turned 65.

Exceptions. While you are generally considered eligible for government-sponsored MEC (and are ineligible for the PTC) if you are able to enroll in that coverage, you are considered eligible for government-sponsored coverage under the following programs only if you are **enrolled** in the program.

1. A veteran's health care program listed in (6), earlier.
2. The following TRICARE programs.
   a. The Continued Health Care Benefit Program.
   b. Retired Reserve.
   c. Young Adult.
   d. Reserve Select.
3. Medicaid coverage for comprehensive pregnancy-related services and CHIP coverage based on pregnancy, if the individual is enrolled in a qualified health plan at the time the individual becomes eligible for Medicaid or CHIP.
4. Coverage under Medicare Part A for which the individual must pay a premium.

In addition, an individual is considered eligible for MEC under a Medicaid or Medicare program for which eligibility requires a determination of disability, blindness, or illness only when the responsible agency makes a favorable eligibility determination.

Retroactive coverage. If APTC is being paid for coverage in a qualified health plan and you become eligible for government-sponsored coverage that is effective retroactively (such as Medicaid or CHIP), you will not retroactively lose the PTC for your coverage. You can get the PTC for your coverage until the first day of the first calendar month after you are approved for the government coverage.

Example. In November, Freda enrolled in a qualified health plan for the following year and got APTC for her coverage. Freda lost her part-time job and on April 10 applied for coverage under the Medicaid program. Freda's application was approved on May 15, with Medicaid coverage retroactively effective April 1. For purposes of the PTC, Freda is considered eligible for government-sponsored coverage on June 1, the first day of the first calendar month after her application was approved. Freda may be eligible for the PTC for January through May.

Termination for nonpayment of premiums. If Medicaid or CHIP coverage for you or a family member is terminated due to nonpayment of premiums, you cannot get the PTC for the coverage of that individual (for the remainder of the year of the termination).

Determining eligibility for Medicaid or CHIP at enrollment. An individual is treated as ineligible for Medicaid, CHIP, and similar programs (such as a BHP) for the period of coverage under a qualified health plan if, when the individual enrolled in the qualified health plan, the Marketplace determined that the individual was ineligible for Medicaid or CHIP based on the applicable Medicaid and CHIP income standards. However, this exception does not apply if you, or the individual you are including in your tax family, with intentional or reckless disregard for the facts, provided incorrect information to the Marketplace for the year of coverage. You provide information with intentional disregard for the facts if you know that the information provided is inaccurate. You provide information with a reckless disregard for the facts if you make little or no effort to determine whether the information provided is accurate and your lack of effort to provide accurate information is substantially different from what a reasonable person would do under the circumstances.

Example. In November, Catelyn enrolled in a qualified health plan for the following year and got APTC for her coverage. The Marketplace determined that Catelyn was ineligible for Medicaid and estimated that her household income will be 140% of the federal poverty line for her family size for purposes of determining APTC. During the year, Catelyn lost her job and her household income for 2023 is 130% of the federal poverty line (within the Medicaid income threshold). For purposes of the PTC, Catelyn is treated as ineligible for Medicaid for 2023. Catelyn may be eligible for the PTC for the entire year.

Medicaid or CHIP eligibility when Marketplace does not discontinue APTC. If a determination is made that an individual who is enrolled in a qualified health plan for which APTC is made is eligible for Medicaid or CHIP but the Marketplace does not discontinue APTC for the first calendar month beginning after the eligibility determination, the individual is treated as eligible for Medicaid or CHIP no earlier than the first day of the second calendar month beginning after the eligibility determination.

Employer-Sponsored Plans

The following employer-sponsored plans are MEC.

1. Group health insurance coverage for employees under:
   a. An insured plan or coverage offered in the small or large group market within a state;
   b. A governmental plan, such as the Federal Employees Health Benefits Program; or
   c. A grandfathered health plan offered in a group market.
2. A self-insured group health plan for employees.
3. Coverage under certain expatriate health plans for employees (discussed earlier).
4. The Nonappropriated Fund Health Benefits Program of the Department of Defense.

In general, these employer-sponsored plans may also include retiree or COBRA coverage.

Employer-sponsored plans that are MEC are also referred to as “eligible employer-sponsored plans.”

Exceptions. The following paragraphs discuss when employer-sponsored plans are not considered MEC and the circumstances in which you may be eligible for the PTC even if you have an offer of coverage under an employer-sponsored plan.

Excepted benefits. Employer-sponsored health coverage that is limited to excepted benefits is not MEC. Excepted benefits include stand-alone vision and dental plans, workers' compensation coverage, and coverage limited to a specified disease or illness.

Affordability and minimum value. Even if you had the opportunity to enroll in coverage offered by your employer that qualifies as MEC, you are considered eligible for an employer-sponsored plan (and cannot get the PTC for your coverage in a qualified health plan) only if the employer-sponsored coverage is affordable (defined later) and the coverage provides minimum value (defined later). Your tax family members may also be unable to get the PTC for coverage in a qualified health plan for months they were eligible to enroll in employer-sponsored coverage offered to them by your employer but only if the coverage qualifies as MEC and was affordable and provided minimum value. In addition, if you or your family member enrolls in the employer coverage that qualifies as MEC, the individual enrolled cannot get the PTC for coverage in a qualified health plan, even if the employer coverage is not affordable or does not provide minimum value.

Waiting periods and other periods without access to benefits. You are not considered eligible for employer coverage, and can get the PTC for your coverage in a qualified health plan if you are otherwise eligible, for a month when you cannot receive benefits under the employer coverage (for example, you are in a waiting period before the employer coverage becomes effective). However, if you could have enrolled in employer coverage that is MEC and is affordable and provides minimum value and you did not enroll during an enrollment period, you cannot get the PTC for your coverage in a qualified health plan for the remainder of the plan year to which the enrollment period related. If the enrollment period related to coverage for more than one plan year, and you do not have another opportunity to enroll in the employer coverage for plan years following the initial plan year, you can take the PTC for your coverage in a qualified health plan during those later plan years, if you are otherwise eligible.

Coverage after employment ends. If your employment with an employer ends and you are offered employer coverage by your former employer (for example, COBRA or retiree coverage), you are considered eligible for that employer coverage for PTC purposes only for the months that you are enrolled in the employer coverage. This same rule applies to an individual who may enroll in the coverage by reason of a relationship to a former employee.

Individual not in your tax family. An individual who can enroll in your employer coverage who is not a member of your tax family (for example, an adult non-dependent child under age 26) is considered eligible for the employer coverage for PTC purposes only for the months the individual is enrolled in the employer coverage.

How to determine if the plan is affordable. Your employer coverage is generally considered affordable for you if your share of the annual cost for self-only coverage, which is sometimes referred to as the “employee required contribution,” is not more than 9.12% of your tax family's household income for 2023. Your employer coverage is generally considered affordable for the other members of your tax family eligible to enroll in the coverage if your share of the annual cost for coverage for you and your other tax family members is not more than 9.12% of your family's household income for 2023. If your employer coverage is affordable for you but not affordable for your other family members, you may be able to take the PTC for your other family members if they enroll in a Marketplace qualified health plan. For 2024, this annual cost threshold will decrease to 8.39%. However, employer-sponsored coverage is not considered affordable if, when you or a family member enrolled in a qualified health plan, you gave accurate information about the availability of employer coverage to the Marketplace, and the Marketplace determined that you were eligible for APTC for the individual's coverage in the qualified health plan. See *Determining affordability at the time of enrollment*, later, for more information on this rule.

Certain employer arrangements. An employee's required contribution for employer-sponsored coverage may be affected by various arrangements offered by the employer.

Wellness program incentives. If the employer that offered you (or your spouse) employer-sponsored coverage for 2023 also offered a wellness incentive that potentially affected the amount that you had to pay toward coverage, the following rules apply: If the condition for satisfying the wellness incentive (in other words, the condition the employee must meet to pay the smaller amount for coverage) relates exclusively to tobacco use, your required contribution is based on the amount you would have paid for coverage if you had satisfied the condition for the wellness incentive. Wellness incentives relating exclusively to tobacco use are treated as satisfied in determining your required contribution regardless of whether you would have actually earned the incentive had you enrolled in the coverage. If factors other than tobacco use are part of the condition for satisfying the wellness incentive, your required contribution is based on the amount you would have paid for coverage had you not satisfied the wellness incentive.

Example. George can enroll in employer coverage. George's monthly premiums for self-only coverage are $450. If George, who is a smoker, attends a smoking cessation class, his monthly premiums will be reduced by $100. If George completes a cholesterol screening, his monthly premiums will be reduced by $50. Whether or not George actually completes either of these wellness program incentives, for purposes of determining whether the coverage is affordable for George, his required contribution will be considered to be the amount reduced by the $100 incentive for attending a smoking cessation class but not reduced by the $50 incentive for completing a cholesterol screening. Therefore, for purposes of determining whether his coverage is considered affordable, George's required contribution is $350.

Health reimbursement arrangements (HRAs). If the employer that offered you employer-sponsored coverage for 2023 also contributed (or offered to contribute) to an HRA that may be used to pay premiums for the employer-sponsored coverage, your required contribution for the employer-sponsored coverage is reduced by the amount the employer contributed (or offered to contribute) to the HRA for 2023, as long as you were informed of the HRA contribution offer by a reasonable time before you had to decide whether to enroll in the coverage. Employers may offer you alternative or additional HRA coverage. See *Individual coverage HRAs* next.

Individual coverage HRAs. Starting in 2020, employers can offer individual coverage HRAs to help employees and their families with their medical expenses. Under an individual coverage HRA, employers can reimburse eligible employees for medical expenses, including premiums for Marketplace health insurance.

If you were covered under an individual coverage HRA for 2023, you are not allowed a PTC for your 2023 Marketplace health insurance. Also, if another member of your tax family was covered under an individual coverage HRA for 2023, you are not allowed a PTC for the family member's 2023 Marketplace health insurance. If you or a family member could have been covered by an individual coverage HRA for 2023, but you opted out of receiving reimbursements under the individual coverage HRA, you may be allowed a PTC for your, and your family member's, Marketplace health insurance if the individual coverage HRA is considered unaffordable.

Qualified small employer health reimbursement arrangements (QSEHRAs). If your employer provided you with a QSEHRA, special rules apply. See *Qualified Small Employer Health Reimbursement Arrangement*, later, for more details.

Health flex contributions. If the employer that offered you (or your spouse) employer-sponsored coverage for 2023 also made (or offered to make) a health flex contribution for 2023, your required contribution for the employer-sponsored coverage is reduced by the amount of the health flex contribution (or offer). A health flex contribution is an employer contribution to a cafeteria plan that may be used only to pay for medical care (and not taken as cash or other taxable benefits) and is available for use toward the purchase of MEC. Cafeteria plan contributions that may be used for expenses other than medical care are not health flex contributions and so do not reduce your required contribution.

Opt-out payments. If the employer that offered you (or your spouse) employer-sponsored coverage for 2023 offered you an additional payment if you declined to enroll in the coverage (an "opt-out payment"), your required contribution for employer-sponsored coverage is increased by amounts that the employer offered to pay you for declining the coverage. In some cases, an employer may make this opt-out payment only if the employee both declines the coverage and also satisfies another condition (such as enrolling in coverage offered by the employee's spouse). If your employer imposed other conditions on receiving the opt-out payment (in addition to declining the employer's health coverage), you may treat the opt-out payment as increasing the employee's required contribution only if you can demonstrate that you met the conditions (such as enrolling in coverage offered by your spouse's employer).

More information about employer arrangements. You should contact your employer if you have questions about the effect of the employer arrangements described above on your required contribution.

CAUTION

If your employer or the employer of a family member offered MEC providing minimum value and provided you a Form 1095-C and the employer also offered a non-health flex contribution or an opt-out payment, the amount reported on line 15 of Form 1095-C may not accurately reflect the amount of your required contribution for purposes of the PTC. If you have questions about the amount reported on line 15, contact your employer using the contact number provided on the Form 1095-C.

Determining affordability at the time of enrollment. Your employer coverage is not considered affordable if, when you enroll in a qualified health plan, the Marketplace determines that your required contribution for employer coverage will be more than 9.12% of what the Marketplace estimates will be your household income and therefore that you are eligible for APTC for coverage in the qualified health plan. Eligibility for employer coverage in this situation does not disqualify you from taking the PTC when you file your tax return, even if your required contribution for coverage was not more than 9.12% of the household income on your return. However, you will be treated as eligible for affordable employer coverage based on the household income on your tax return if:

- You did not provide current information to the Marketplace relating to your household income and the required contribution for your employer coverage during each annual re-enrollment period, or
- You provided incorrect information to the Marketplace about your required contribution with intentional or reckless disregard for the facts.

You provide information with intentional disregard for the facts if you know that the information provided is inaccurate. You provide information with a reckless disregard for the facts if you make little or no effort to determine whether the information provided is accurate and your lack of effort to provide accurate information is substantially different from what a reasonable person would do under the circumstances.

The employer coverage offered by the various employers in the following examples qualifies as MEC.

Example 1. Celia is single and has no dependents. Her household income for 2023 was $47,000. Celia's employer offered its employees a health insurance plan that provided minimum value and for which the required contribution was $3,450 for self-only coverage for 2023 (7.34% of Celia's household income). Because Celia's required contribution for self-only coverage did not exceed 9.12% of household income, her employer's plan is considered affordable for Celia, and Celia is considered eligible for the employer coverage for all months in 2023. Celia cannot get the PTC for coverage in a qualified health plan.

Example 2. The facts are the same as in *Example 1*, except that Celia is married to Jon, they file a joint return for 2023, and the employer's plan required Celia to contribute $5,300 for coverage for Celia and Jon for 2023 (11.28% of Celia's household income). Because Celia's required contribution for coverage for herself and Jon exceeds 9.12% of household income, her employer's plan is considered not affordable for Jon and Jon is considered not eligible for the employer coverage. Celia is, however, considered eligible for the employer coverage for all months in 2023 and cannot get the PTC for coverage in a qualified health plan because her cost to enroll in the coverage does not exceed 9.12% of their household income. Jon is allowed a PTC if he does not enroll in the employer coverage, enrolls in a qualified health plan through the Marketplace for 1 or more months in 2023, and is otherwise allowed a PTC.

Example 3. Don was eligible to enroll in employer coverage in 2023. Don's required contribution for self-only coverage that provided minimum value was $3,550. Don applied for coverage in a qualified health plan through the Marketplace. The Marketplace projected that Don's 2023 household income would be $37,000 and determined that Don's employer coverage was unaffordable because Don's required contribution was more than 9.12% of Don's household income. Don enrolled in a qualified health plan through the Marketplace with APTC and not in the employer coverage. In December, Don received an unexpected $2,500 bonus, which increased his 2023 household income to $39,500. Although Don's required contribution for the employer coverage was not more than 9.12% of the household income on Don's tax return, Don is considered not eligible for the employer coverage for 2023 because the Marketplace estimated that the employer coverage would cost more than 9.12% of Don's household income. Don can get the PTC if he otherwise qualifies.

Example 4. Hal was eligible for employer coverage for 2023. His required contribution for self-only coverage was $3,400, and Hal enrolled in the coverage. His household income for 2023 was $33,000, which means that his required contribution was more than 9.12% of his household income. Even though the employer coverage was not affordable, Hal cannot get the PTC for coverage in a qualified health plan because he enrolled in the employer coverage.

Example 5. Elsa is married and has two dependent children. Her household income for 2023 was $39,000. Elsa's employer offered only self-only coverage to employees. No family coverage was offered. The plan had a required contribution of $3,000 for self-only coverage for 2023 (7.69% of Elsa's household income) and provided minimum value. Because Elsa's required contribution for self-only coverage was not more than 9.12% of household income, her employer's plan is considered affordable for Elsa. Thus, Elsa is considered eligible for the employer coverage for 2023 and cannot get the PTC for coverage in a qualified health plan. However, because Elsa's employer did not offer coverage to Elsa's spouse and children, Elsa could take the PTC for her spouse and two children if they enrolled in a qualified health plan and otherwise qualify.

Determining affordability for part-year period. If you are employed for part of a year or employed by different employers during the year, you determine whether your coverage is affordable by looking separately at each coverage period that is less than a full calendar year. For each period, the coverage is affordable if your required contribution for the entire year would not be more than 9.12% of your household income for the year.

Example. Elvis was enrolled in a qualified health plan without APTC beginning in January 2023. He began working for a new employer in May that offers health insurance coverage with a calendar year plan year. Elvis' required contribution for the employer coverage for the remainder of the year was $200/month, which would be $2,400 for the full plan year. Elvis does not enroll in the employer coverage or inform the Marketplace of the offer of employer coverage. Elvis' household income for the year is $20,000. Elvis' employer coverage is considered unaffordable for the period May through December because his required contribution for the full plan year, $2,400, is more than 9.12% of his household income. As a result, Elvis could take the PTC for January through December if he otherwise qualifies.

Coverage year not a calendar year. If your employer's plan year is not the calendar year and you are a calendar year taxpayer, you determine whether your coverage is affordable by looking separately at the portion of the calendar year in each plan year. A coverage period in 2023 that falls in a plan year beginning in 2022 is considered affordable if your required contribution for the entire plan year is not more than 9.61% of your household income for 2023. A coverage period in 2023 that falls in a plan year beginning in 2023 is considered affordable if your required contribution for the entire plan year is not more than 9.12% of your household income for 2023.

The employer coverage offered by the various employers in the following examples qualifies as MEC.

Example 1. Tim's employer offers health insurance coverage with a plan year of July 1 through June 30. His required contribution for the plan year that began on July 1, 2022, was $250 per month ($3,000 for the entire plan year). Tim enrolled in a qualified health plan on January 1, 2023, and did not apply for APTC. Tim's household income for 2023 is $30,000. Tim's required contribution for the plan year, $3,000, is 10% of his household income for 2023. Because 10% is more than 9.61% (the required contribution percentage for the plan year beginning in 2022), Tim's employer coverage for January 1, 2023, through June 30, 2023, is not considered affordable, and Tim can take the PTC for those months if he is otherwise eligible.

For the plan year that began on July 1, 2023, Tim's required contribution was reduced to $200 per month (or $2,400 for the entire plan year). Tim's required contribution of $2,400 is 8% of his 2023 household income. Because 8% is not more than 9.12% (the required contribution percentage for the plan year beginning in 2023), Tim's employer coverage for July 1, 2023, through December 31, 2023, is considered affordable and he is not eligible for the PTC for those months.

Example 2. Maria's employer offers health insurance coverage with a plan year of September 1 through August 31. Maria's required contribution for the employer coverage for the plan year September 1, 2023, through August 31, 2024, is $3,700. Maria's household income for 2023 is $37,000. Maria's employer coverage is considered unaffordable for the period September 1 through December 31, 2023, because her required contribution for the plan year, $3,700, is more than 9.12% of her 2023 household income. If Maria enrolls in a qualified health plan for 2024 and requests APTC, the Marketplace will determine whether the employer coverage is considered affordable for the period January 1, 2024, through August 31, 2024, by comparing Maria's required contribution for the plan year beginning in 2023, $3,700, to her estimated 2024 household income.

How to determine if a plan provides minimum value. An employer-sponsored plan provides minimum value only if the plan pays at least 60% of the total allowed costs of benefits for a standard population and provides substantial coverage of inpatient hospitalization services and physician services. A plan meets the 60% rule only if an employee's expected cost-sharing (deductibles, co-pays, and co-insurance) under the plan is no more than 40% of the cost of the benefits. This percentage is based on actuarial principles using benefits provided to a standard population and is not based on what you actually pay for cost sharing.

Your employer must provide you with a summary of benefits and coverage (SBC) on or before the first day of the open enrollment period for the plan you are enrolled in for the current coverage period. The employer must also provide you with SBCs you request for other plans in which you can enroll. If you are not enrolled in a plan, the employer must provide you with the SBCs for all plans in which you can enroll. The SBC will tell you whether an employer-sponsored plan provides minimum value. If your employer sent you a Form 1095-C, line 14 of that form will include an indicator code telling you if your employer offered you a health plan in the previous year that provided minimum value.

Qualified Small Employer Health Reimbursement Arrangement (QSEHRA)

Under a QSEHRA, an eligible employer can reimburse eligible employees for medical expenses, including premiums for a qualified health plan purchased through the Marketplace. An eligible employer is one that, in general, employs fewer than 50 full-time employees and does not offer a group health plan.

A QSEHRA is an arrangement that meets all the following requirements.

1. The arrangement is funded solely by the employer, and no salary reduction contributions may be made under the arrangement.
2. The arrangement provides, after the eligible employee provides proof of coverage, for the payment or reimbursement of the medical expenses incurred by the employee or the employee's family members.
3. The amount of payments and reimbursements doesn't exceed $5,850 ($11,800 for family coverage) for 2023.
4. The arrangement is generally provided on the same terms to all eligible employees. However, the employer's QSEHRA may exclude employees who haven't completed 90 days of service, employees who haven't attained age 25 before the beginning of the plan year, part-time or seasonal employees, employees covered by a collective bargaining agreement if health benefits were the subject of good-faith bargaining, and employees who are nonresident aliens with no earned income from sources within the United States.

If you are provided a QSEHRA, and it is considered affordable coverage for a month, no PTC is allowed for that month. If the QSEHRA is not considered affordable coverage for 1 or more months, you may still be eligible for the PTC. If you are eligible for the PTC for any month for which you are provided a QSEHRA, you must reduce your PTC (but not below -0-) for that month by the monthly QSEHRA permitted benefit amount. The monthly permitted benefit amount is the maximum QSEHRA benefit amount an eligible employee is allowed per month. See *Permitted benefit reported on Form W-2*, later, and Worksheet Q for more information.

Written notice of QSEHRA. If you were provided a QSEHRA during 2023, your employer should have provided written notice to you by the later of October 3, 2022, or 90 days before the first day of the plan year of the QSEHRA, or if you're an employee who is not eligible to participate at the beginning of the year, the date on which you're first eligible to participate in the QSEHRA. The information in this notice is necessary to determine how the QSEHRA affects your PTC. The permitted benefit for **self-only** coverage as reported by the employer in the written notice is used to determine whether the QSEHRA is considered affordable coverage, regardless of whether the permitted benefit provided to you is for self-only or family coverage. If the notice provided to you does not include a permitted benefit amount for self-only coverage, you must contact your employer to get that information. Use Worksheet N to determine whether your QSEHRA is considered affordable coverage for the months of the year that you were provided the QSEHRA. You will need the notice provided by your employer and the permitted benefit for self-only coverage to complete Worksheet N.

Permitted benefit reported on Form W-2. Your employer should have reported your annual permitted benefit (self-only or family amount, as applicable) in box 12 of your Form W-2 with code FF. Your permitted benefit amount, as reported to you by your employer on Form W-2, is used to calculate the amount by which you must reduce your PTC, if you are otherwise eligible for the PTC. Use Worksheet Q to figure your monthly PTC for months in which you were provided a QSEHRA.

APTC for 2023 and 2024. If APTC was paid for your 2023 Marketplace coverage, your QSEHRA permitted benefit for 2023 was not considered by the Marketplace in calculating the amount of your 2023 APTC. Furthermore, if you requested APTC for your 2024 Marketplace coverage, the Marketplace did not consider your 2024 permitted benefit in calculating the amount of your 2024 APTC. If you are provided a QSEHRA for 2024, you should contact the Marketplace and ask the Marketplace to reduce the amount of APTC to be paid on your behalf for 2024 to limit the risk of having excess APTC for 2024.

Worksheet N. **Worksheet To Determine if the QSEHRA Is Considered Affordable**

Keep for Your Records

Note. See *Special instructions for Worksheet N* if your SLCSP premium was not the same for all months of 2023 or you changed employers during 2023.

1.	Enter the amount from Form 8962, line 3	**1.** ______
2.	Multiply line 1 by 0.0912	**2.** ______
3.	Enter the number of months you were provided the QSEHRA in 2023	**3.** ______
4.	Divide line 2 by 12.0	**4.** ______
5.	If you enrolled in a qualified health plan, enter the monthly premium you would pay for self-only coverage under the SLCSP offered by the Marketplace where you enrolled in coverage. If you did not enroll in a qualified health plan, enter the monthly premium that the oldest member of your coverage family who is enrolled in a qualified health plan would pay for self-only coverage under the SLCSP offered by the Marketplace where that family member enrolled. See *Applicable SLCSP premium tools*, later, to learn how to retrieve the applicable SLCSP premium	**5.** ______
6.	Enter the self-only coverage permitted benefit from the written notice provided by your employer. If you were provided the QSEHRA for less than 12 months in 2023, see *Part-year coverage*, later, for what amount to enter on line 6	**6.** ______
7.	Divide line 6 by line 3	**7.** ______
8.	Subtract line 7 from line 5	**8.** ______
9.	Compare lines 4 and 8. • If line 4 is less than line 8, the QSEHRA is not considered affordable. Stop here. Complete Worksheet Q. • If line 4 is greater than or equal to line 8, the QSEHRA is considered affordable. Skip Worksheet Q. Stop here and do not file Form 8962 if you were provided a QSEHRA for every month you were covered by a qualified health plan and no APTC was paid for you or another individual in your tax family. Otherwise, enter "QSEHRA" in the top margin of Form 8962. If you are completing Form 8962, lines 12 through 23, stop here and enter -0- on lines 12 through 23, column (e), for each month you were provided the QSEHRA. If you are completing Form 8962, line 11, and you were provided the QSEHRA for all of 2023, stop here and enter -0- on line 11, column (e). If you were not provided the QSEHRA for all of 2023, complete lines 10 through 13 below.	
10.	Enter the smaller of Form 8962, line 11, column (a) or (d)	**10.** ______
11.	Divide line 10 by 12.0	**11.** ______
12.	Multiply line 11 by line 3	**12.** ______
13.	Subtract line 12 from line 10. Enter the result here and on Form 8962, line 11, column (e)	**13.** ______

Special instructions for Worksheet N if you did not have the same SLCSP for all months of 2023 or changed employers during 2023. You must complete a separate worksheet through line 8 for each part of the year in which you had a different SLCSP premium for self-only coverage while provided a QSEHRA, or you were provided a QSEHRA from different employers with different self-only permitted benefits. For example, Bob was employed for all of 2023 by an employer that provides a QSEHRA to its employees. Bob changed Marketplace policies in May of 2023 because of a change in residence. As a result, Bob's SLCSP premium for self-only coverage was different for the period January through May than for the period June through December. To determine the affordability of the QSEHRA provided to Bob, Bob must complete a separate Worksheet N for the period January through May and the period June through December.

Once you have completed the separate worksheets through line 8, read the following.

- If the Worksheets N show that the QSEHRA is unaffordable for at least 1 month (line 4 is less than line 8 on at least one of the worksheets), skip lines 9 through 13 and complete Worksheet Q.
- If the Worksheets N show that the QSEHRA is affordable for all months of 2023 (line 4 is greater than or equal to line 8 on all the worksheets), follow the instructions on line 9 of the worksheet relating to "If line 4 is greater than or equal to line 8." Complete lines 10 through 13 if you are instructed to do so.

Part-year coverage—Instruction for line 6. If you were provided a QSEHRA for less than 12 months in 2023, the written notice your employer sent to you may have provided the self-only coverage permitted benefit for only the months you were provided the QSEHRA or the self-only coverage permitted benefit for the entire year (if the notice provided to you does not include a permitted benefit amount for self-only coverage, you must contact your employer to get that information). If the notice provided the permitted benefit amount just for the months you were provided the QSEHRA, then enter that amount on line 6. If the notice provided the self-only coverage permitted benefit for the entire year, figure the amount to enter on line 6 as follows.

1. Divide the self-only coverage permitted benefit for the entire year by 12.0.
2. Multiply the result by the number of months you were provided the QSEHRA.

Instructions for Worksheet Q, Part III

Column A. If you completed Form 8962, lines 12 through 23, enter the smaller of column (a) or (d) on the lines in Part III for the months you were provided a QSEHRA. If you completed Form 8962, line 11, and were instructed to complete Part III in the second bullet under *Before you begin*, divide the amount on line 11, column (a), by 12.0. Then, divide the amount on line 11, column (d), by 12.0. Enter the smaller of the 2 amounts on each line in column A for the months you were provided a QSEHRA.

Column B. The amount you enter in column B depends on whether the QSEHRA is considered affordable coverage for the month. For the months the QSEHRA is considered affordable coverage, enter in column B the amount you entered in column A. For the months the QSEHRA is not considered affordable coverage, complete column B as follows.

- If you completed Part I, enter the amount from line 3 on the lines for the months you completed column A.
- If you skipped Part I, enter the monthly permitted benefit amount (the amount from box 12, code FF, of Form W-2, divided by the number of months you were provided the QSEHRA) on the lines for the months you completed column A.

To determine whether the QSEHRA is considered affordable coverage for any month, see Worksheet N.

Self-only permitted benefit for some months and family permitted benefit for others. Your permitted benefit is reported in box 12 of Form W-2 using code FF. However, if you received a self-only permitted benefit for part of the year and a family permitted benefit for another part of the year, the amount reported on your Form W-2 reflects that change. For purposes of this worksheet, divide the self-only permitted benefit as described in the written notice from your employer by 12.0 to determine your column B monthly permitted benefit for the months in which you were provided a permitted benefit for self-only coverage. Divide the family permitted benefit as described in the written notice from your employer by 12.0 to determine your column B monthly permitted benefit for the months in which you were provided a permitted benefit for family coverage. If you were provided the QSEHRA for less than 12 months in 2023, see *Part-year coverage for taxpayers with changes in permitted benefits* next for what amount to enter on line 6 of Worksheet N.

Part-year coverage for taxpayers with changes in permitted benefits. If you received a self-only permitted benefit for part of the year and a family permitted benefit for another part of the year and you were provided a QSEHRA for less than 12 months in 2023, you should consult the written notice your employer sent to you to determine the amount to enter in column B. The notice your employer sent to you may have included the permitted benefit for only the months you were provided the QSEHRA or the permitted benefit for the entire year. If the notice provided the permitted benefit for the entire year, divide the self-only coverage permitted benefit for the entire year by 12.0 and enter that amount in column B for the months you received a self-only permitted benefit. Then, divide the family coverage permitted benefit for the entire year by 12.0 and enter that amount in column B for the months you received a family permitted benefit. If the notice provided the permitted benefit for only the months you were provided the QSEHRA, divide that amount by the

Worksheet Q. **Worksheet To Figure Monthly Credit Amount if You Have a QSEHRA**

Keep for Your Records

Before you begin:

- See Worksheet N to determine whether the QSEHRA is considered affordable coverage for any month. If the QSEHRA is considered affordable coverage for some months but not others, see the instructions for column B below for the amount you enter in column B for the affordable months.
- If the monthly permitted benefit was the same for each month you were provided the QSEHRA **and** the QSEHRA was not considered affordable for all of those months, go to Part I. If the monthly permitted benefit was not the same for each month you were provided the QSEHRA or the QSEHRA was considered affordable for some but not all the months it was provided, go to Part III. Skip Parts I and II.

Caution. If you received a self-only permitted benefit for part of the year and a family permitted benefit for another part of the year, you must complete Part III even though the amount reported on your Form W-2 reflects this change.

Part I: Monthly Permitted Benefit

1. Enter the amount from box 12, code FF, of Form W-2 . . . . . **1.** ______

2. Enter the number of months you were provided the QSEHRA in 2023 . . . . . **2.** ______

3. Divide line 1 by line 2. Then, do one of the following . . . . . **3.** ______

- If you are completing Form 8962, line 11, go to Part II below.
- If you are completing Form 8962, lines 12 through 23, go to Part III below. Skip Part II.

Part II: Annual Calculation

4. Enter the smaller of Form 8962, line 11, column (a) or (d) . . . . . **4.** ______

5. Divide line 4 by 12.0 . . . . . **5.** ______

6. Enter the smaller of line 3 or line 5 . . . . . **6.** ______

7. Multiply line 6 by line 2 . . . . . **7.** ______

8. Subtract line 7 from line 4. Enter the result here and on Form 8962, line 11, column (e). Enter “QSEHRA” in the top margin of Form 8962. Skip Part III below . . . . . **8.** ______

Note. If the result is -0- and the amount you will enter on line 11, column (f), is also -0-, stop here. Do not file Form 8962.

Part III: Monthly Calculation

Month	**A.** Tentative monthly premium tax credit (see instructions)	**B.** Monthly permitted benefit (see instructions)	**C.** Subtract col. B from col. A. If less than zero, enter -0-.
9. January			
10. February			
11. March			
12. April			
13. May			
14. June			
15. July			
16. August			
17. September			
18. October			
19. November			
20. December			

21. If you are completing Form 8962, lines 12 through 23, stop here and enter the amounts from column C in column (e) for the months you completed column A. Enter “QSEHRA” in the top margin of Form 8962.

Note. If all entries in columns (e) and (f) are -0- or blank, do not file Form 8962.

22. If you are completing Form 8962, line 11, add the amounts in column C above and enter the result here. If line 22 is -0- and no APTC was paid for you or another individual in your tax family, stop here and do not file Form 8962. Otherwise, do one of the following . . . . . **22.** ______

- If you were provided the QSEHRA for **all** of 2023, stop here and also enter the result on Form 8962, line 11, column (e). Enter “QSEHRA” in the top margin of Form 8962.
- If you were **not** provided the QSEHRA for all of 2023, complete lines 23 through 27 below to figure the amount to enter on Form 8962, line 11, column (e).

23. Enter the smaller of Form 8962, line 11, column (a) or (d) . . . . . **23.** ______

24. Divide line 23 by 12.0 . . . . . **24.** ______

25. Multiply line 24 by the number of months you were provided the QSEHRA in 2023 . . . . . **25.** ______

26. Subtract line 25 from line 23 . . . . . **26.** ______

27. Add lines 22 and 26. Enter the result here and on Form 8962, line 11, column (e). Enter “QSEHRA” in the top margin of Form 8962 . . . . . **27.** ______

number of months you were provided that permitted benefit under the QSEHRA and enter the amount in column B for the appropriate months.

Grandfathered Health Plan

A grandfathered health plan means any group health plan, group health insurance coverage, or individual health insurance coverage to which section 1251 of the ACA applies (in general, certain group health plans and health insurance coverage existing as of March 23, 2010, for as long as the coverage maintains that status under the applicable rules). Health plans must disclose if they are grandfathered. For more information about grandfathered health plans, see *HealthCare.gov/Health-Care-Law-Protections/Grandfathered-Plans/*.

Other Coverage Designated by the Department of Health and Human Services (HHS)

HHS has designated the following health benefit plans or arrangements as MEC.

1. Employer coverage provided to business owners who are not employees.
2. Coverage under a group health plan provided through insurance regulated by a foreign government if:
   a. A covered individual is physically absent from the United States for at least 1 day during the month, or
   b. A covered individual is physically present in the United States for a full month and the coverage provides health benefits within the United States while the individual is on expatriate status.
3. Coverage of pregnancy-related services that consists of full Medicaid benefits.
4. Other specific programs listed at *CMS.gov/CCIIO/Programs-and-Initiatives/Health-Insurance-Market-Reforms/Minimum-Essential-Coverage.html* (click on the link for "Approved Plans"). These programs include certain:
   a. Self-insured university student health plans; and
   b. Coverage resembling coverage under a state's CHIP program that generally requires the payment of premiums with little or no government subsidy, often called CHIP buy-in programs.

In general, if you were eligible for coverage that HHS has designated as MEC, you are not eligible to claim the PTC for coverage through the Marketplace. However, you are considered as eligible for MEC under a self-insured university student health plan or a CHIP buy-in program that has been designated as MEC only if you are enrolled in the coverage.

Individuals Not Lawfully Present in the United States Enrolled in a Qualified Health Plan

The PTC is not allowed for the coverage of an individual who is not lawfully present in the United States. All APTC paid for an individual not lawfully present who enrolls in a qualified health plan must be figured. If all family members enrolled in a qualified health plan are not lawfully present, see the discussion immediately below. If you or a member of your family is not lawfully present and was enrolled in a qualified health plan with family members who are lawfully present for 1 or more months of the year, you must use the instructions under *Lawfully Present and Not Lawfully Present Family Members Enrolled*, later, to find out how much APTC, if any, was allowable.

TIP *For more information about who is treated as lawfully present for this purpose, go to HealthCare.gov/Immigrants/Immigration-Status/.*

All Enrolled Family Members Not Lawfully Present

If all family members enrolled in a qualified health plan are not lawfully present, no PTC is allowed. Complete lines on Form 8962 as explained below. **Leave all other lines blank.**

Lines 1, 2a, 3, 4, and 5. Enter -0-.

Line 9. Complete line 9 as provided in the Form 8962 instructions to determine whether you must complete Part IV for an allocation of policy amounts. Complete Part IV if instructed to do so by Table 3 in the Form 8962 instructions. Do **not** complete Part V.

Line 11, column (f) (or lines 12 through 23, column (f), if you complete Part IV). If you checked the "No" box on line 9, enter the total of your Form(s) 1095-A, Part III, line 33C, on line 11, column (f). If you checked the "Yes" box on line 9, complete lines 12 through 23, column (f), as provided in the Form 8962 instructions.

Line 24. Enter -0-.

Lines 25, 27, and 29. Enter the amount from line 11, column (f), (or the total of lines 12 through 23, column (f)) on each line. Then, follow the instructions for line 29.

Lawfully Present and Not Lawfully Present Family Members Enrolled

TIP *Before you read the following discussion, first familiarize yourself with the definitions of tax family and coverage family discussed under* Terms You May Need To Know*, earlier.*

If you or a member of your family is not lawfully present and was enrolled in a qualified health plan with family members who are lawfully present for 1 or more months of the year, you may take the PTC only for the coverage of the lawfully present family members. You must determine how much APTC was paid for the coverage of a not lawfully present family member. Complete Form 8962 using the following steps.

Step 1. Complete Part I according to the instructions. If you are not eligible for the PTC, skip the rest of these steps, complete Form 8962 through line 27, and then see *How To Determine the Excess APTC That Must Be Repaid*, later.

Step 2. Determine your monthly enrollment premiums and applicable SLCSP premium using the instructions under *How To Determine Your Monthly Enrollment Premiums and SLCSP Premium*, later.

Step 3. Complete line 9, including Parts IV and V if instructed to do so.

Step 4. If Situation 1 (discussed later) applies to you, do one of the following.

- If the enrolled lawfully present family members are enrolled for **all** 12 months of 2023, check the "Yes" box on line 10 and complete line 11, and lines 24 through 29, as appropriate.
- If the enrolled lawfully present family members are enrolled for **less than** 12 months, check the "No" box on line 10, skip line 11, and complete lines 12 through 29, as appropriate.

If Situation 2 (discussed later) applies to you, check the "No" box on line 10, skip line 11, and complete lines 12 through 25. Then, do one of the following.

- If line 24 is less than line 25, you have excess APTC. See *How To Determine the Excess APTC That Must Be Repaid*, later.
- If line 24 is equal to or greater than line 25, complete line 26 as instructed. (Do not follow the instructions under *How To Determine the Excess APTC*, later.)

How To Determine Your Monthly Enrollment Premiums and Applicable SLCSP Premium

See *Situation 1* or *Situation 2* next for how to determine your monthly enrollment premium and applicable SLCSP premium.

Situation 1—Not lawfully present family members enrolled and no other changes in enrollment or coverage family. Situation 1 applies if you have family members who are not lawfully present that are enrolled for all or a part of the year, there are no changes in your coverage family during the year (counting only lawfully present family members), and there are no enrollment changes involving your lawfully present family members enrolled in the coverage during the year. If Situation 1 applies, you should enter on Form 8962 for every month of the year the enrollment premiums and applicable SLCSP premium the Marketplace reports on Form 1095-A for the months when only lawfully present individuals were enrolled in the coverage. If a not lawfully present family member was enrolled for the entire year, see *No reference month*, later.

Example 1. Andrew enrolls himself and his three dependents, Terri, Phil, and Anne in a qualified health plan. Anne is not lawfully present in the United States. The monthly enrollment premiums for the plan are $1,000. No one in Andrew's family is eligible for MEC (other than Marketplace coverage) and the applicable SLCSP premium that would apply to all four members of Andrew's family is $1,200. There are no changes involving the lawfully present members of the coverage family during the year. Anne is disenrolled from coverage as of April 1. The monthly enrollment premiums for Andrew and his other two dependents are $800 and the applicable SLCSP premium that applies to Andrew's coverage family of three is $900. The Marketplace reports the following amounts on Form 1095-A, Part III.

Months	Column A	Column B
January, February, March	$1,000	$1,200
April through December	$800	$900

When completing Form 8962, Andrew enters $9,600 ($800 x 12) as the enrollment premiums on line 11, column (a), and $10,800 ($900 x 12) as the premium for the applicable SLCSP on line 11, column (b).

Situation 2—Changes in enrollment or coverage family involving a lawfully present family member. Situation 2 applies if you have family members who are not lawfully present that are enrolled for all or part of the year, and there are either changes in your coverage family during the year (counting only lawfully present family members) or enrollment changes involving your lawfully present family members enrolled in the coverage during the year. If Situation 2 applies, use these rules to determine the enrollment premiums and the applicable SLCSP premium for the months any not lawfully present family members are enrolled. First, use Worksheet A to determine if you have a reference month for enrollment premiums or for the applicable SLCSP premium. You may have a reference month for enrollment premiums (discussed next) or a reference month for the applicable SLCSP premium (discussed later), or for both.

Reference month for enrollment premiums. A reference month for enrollment premiums is a month in which the not lawfully present family member is not enrolled in coverage and there are no other changes in the members of your family who are enrolled in the coverage. In other words, your enrolled family members are the same during the reference month as for a month the not lawfully present family member was enrolled, except that the not lawfully present family member is not enrolled. Enter on Form 8962, Part II, column (a), the enrollment premiums for the reference month as the enrollment premiums for the months the not lawfully present family member was enrolled.

Reference month for SLCSP premium. A reference month for the applicable SLCSP premium is a month in which the not lawfully present family member is not enrolled in coverage and there are no other changes in your coverage family. In other words, your coverage family is the same during the reference month as for a month the not lawfully present family member was enrolled, except the not lawfully present family member is not included in your coverage family. Enter on Form 8962, Part II, column (b), the applicable SLCSP premium for the reference month as the applicable SLCSP premium for the months the not lawfully present family member was enrolled.

No reference month. If you do not have a reference month for enrollment premiums, you may have to contact your insurance company to find out what the amount of the enrollment premiums would have been if the policy had covered only lawfully present family members. If you do not have a reference month for the applicable SLCSP premium, you must look up the SLCSP premium that applies to your coverage family (without any not lawfully present family members). See *Determining the Premium for the Applicable Second Lowest Cost Silver Plan (SLCSP)*, later.

TIP *You may use Worksheet A to determine whether you have any reference months.*

Example 2. The facts are the same as in *Example 1*, earlier, except that Andrew becomes eligible for employer-sponsored coverage on September 1, notifies the Marketplace, but remains enrolled in the qualified health plan (although he cannot take the PTC for his coverage for the months after August). The applicable SLCSP premium that applies to Terri and Phil is only $400. The Marketplace reports the following amounts on Form 1095-A, Part III.

Months	Column A	Column B
January, February, March	$1,000	$1,200
April through August	$800	$900
September through December . . .	$800	$400

Andrew must complete lines 12 through 23 of Form 8962. April through August are reference months for both enrollment premiums and the applicable SLCSP premium for January through March (the months Anne was enrolled in coverage) because Andrew's coverage family and enrolled family members for April through August (Andrew, Phil, and Terri) are the same as for January through March except for Anne who is not lawfully present. (September through December are also reference months for enrollment premiums.) The enrollment premiums and SLCSP premium for April through August are the same amounts they would have been for January through March without Anne. Therefore, for the months January through March, Andrew enters on Form 8962, lines 12 through 23, $800 (the enrollment premiums for April through August) in column (a) and $900 (the SLCSP premium that applies to the coverage family for April through August) in column (b).

Example 3. The facts are the same as in *Example 1*, earlier, except that Andrew becomes eligible for employer-sponsored coverage on April 1, notifies the Marketplace, but remains enrolled in the qualified health plan. The Marketplace reports the following amounts on Form 1095-A, Part III.

Months	Column A	Column B
January, February, March	$1,000	$1,200
April through December	$800	$400

Andrew does not have a reference month for the applicable SLCSP premium for the months Anne was enrolled in the qualified health plan because there is another change in his coverage family for the months April through December (Andrew is not in the coverage family because he is eligible for employer-sponsored coverage). Thus, there are no months when Andrew's coverage family is the same (except for Anne) before and after Anne is disenrolled from coverage. Andrew must look up the SLCSP premium that applies to his coverage family without Anne. Andrew determines that the correct applicable SLCSP premium to enter on Form 8962 for the months January through March for a coverage family consisting of Andrew, Terri, and Phil is $900.

April through December are reference months for Andrew for enrollment premiums because the family members who are enrolled for those months are the same family members who were enrolled in January through March, except for Anne.

Therefore, for the months January through March, Andrew enters on Form 8962, lines 12 through 23, $800 (the enrollment premiums for April through December) in column (a) and $900 (the SLCSP premium that would apply to the coverage family of Andrew, Terri, and Phil) in column (b).

Worksheet A. **Do You Have Any Reference Months?**

Keep for Your Records

Use this worksheet to determine whether you have any reference months.

Months in 2023	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
1. Check a box for each month in which any family members not lawfully present were enrolled in coverage	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
2. Check a box for each month in which: • Only lawfully present family members were enrolled in coverage; and • There were no other changes in members of your tax family* who are enrolled in coverage, as compared to a month for which you checked a box on line 1	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
The months for which you checked boxes on line 2 are your **reference months** for enrollment premiums. Use the enrollment premium reported on Form 1095-A, Part III, column A, for the reference month as your enrollment premium on Form 8962 for the month(s) you checked on line 1. **Note.** If you did not check any boxes on this line, see *No reference month*, earlier.												
3. Check a box for each month in which: • Only lawfully present family members were enrolled in coverage; and • There were no other changes in your coverage family,* as compared to a month for which you checked a box on line 1	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
The months for which you checked boxes on line 3 are your **reference months** for the applicable SLCSP premium. Use the applicable SLCSP premium reported on Form 1095-A, Part III, column B, for the reference month as your applicable SLCSP premium on Form 8962 for the month(s) you checked on line 1. **Note.** If you did not check any boxes on this line, see *No reference month*, earlier.												

* See *Terms You May Need To Know*, earlier, for the definitions of tax family and coverage family.

How To Determine the Excess APTC That Must Be Repaid

The excess APTC (see the instructions for Form 8962, line 28) applies only to excess APTC for coverage of lawfully present individuals. Excess APTC that relates to the coverage of individuals who are not lawfully present must be figured without limitation. Use Worksheet B to determine the amount of excess APTC if all of the following apply.

- You or a member of your family is not lawfully present and is enrolled in a qualified health plan with family members who are lawfully present for 1 or more months of the year.
- You have excess APTC on line 27 of Form 8962.
- Your excess APTC on line 27 of Form 8962 is more than your amount from Table 5 in the Form 8962 instructions.

If line 27 is not more than your amount from Table 5 in the Form 8962 instructions, do not complete Worksheet B. Leave line 28 of Form 8962 blank, enter the amount from line 27 on line 29, and follow the instructions for line 29. If you must complete Worksheet B, see the illustrated example.

Illustrated Example of Determining the Excess APTC That Must Be Repaid

Andrew enrolls himself and his three dependents, Terri, Phil, and Anne in a qualified health plan. Anne is not lawfully present in the United States and is disenrolled from the coverage as of April 1. Andrew becomes eligible for employer-sponsored coverage on September 1, notifies the Marketplace, but remains enrolled in the qualified health plan. The Marketplace reports the following amounts on Form 1095-A, Part III.

Months	Column A	Column B	Column C
January, February, March	$1,000	$1,200	$953
April through August	$800	$900	$653
September through December	$800	$400	$153

Step 1. Andrew completes Part I of Form 8962 (not illustrated). His household income for the year on his Form 8962, line 3, is $76,313, which is 275% of the federal poverty line. The annual contribution amount Andrew enters on line 8a is $3,816 and the monthly contribution amount he enters on line 8b is $318.

Step 2. Andrew determines his monthly enrollment premiums and applicable SLCSP premium using the instructions under *How To Determine Your Monthly Premium and Applicable SLCSP Premium*, earlier. *Situation 2* in that discussion applies to Andrew because he has a lawfully present family member enrolled in coverage and there are changes in his coverage family in 2023, counting only lawfully present family members: beginning in September, only Phil and Terri are in the coverage family. Andrew is no longer in the coverage family because he becomes eligible for employer-sponsored coverage.

Andrew completes Worksheet A as explained below to determine his reference months for the enrollment premiums and the applicable SLCSP premium for the months Anne was enrolled. (Andrew's Worksheet A is shown later.)

Line 1. He checks the boxes for January, February, and March because those are the months in which Anne is enrolled in Marketplace coverage.

Line 2. He checks the boxes for April through December. Those months are reference months for enrollment premiums ($800) for January through March because his tax family for these months (Andrew, Phil, and Terri) is the same as for January through March except for Anne.

Line 3. He checks the boxes for April through August. These months are reference months for the applicable SLCSP premium ($900) for January through March because Andrew's coverage family for these months (Andrew, Phil, and Terri) is the same as for January through March except for Anne. September through December are **not** reference months for the applicable SLCSP premium (and Andrew doesn't check these boxes) because, as explained above, there was another change in his coverage family beginning in September.

Step 3. Andrew checks the "No" box on line 9 because he is neither allocating policy amounts with another taxpayer nor using the alternative calculation for year of marriage.

Step 4. Because Situation 2 (discussed earlier) applies to Andrew, he checks the "No" box on line 10, skips line 11, and completes lines 12 through 25. On lines 12 through 14, column (a), he enters $800 as determined on Worksheet A, line 2. On lines 12 through 14, column (b), he enters $900 as determined on Worksheet A, line 3.

Andrew's PTC on line 24 ($4,656) is less than his APTC on line 25 ($6,736), and his excess APTC on line 27 ($2,080 is greater than his Table 5 repayment limitation amount ($1,800) in the Form 8962 instructions. According to the instructions under *How To Determine the Excess APTC That Must Be Repaid*, earlier, Andrew must complete Worksheet B to figure the amount of excess APTC.

Andrew completes Worksheet B as follows.

Line 1. Andrew enters $953. This is the monthly APTC shown on Form 1095-A, Part III, column C, for January, February, and March (the months that Anne was enrolled in coverage).

Line 2. Andrew enters $582. This is the amount from Form 8962, Part II, column (e), for January through March and represents the applicable monthly SLCSP premium for April through August (reference months for the applicable SLCSP premium) for Andrew, Terri, and Phil of $900 minus the monthly contribution amount of $318 from Form 8962, line 8b.

Line 4. Andrew enters $1,000. This is the monthly premium for January through March shown on Form 1095-A, Part III, column A.

Line 5. Andrew enters $1,200. This is the applicable SLCSP premium shown on Form 1095-A, Part III, column B.

Line 6. Andrew enters $318. This is the monthly contribution amount from Form 8962, line 8b.

Lines 7 through 14. Andrew completes these lines as instructed on Worksheet B.

Line 15. Line 14 is more than line 13. Accordingly, Andrew enters the amount from line 13 ($1,800) on Form 8962, lines 28 and 29.

Worksheet B. **Excess APTC That Must Be Repaid**

Keep for Your Records

Complete columns **only** for the months a not lawfully present family member was enrolled in coverage. (If you completed Worksheet A, these are the months for which you checked a box on line 1 of the worksheet.)

Months in 2023	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
1. Enter APTC from Form 1095-A, Part III, column C												
2. Enter the monthly credit amount from Form 8962, Part II, column (e)												
3. Subtract line 2 from line 1. If zero or less, leave this line blank and skip lines 4 through 10 for the month												
4. Enter the monthly premium amount from Form 1095-A, Part III, column A . .												
5. Enter the SLCSP premium from Form 1095-A, Part III, column B												
6. Enter the monthly contribution amount from Form 8962, line 8b												
7. Subtract line 6 from line 5												
8. Enter the smaller of line 4 or line 7												
9. Subtract line 8 from line 1. If zero or less, enter -0-												
10. Subtract line 9 from line 3												

11. Add the amounts on line 10. If all of your line 3 results were zero or less, **stop here**. None of your excess APTC was from individuals who were not lawfully present. Enter the repayment limitation amount from Table 5 in the Form 8962 instructions on Form 8962, line 28, and continue to line 29	**11.**	
12. Enter the repayment limitation amount from Table 5 in the Form 8962 instructions	**12.**	
13. Add lines 11 and 12	**13.**	
14. Enter the amount from Form 8962, line 27	**14.**	
15. Compare lines 13 and 14. • If line 14 is more than line 13, enter the amount from line 13 on Form 8962, lines 28 and 29, and follow the instructions for line 29. • If line 14 is less than or equal to line 13, leave Form 8962, line 28, blank and enter the amount from line 27 on line 29.		

Andrew’s Worksheet A. **Do You Have Any Reference Months?**

Use this worksheet to determine whether you have any reference months.

Months in 2023	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
1. Check a box for each month in which any family members not lawfully present were enrolled in coverage	☑	☑	☑	☐	☐	☐	☐	☐	☐	☐	☐	☐
2. Check a box for each month in which: • Only lawfully present family members were enrolled in coverage; and • There were no other changes in members of your tax family* who are enrolled in coverage, as compared to a month for which you checked a box on line 1	☐	☐	☐	☑	☑	☑	☑	☑	☑	☑	☑	☑
The months for which you checked boxes on line 2 are your **reference months** for enrollment premiums. Use the enrollment premium reported on Form 1095-A, Part III, column A, for the reference month as your enrollment premium on Form 8962 for the month(s) you checked on line 1. **Note.** If you did not check any boxes on this line, see *No reference month*, earlier.												
3. Check a box for each month in which: • Only lawfully present family members were enrolled in coverage; and • There were no other changes in your coverage family,* as compared to a month for which you checked a box on line 1	☐	☐	☐	☑	☑	☑	☑	☐	☐	☐	☐	☐
The months for which you checked boxes on line 3 are your **reference months** for the applicable SLCSP premium. Use the applicable SLCSP premium reported on Form 1095-A, Part III, column B, for the reference month as your applicable SLCSP premium on Form 8962 for the month(s) you checked on line 1. **Note.** If you did not check any boxes on this line, see *No reference month*, earlier.												

*See *Terms You May Need To Know*, earlier, for the definitions of tax famliy and coverage family.

Andrew's Worksheet B. **Excess APTC That Must Be Repaid**

Complete columns **only** for the months a not lawfully present family member was enrolled in coverage. (If you completed Worksheet A, these are the months for which you checked a box on line 1 of the worksheet.)

Months in 2023	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
1. Enter APTC from Form 1095-A, Part III, column C	$953	$953	$953									
2. Enter the monthly credit amount from Form 8962, Part II, column (e)	582	582	582									
3. Subtract line 2 from line 1. If zero or less, leave this line blank and skip lines 4 through 10 for the month	371	371	371									
4. Enter the monthly premium amount from Form 1095-A, Part III, column A	1,000	1,000	1,000									
5. Enter the SLCSP premium from Form 1095-A, Part III, column B	1,200	1,200	1,200									
6. Enter the monthly contribution amount from Form 8962, line 8b	318	318	318									
7. Subtract line 6 from line 5	882	882	882									
8. Enter the smaller of line 4 or line 7	882	882	882									
9. Subtract line 8 from line 1. If zero or less, enter -0-	71	71	71									
10. Subtract line 9 from line 3	300	300	300									

11. Add the amounts on line 10. If all of your line 3 results were zero or less, **stop here**. None of your excess APTC was from individuals who were not lawfully present. Enter the repayment limitation amount from Table 5 in the Form 8962 instructions on Form 8962, line 28, and continue to line 29	**11.**	900
12. Enter the repayment limitation amount from Table 5 in the Form 8962 instructions	**12.**	1,800
13. Add lines 11 and 12	**13.**	2,700
14. Enter the amount from Form 8962, line 27	**14.**	2,080
15. Compare lines 13 and 14. • If line 14 is more than line 13, enter the amount from line 13 on Form 8962, lines 28 and 29, and follow the instructions for line 29. • If line 14 is less than or equal to line 13, leave Form 8962, line 28, blank and enter the amount from line 27 on line 29.		

Determining the Premium for the Applicable Second Lowest Cost Silver Plan (SLCSP)

If you or a member of your family enrolls in a qualified health plan and APTC is paid for the coverage, the Marketplace will generally identify the applicable SLCSP premium and report it on Form 1095-A. The Marketplace determines the applicable SLCSP premium based on your address and the members of your coverage family. Providing correct information on your application for financial assistance and notifying the Marketplace if you move or the members of your coverage family change are necessary for the Marketplace to report a correct applicable SLCSP premium. If the Marketplace does not have accurate and updated information, the applicable SLCSP premium the Marketplace reports on Form 1095-A may not be accurate for all months and you will need to determine the correct applicable SLCSP premium for those months. See *Applicable SLCSP premium tools* below.

If you did not request financial assistance (APTC) and the Marketplace has an applicable SLCSP premium tool (discussed in the next paragraph), the Marketplace will not report an applicable SLCSP premium (Part III, column B, will report -0- or be blank). If you did not request financial assistance (APTC) and the Marketplace does not have an applicable SLCSP premium tool, it may report an SLCSP premium that applies to everyone enrolled in your qualified health plan because it may not be able to identify the members of your coverage family from the information on your application. If you take the PTC on your tax return, you will need to determine the SLCSP premium that applies to your coverage family for each month of coverage.

Applicable SLCSP premium tools. Only the Marketplaces are able to provide applicable SLCSP premiums. The federally facilitated Marketplace and most state Marketplaces have provided applicable SLCSP premium tools that, as you prepare your tax return, you may use to look up the SLCSP premium that applies to your coverage family for each month. If you enrolled through the federally facilitated Marketplace, you will find the tool at *HealthCare.gov/Tax-Tool/*.

If you enrolled through a state-based Marketplace, you may find information about whether your state has an applicable SLCSP premium tool on the state-based Marketplace's website. If the website does not have an applicable SLCSP premium tool, you will need to contact the state-based Marketplace directly for the correct SLCSP premium.

Allocating Policy Amounts for Individuals With No One in Their Tax Family

If an individual you enrolled in coverage is not included in any tax family, you must reconcile the APTC paid for the individual's coverage, even if you are claimed as a dependent by another taxpayer. If you are enrolled in the same policy as the individual not included in any tax family, you have to allocate policy amounts even though the conditions in the Form 8962 instructions for line 9 are not met. Use the example below to complete Form 8962 if your family size is zero but you have to allocate policy amounts.

Example. Mark enrolls himself and his child, Donna, in a qualified health plan with coverage effective for all of 2023. The Form 1095-A he received from the Marketplace shows that $6,000 of APTC was paid for their coverage ($500 is entered in Part III, column C, for each of lines 21 through 32). Mark files an income tax return for 2023 on Form 1040 and does not include anyone in his tax family. Mark's parents, Steve and Sherry, include Mark in their tax family. No one includes Donna in their tax family. Because Mark enrolled Donna in coverage and no one includes Donna in their tax family, Mark must reconcile the APTC paid for Donna's coverage. Steve and Sherry must reconcile the APTC paid for Mark's coverage. Because Steve and Sherry must reconcile the APTC paid for Mark's coverage and Mark must reconcile the APTC paid for Donna's coverage, Mark must complete Part IV of Form 8962 to allocate policy amounts with Steve and Sherry. Mark, Sherry, and Steve do not agree on an allocation percentage. Mark completes Form 8962 as follows.

Lines 1, 2a, 3, 4, and 5. Mark enters -0-.

Line 9. Mark reads *Allocating policy amounts* under *Line 9* in the Form 8962 instructions. Although the first condition in that discussion is not met, the allocation rules still apply because the APTC must be reported on two separate returns (Mark's for Donna; Steve and Sherry's for Mark). He checks "Yes" on line 9. Then, he reads Table 3 in the instructions. According to Step 3 in Table 3, he must allocate in Part IV using the rules under *Allocation Situation 4. Other situations where a policy is shared between two tax families* in the Form 8962 instructions.

Line 30 (Part IV). Mark enters the Marketplace-assigned policy number in column (a), Steve's SSN in column (b), "01" in column (c), and "12" in column (d). He leaves columns (e) and (f) blank because he is not an applicable taxpayer. He enters "0.50" in column (g). This is the allocation percentage based on the rules under *Allocation Situation 4. Other situations where a policy is shared between two tax families* in the Form 8962 instructions.

Lines 12 through 23, column (f). Mark enters $250 on each line (0.50 x the $500 APTC shown on his Form 1095-A).

Lines 25, 27, and 29. Mark enters $3,000 APTC, which is the total of lines 12 through 23, column (f), on these lines and on his Schedule 2 (Form 1040), line 2.

Allocation of Policy Amounts Among Three or More Taxpayers

This section covers allocations of policy amounts (enrollment premiums, applicable SLCSP premiums, and APTC) among three or more taxpayers.

Before you read this section, first read *Part IV—Allocation of Policy Amounts* in the Form 8962 instructions. Then, use the following instructions to complete Part IV of Form 8962 if one qualified health plan covers individuals from three or more tax families in the same month. Specifically, these instructions apply to:

- Taxpayers who must allocate policy amounts because of a divorce or legal separation in 2023 and must also allocate policy amounts with another taxpayer (for example, a grandparent who includes in their tax family a child enrolled with the former spouses);
- Taxpayers who must allocate policy amounts because they are legally married but are not filing a joint return (for example, filing their returns as married filing separately), and must also allocate policy amounts with another taxpayer (for example, a grandparent who includes in their tax family a child enrolled with the spouses); and
- Other taxpayers who are including an individual in their tax family who is enrolled in a qualified health plan together with members of two or more other tax families.

No APTC. If you or a member of your tax family is enrolled in a qualified health plan with members of two or more other tax families and no APTC is paid for coverage under the plan, use the instructions for Form 8962 under *Allocation Situation 3. No APTC* to allocate the enrollment premiums from the qualified health plan among the tax families. You allocate the enrollment premiums in proportion to the SLCSP premium that applies to each taxpayer who has a coverage family member enrolled in the plan. For purposes of this enrollment premium allocation, only coverage family members enrolled in the plan are considered in determining the SLCSP premium that applies to each taxpayer. You and the other taxpayers must complete column (e) on the appropriate line in Part IV to allocate the enrollment premiums to each family. Leave columns (f) and (g) blank. See *Missing or incorrect SLCSP premium on Form 1095-A* under *Line 10* in the Form 8962 instructions to determine your applicable SLCSP premium to use for the allocation.

Allocation Among Two Taxpayers Who Divorced or Legally Separated in 2023 and One or More Other Taxpayers

Use this section to allocate policy amounts from a qualified health plan if you meet either of the following conditions and no other allocations for the policy are necessary.

- You are allocating enrollment premiums, applicable SLCSP premiums, and APTC with a former spouse as a result of your divorce or legal separation in 2023 and are also allocating amounts with another taxpayer who is including an individual in their tax family who, when you were married to the former spouse, was enrolled in a qualified health plan with members of your and your former spouse's tax families.
- You are the taxpayer who is including in your tax family an individual enrolled in the plan with tax family members of taxpayers who must also allocate policy amounts as a result of divorce or separation in 2023.

Example. Kara and David and their two children, Meredith and Sam, enroll in a qualified health plan for 2023. Kara and David were married at the beginning of 2023 and divorce in 2023. Meredith and Sam move in with their grandmother, Lydia, in May of 2023. Lydia claims Meredith and Sam as dependents on her 2023 income tax return. Kara, David, and Lydia use this section to allocate policy amounts to compute their respective PTC and reconcile the PTC with the APTC paid.

Kara and David use the allocation method under *Rules for the Taxpayers Who Divorced or Legally Separated in 2023 and Are Also Allocating With Another Taxpayer* next.

Lydia uses the allocation method under *Rules for the Taxpayer(s) Allocating With Taxpayers Who Divorced or Legally Separated in 2023*, later.

Rules for the Taxpayers Who Divorced or Legally Separated in 2023 and Are Also Allocating With Another Taxpayer

Use this allocation method if you divorced or legally separated during the year and you must allocate policy amounts (enrollment premiums, applicable SLCSP premiums, and APTC) with your former spouse as well as with another taxpayer who is including in their tax family an individual enrolled in a qualified health plan with members of your and your former spouse's tax families.

Step 1. Determine an allocation percentage with your former spouse. You use this percentage to allocate the total enrollment premiums, the applicable SLCSP premiums, and APTC for coverage under the plan during the months you were married. You will find these amounts on your Form(s) 1095-A, Part III, columns A, B, and C, respectively. You and your former spouse can allocate these amounts using any percentage you agree on from -0- to 100, but you must allocate all amounts using the same percentage. If you do not agree on a percentage, you and your former spouse must allocate 50% of each of these amounts to each of you.

Step 2. Separately from the first allocation, determine an allocation percentage with the taxpayer(s) who included in their tax family the individual(s) enrolled in the plan with a member of your tax family or a member of your former spouse's tax family. You may agree on any allocation percentage from -0- to 100. You may use the percentage you agreed on for every month that this allocation rule applies, or you may agree on different percentages for different months. However, you must use the same allocation percentage for all policy amounts (enrollment premiums, applicable SLCSP premiums, and APTC) in a month. If you cannot agree on an allocation percentage, the allocation percentage is equal to the number of individuals the other taxpayer includes in their tax family for the tax year who were enrolled in the plan for which you are allocating policy amounts, divided by the total number of individuals enrolled in the qualified health plan. The allocation percentage is the percentage that applies to the amounts the other taxpayer must use to compute the PTC and reconcile it with APTC. You and your former spouse must compute the PTC and reconcile APTC using the remaining amounts.

Step 3. Complete Worksheet C below.

Worksheet C. **Allocations for the Divorced or Legally Separated Taxpayers**

1. Enter as a decimal your percentage from Step 1 above	**1.**	
2. Enter 1.0	**2.**	1.0
3. Enter as a decimal the total of the percentage(s) from Step 2 above allocated to the other taxpayer(s). **Note.** See *Example 2*, later, for details on adding the percentages for multiple taxpayers	**3.**	
4. Subtract line 3 from line 2	**4.**	
5. Multiply line 1 by line 4. Enter the result as a decimal. This is your allocation percentage. Go to Step 4 below	**5.**	

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

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

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

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

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

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

Column (f). Enter the decimal from Worksheet C, line 5.

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

Rules for the Taxpayer(s) Allocating With Taxpayers Who Divorced or Legally Separated in 2023

Use this allocation method if you are including in your tax family one or more individuals who were enrolled in a qualified health plan with members of the tax families of other taxpayers who must also allocate policy amounts as a result of divorce or legal separation in 2023.

Step 1. Determine an allocation percentage with one of the former spouses. You may agree on any allocation percentage from -0- to 100. You may use the percentage you agreed on for every month during which this allocation rule applies, or you may agree on different percentages for different months. However, you must use the same allocation percentage for all policy amounts (enrollment premiums, applicable SLCSP premiums, and APTC) in a month. If you cannot agree on an allocation percentage, the allocation percentage is equal to the number of individuals you include in your tax family for the tax year who were enrolled in the qualified health plan for which you are allocating policy amounts, divided by the total number of individuals enrolled in the plan. The allocation percentage is the percentage that applies to the amounts you must use to compute the PTC and reconcile it with APTC. The former spouse must compute the PTC and reconcile APTC using the remaining amounts.

Step 2. Allocate the policy amounts with the second former spouse using the same rules as Step 1 above. Enter the percentage on line 4 of Worksheet D.

Step 3. Complete Worksheet D below.

Worksheet D. **Taxpayer Allocating With Divorced or Separated Taxpayers**

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

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

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

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

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

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

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

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

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

Meredith and Sam moved in with their grandmother, Lydia, in May. Kara and David divorced in September. Kara enrolled in a new qualified health plan for self-only coverage. David became eligible for and enrolled in employer-sponsored self-only coverage. Meredith and Sam became eligible for and enrolled in government-sponsored coverage. All of the new plans have coverage effective October 1. Lydia is enrolled in employer-sponsored coverage.

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

Under Step 1 of *Rules for the Taxpayers Who Divorced or Legally Separated in 2023 and Are Also Allocating With Another Taxpayer*, Kara and David agree to allocate the policy amounts 30% to Kara and 70% to David. Under Step 2 of that method (Kara, David) and under *Rules for the Taxpayer(s) Allocating With Taxpayers Who Divorced or Legally Separated in 2023* (Lydia), Kara and Lydia agree to allocate 80% of the policy amounts to Lydia, and David and Lydia agree to allocate 50% of the policy amounts to Lydia. Each of them completes a worksheet as shown below and uses it to complete Part IV.

Kara completes Worksheet C as follows.

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

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

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

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

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

Column (c). Kara enters "01."

Column (d). Kara enters "09."

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

After completing Part IV, Kara multiplies the amounts from Form 1095-A, Part III, by the corresponding percentages in Part IV, and enters these allocated amounts on Form 8962, lines 12 through 20, columns (a), (b), and (f). On each of those lines, she will enter $42 in column (a) (enrollment premiums of $700 x 0.06), $39 in column (b) (applicable SLCSP premium of $650 x 0.06), and $26 in column (f) (APTC of $425 x 0.06). She completes her Form 8962, lines 21 through 23, columns (a), (b), and (f), by entering the monthly amounts from her separate Form 1095-A for her self-only coverage from October through December. She does not allocate those amounts.

David completes Worksheet C as follows.

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

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

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

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

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

Column (c). David enters “01.”

Column (d). David enters “09.”

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

After completing Part IV, David multiplies the amounts from Form 1095-A, Part III, by the corresponding percentages in Part IV, and enters these allocated amounts on Form 8962, lines 12 through 20, columns (a), (b), and (f). On each of those lines, he will enter $245 in column (a) (enrollment premiums of $700 x 0.35), $228 in column (b) (applicable SLCSP premium of $650 x 0.35), and $149 in column (f) (APTC of $425 x 0.35). David leaves Form 8962, lines 21 through 23, blank because he was not enrolled in a qualified health plan during October through December.

Lydia completes Worksheet D as follows.

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

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

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

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

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

Column (c). Lydia enters “01.”

Column (d). Lydia enters “09.”

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

After completing Part IV, Lydia multiplies the amounts from Form 1095-A, Part III, by the corresponding percentages in Part IV, and enters these allocated amounts on Form 8962, lines 12 through 20, columns (a), (b), and (f). On each of those lines, she will enter $413 in column (a) (enrollment premiums of $700 x 0.59), $384 in column (b) (applicable SLCSP premium of $650 x 0.59), and $251 in column (f) (APTC of $425 x 0.59). Lydia leaves Form 8962, lines 21 through 23, blank because she, Meredith, and Sam were not enrolled in a qualified health plan during October through December.

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

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

Under Step 1 of *Rules for the Taxpayers Who Divorced or Legally Separated in 2023 and Are Also Allocating With Another Taxpayer*, Kara and David agree to allocate the policy amounts 40% to Kara and 60% to David. Under Step 2 of that method (Kara, David) and under *Rules for* the Taxpayer(s) Allocating With Taxpayers Who Divorced or Legally Separated in 2023 (Lydia, Kimberly), Kara and Lydia agree to allocate 50% of the policy amounts to Lydia, and Kara and Kimberly agree to allocate 25% of the policy amounts to Kimberly. David and Lydia agree to allocate 20% of the policy amounts to Lydia, and David and Kimberly agree to allocate 25% of the policy amounts to Kimberly. Each of them completes a worksheet as shown below and uses it to complete Part IV.

Kara completes Worksheet C as follows.

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

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

* This is the total of Kara's agreed percentages with Lydia and Kimberly (0.50 + 0.25).

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

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

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

Column (c). Kara enters "01."

Column (d). Kara enters "09."

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

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

David completes Worksheet C as follows.

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

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

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

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

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

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

Column (c). David enters "01."

Column (d). David enters "09."

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

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

Lydia completes Worksheet D as follows.

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

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

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

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

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

Column (c). Lydia enters "01."

Column (d). Lydia enters "09."

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

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

Kimberly completes Worksheet D as follows.

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

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

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

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

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

Column (c). Kimberly enters “01.”

Column (d). Kimberly enters “09.”

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

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

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

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

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

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

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

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

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

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

Step 1. Determine the applicable SLCSP for your coverage family. See *Determining the Premium for the Applicable Second Lowest Cost Silver Plan (SLCSP)*, earlier. For this purpose, your coverage family or your spouse’s coverage family (but not both) should include the individuals the other taxpayer is including in their tax family and who was enrolled in a qualified health plan with your and your spouse’s tax family members. Enter the applicable SLCSP premium you determined on line 5 of Worksheet E.

Step 2. Separately from the first allocation (the 50% spousal allocation), determine an allocation percentage with the taxpayer(s) including in their tax family the individual(s) enrolled in the plan. You may agree on any allocation percentage from -0- to 100. You may use the percentage you agreed on for every month in which this allocation rule applies, or you may agree on different percentages for different months. However, you must use the same allocation percentage for all policy amounts (enrollment premiums, applicable SLCSP premiums, and APTC) in a month. If you cannot agree on an allocation percentage, the allocation percentage is equal to the number of individuals the other taxpayer includes in their tax family for the tax year who were enrolled in the qualified health plan for which you are allocating amounts, divided by the total number of individuals enrolled in the plan. The allocation percentage is the percentage that applies to the amounts the other taxpayer must use to compute the PTC and reconcile it with APTC. You must compute the PTC and reconcile APTC using the remaining amounts.

Step 3. Complete Worksheet E below.

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

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

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

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

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

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

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

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

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

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

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

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

Step 1. Determine an allocation percentage with one of the spouses. You may agree on any allocation percentage from -0- to 100. You may use the percentage you agreed on for every month in which this allocation rule applies, or you may agree on different percentages for different months. However, you must use the same allocation percentage for all policy amounts (enrollment premiums, applicable SLCSP premiums, and APTC) in a month. If you cannot agree on an allocation percentage, the allocation percentage is equal to the number of individuals you will include in your tax family for the tax year who were enrolled in the qualified health plan for which you are allocating policy amounts, divided by the total number of individuals enrolled in the plan. The allocation percentage is the percentage that applies to the amounts you must use to compute the PTC and reconcile it with APTC. The spouses must compute the PTC and reconcile APTC using the remaining amounts. Enter the percentage as a decimal on line 1 of Worksheet F.

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

Step 3. Complete Worksheet F below.

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

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

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

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

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

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

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

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

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

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

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

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

Pat and Jamie allocate the enrollment premiums and the APTC 50% to Pat and 50% to Jamie. Under Step 1 of *Rules for the Married Taxpayers Not Filing a Joint Return and Also Allocating With Another Taxpayer*, earlier, Pat and Jamie determine that Pat’s coverage family will include Pat, Jason, and Alicia and that Jamie’s coverage family will include Jamie and Dawn. Pat and Jamie each look up their applicable SLCSP premiums. The applicable SLCSP premium for Pat’s coverage family of three is $450 and the applicable SLCSP premium for Jamie’s coverage family of two is $400.

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

Pat completes Worksheet E as follows.

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

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

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

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

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

Column (c). Pat enters "01."

Column (d). Pat enters "12."

Column (e). Pat leaves this column blank.

Column (f). Pat leaves this column blank.

Column (g). Pat enters "0.17."

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

Jamie completes Worksheet E as follows.

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

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

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

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

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

Column (c). Jamie enters "01."

Column (d). Jamie enters "12."

Column (e). Jamie leaves this column blank.

Column (f). Jamie leaves this column blank.

Column (g). Jamie enters "0.25."

After completing Part IV, Jamie multiplies the APTC from Form 1095-A, Part III, column C, by the percentage in Part IV, column (g), and enters $50 (APTC of $200 x 0.25) on Form 8962, lines 12 through 23, column (f). Jamie leaves lines 12 through 23, columns (a) through (e), blank because she is not eligible to take the PTC.

Andy completes Worksheet F as follows.

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

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

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

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

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

Column (c). Andy enters “01.”

Column (d). Andy enters “12.”

Column (e). Andy enters “0.59.”

Column (f). Andy leaves this column blank.

Column (g). Andy enters “0.59.”

After completing Part IV, Andy multiplies the amounts from Form 1095-A, Part III, by the corresponding percentages in Part IV, and enters these allocated amounts on Form 8962, lines 12 through 23, columns (a), (b), and (f). On each of those lines, he will enter $590 in column (a) (enrollment premiums of $1,000 x 0.59), $502 in column (b) (applicable SLCSP premium allocated to him on Worksheet F, line 12), and $118 in column (f) (APTC of $200 x 0.59).

Other Taxpayers Allocating Policy Amounts With Two or More Other Taxpayers

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

Example 1. Erik enrolled himself and his sons, Bill and Arvind, in a qualified health plan with coverage effective for all of 2023. For the year, the enrollment premiums were $8,000; the premium for the applicable SLCSP for a coverage family consisting of Erik, Bill, and Arvind was $9,000; and the APTC paid for their coverage was $4,500. In March, Bill dropped out of school to work full-time and moved permanently into his own apartment. In May, Arvind moved in with his mother Sharon, where he lived until the end of 2023. On their respective tax returns, Erik files as single and includes only himself in his tax family, Bill files as single and includes only himself in his tax family, and Sharon files as head of household and includes herself and Arvind in her tax family.

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

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

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

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

Column (c). Bill enters “01.”

Column (d). Bill enters “12.”

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

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

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

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

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

Column (c). Sharon enters "01."

Column (d). Sharon enters "12."

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

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

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

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

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

Column (c). Erik enters "01."

Column (d). Erik enters "12."

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

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

Example 2. The facts are the same as in *Example 1*, except Erik and Bill cannot agree on an allocation percentage. Because Erik did not agree on an allocation percentage with **all** taxpayers who are including individuals in a tax family, Bill and Sharon determine their allocation percentages of 33% by dividing the number of enrolled individuals each will include in their tax family (1 each for Bill and Sharon) by the number of individuals enrolled in the plan (3, Erik, Bill, and Arvind). Erik's allocation percentage is 34%, which is the percentage of policy amounts not allocated to Bill and Sharon. Each taxpayer completes Part IV as explained in *Example 1* using these percentages.

Alternative Calculation for Year of Marriage

If you got married during 2023 and APTC was paid for an individual in your tax family, you may want to use the alternative calculation for year of marriage, an optional calculation that may reduce the amount of excess APTC you would have to repay under the general rules. Before you read this section, first read the instructions for line 9 in the Instructions for Form 8962. Complete Table 4 and, if required, Worksheet 3 in those instructions.

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

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

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

Alternative Family Size

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

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

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

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

Example 1. Ron, Suzy, and their son Max have lived together since July 2022. Ron and Suzy got married in August 2023. Each of them had coverage under a qualified health plan for the months before September. Max qualifies as Ron's dependent under the rules explained in the Instructions for Form 1040. Max also qualifies as Suzy's dependent under those rules. Ron and Suzy can include Max in either alternative family size.

Example 2. Rob and his son Liam lived together from January through May 2023. On June 10, 2023, Rob married Tara. She moved in with Rob and Liam on June 11. Each of them had coverage under a qualified health plan for the months before July. Liam qualifies as Rob's dependent under the rules explained in the Instructions for Form 1040. Liam also qualifies as Tara's dependent under those rules. (Liam is Tara's stepchild and lived with Tara for more than half of 2023.) Rob and Tara can include Liam in either alternative family size.

Example 3. Stacey and her daughter Leia lived together from January through July 2023. Stacey married Vince in August 2023, and Vince moved in with Stacey and Leia. Each of them had coverage under a qualified health plan for the months before September. Leia qualifies as Stacey's dependent under the rules explained in the Instructions for Form 1040. Leia does not qualify as Vince's dependent under those rules because Leia did not live with Vince for more than half of 2023. Stacey must include Leia in her alternative family size. Vince cannot include Leia in his alternative family size.

Table A. Which Steps To Complete

Answer the following questions to determine which steps to complete.

1. Have you determined your and your spouse's alternative family size as explained earlier under *Alternative Family Size*? ☐ **Yes.** Go to question 2. ☐ **No.** Read *Alternative Family Size*. Then, go to question 2.
2. Is there an individual in your alternative family size (including yourself) who was enrolled in a qualified health plan for 1 or more of your pre-marriage months?* ☐ **Yes.** Complete Steps 1, 2, and 5. Go to question 3. ☐ **No.** Go to question 3.
3. Is there an individual in your spouse's alternative family size (including your spouse) who was enrolled in a qualified health plan for 1 or more of your pre-marriage months?* ☐ **Yes.** Complete Steps 3, 4, and 5. Go to question 4. ☐ **No.** Go to question 4.
4. The instructions for Step 5 will prompt you to complete Worksheet V. If you check the "Yes" box on Worksheet V, line 14, complete Steps 6, 7, and 8.
* Your pre-marriage months include the month you got married.

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

Step 1

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

Worksheet for Line 4 of Worksheet I

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

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

Step 2

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

Missing or incorrect SLCSP premium. For your pre-marriage months, if there were changes in your coverage family that you did not report to the Marketplace or APTC was not paid for the coverage, or there is an individual in your coverage family not included in Part II of the Form 1095-A sent to you who is included in your alternative family size, you may have to determine a new premium for your applicable SLCSP for those months. See *Determining the Premium for the Applicable Second Lowest Cost Silver Plan (SLCSP)*, earlier.

Step 3

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

Worksheet for Line 4 of Worksheet III

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

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

Step 4

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

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

Step 5

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

Step 6

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

Line 35.

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

Line 36.

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

Step 7

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

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

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

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

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

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

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

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

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

Step 8

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

Line 26. Enter -0-.

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

Worksheet I. **Your Alternative Monthly Contribution Amount**

Keep for Your Records

1. Alternative family size: Enter the total number of individuals in your alternative family size (discussed earlier) . . . . . **1.** ________

2. One-half of household income: Divide Form 8962, line 3, by 2.0. Round to the nearest whole dollar amount . . . . . **2.** ________

3. Alternative federal poverty line: Enter the federal poverty line amount as determined by your alternative family size on line 1 above and the federal poverty table you used on Form 8962, line 4 . . . . . **3.** ________

4. Alternative household income as a percentage of federal poverty line: Enter the amount from the worksheet under Step 1.
Continue to Step 3 if you checked the "**Yes**" box for question 3 in Table A. Otherwise, if you did not complete Part IV of Form 8962, check the "**No**" box on line 9 of Form 8962 and continue to line 10. If you completed Part IV of Form 8962, check the "**No**" box on line 10, and see *Lines 12 Through 23—Monthly Calculation* in the Instructions for Form 8962 . . . . . **4.** ________

5. Alternative applicable figure: Using your line 4 percentage, locate your applicable figure in Table 2 in the Instructions for Form 8962 . . . . . **5.** ________

6. Multiply line 2 by line 5 and enter the result rounded to the nearest whole dollar amount . . . . . **6.** ________

7. Alternative monthly contribution amount: Divide line 6 by 12.0 and enter the result rounded to the nearest whole dollar amount . . . . . **7.** ________

8. Alternative start month: Enter the first full month you or any individual included in your alternative family size on line 1 had coverage under a qualified health plan. For example, enter "02" if you were enrolled in a qualified health plan with coverage effective on February 1 . . . . . **8.** ________

9. Alternative stop month: Enter the last month you or any individual included in your alternative family size on line 1 had coverage under a qualified health plan **or** the month in which you got married, whichever is **earlier**. For example, enter "09" if you had coverage under a qualified health plan for all of 2023 and you got married on September 5 . . . . . **9.** ________

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

Keep for Your Records

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

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

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

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

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

Keep for Your Records

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

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

Keep for Your Records

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

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

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

After completing this worksheet: Continue to Step 5.

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

Keep for Your Records

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

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

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

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

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

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

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

Example of the Alternative Calculation for Year of Marriage

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

In 2023, Paulette and Quentin were single and maintained separate residences until they got married on July 18.

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

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

From August 1 through December 31, 2023, Paulette, Quentin, and Quentin's two dependent children were enrolled together in a different qualified health plan. The Marketplace sent them a Form 1095-A (not illustrated) showing their enrollment information for this 5-month period.

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

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

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

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

Line 2a. They enter $108,000, which they figured using Worksheet 1-1 (not illustrated) in the Form 8962 instructions.

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

Line 3. They enter $108,000, the sum of lines 2a and 2b.

Line 4. They enter $27,750 from Table 1-1 in the Form 8962 instructions. This is the federal poverty line for a family size of 4. They also check box c on line 4.

Line 5. Using Worksheet 2 in the Form 8962 instructions, they divide line 3 ($108,000) by line 4 ($27,750) to get 389%.

Line 7. They enter their applicable figure of 0.0823 from Table 2 in the Instructions for Form 8962. According to the fourth column of Table 2, 0.0823 is the applicable figure if the amount on line 5 is 389%.

Line 8a. They multiply line 3 ($108,000) by line 7 (0.0823) and enter the result, $8,888.

Line 8b. They divide line 8a ($8,888) by 12.0 and enter the result, $741.

Line 9. Paulette and Quentin read the instructions for line 9, which explain that because they got married in 2023, they may be eligible to complete Part V (not illustrated) to elect the alternative calculation for year of marriage. This calculation may reduce the amount of excess APTC they would otherwise have to repay.

The preliminary steps in determining whether they may be eligible are to complete Table 4 and Worksheet 3 in the Form 8962 instructions. (Both the table and worksheet for Paulette and Quentin are not illustrated.) Worksheet 3 would show that if Paulette and Quentin do **not** elect the alternative calculation, their total PTC will be $5,805 (line 13, column (e)). The excess APTC they will have to pay with their tax return is $2,618, which is the difference between $8,423 (APTC for the year on line 13, column (f)) and $5,805.

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

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

Line 11. Because Paulette and Quentin checked "No" on line 10, they skip line 11 and complete lines 12 through 23 to figure their monthly PTC.

Step 1 (Paulette's Worksheet I)

Line 1. They enter "1" as Paulette's alternative family size because she can include only herself. She can't include either of Quentin's children in her alternative family size because neither of them lived with her for more than half of 2023 and she could not claim them as dependents.

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

Step 2 (Paulette's Worksheet II)

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

Step 3 (Quentin's Worksheet III)

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

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

Step 4 (Quentin's Worksheet IV)

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

Step 5 (Worksheet V)

Quentin and Paulette complete Worksheet V only for the months they have entries in column E of Worksheets II and IV (January through July). They qualify for the alternative calculation for year of marriage because line 13, column A ($5,152), is more than line 13, column B ($3,675). Accordingly, they check "Yes" on line 14. They also check "Yes" on Form 8962, line 9; check "No" on line 10; and continue to Steps 6, 7, and 8 in this publication.

Step 6

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

Line 35.

- **Column (a):** They enter "1," Paulette's alternative family size from Worksheet I, line 1.

- **Column (b):** They enter $379, Paulette's alternative monthly contribution amount from Worksheet I, line 7.
- **Column (c):** They enter "01," the alternative start month from Worksheet I, line 8.
- **Column (d):** They enter "07," the alternative stop month from Worksheet I, line 9.

Line 36.

- **Column (a):** They enter "3," Quentin's alternative family size from Worksheet III, line 1.
- **Column (b):** They enter $151, Quentin's alternative monthly contribution amount from Worksheet III, line 7.
- **Column (c):** They enter "01," the alternative start month from Worksheet III, line 8.
- **Column (d):** They enter "07," the alternative stop month from Worksheet III, line 9.

Step 7

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

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

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

Column (c). On lines 12 through 18, they enter $530, the monthly totals from Worksheet II, column C, and Worksheet IV, column C. On lines 19 through 23, they enter $741, the amount from Form 8962, line 8b.

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

Column (e). On lines 12 through 18, they enter $736, the monthly amounts from column A of Worksheet V. On lines 19 through 23, they enter $426, the smaller of column (a) or (d).

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

Step 8

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

Line 24. They add the amounts on lines 12 through 23, column (e), and enter the total, $7,282. (As explained earlier under *Line 9*, their total PTC would be only $5,805 if they did **not** elect the alternative calculation.)

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

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

Line 27. They subtract line 24 from line 25 and enter the difference, $1,141.

Line 28. They enter the repayment limitation of $3,000 from Table 5 in the Form 8962 instructions.

Line 29. They enter $1,141. This is the smaller of line 27 or line 28. They also enter $1,141 on Schedule 2 (Form 1040), line 2 (non illustrated). (As explained earlier under *Line 9*, the excess APTC they would have to pay would be $2,618 if they did **not** elect the alternative calculation.)

Self-Employed Health Insurance Deduction and PTC

This part provides special instructions for figuring the self-employed health insurance deduction and PTC if you or your spouse was self-employed, you or a member of your tax family was enrolled in a qualified health plan in 2023, and you may be eligible for the PTC. Because the amount of the self-employed health insurance deduction may affect the amount of the PTC, and the amount of the PTC may affect the amount of the deduction, a taxpayer who may be eligible for both may have difficulty determining the amounts of those items. A taxpayer who may be eligible for both may follow the instructions in this part to determine amounts of the self-employed health insurance deduction and PTC that are allowable under the law.

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

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

- Read the instructions for line 17 of Schedule 1 (Form 1040) to find out if you meet the requirements for claiming the self-employed health insurance deduction.
- Read the Instructions for Form 8962 to find out if you meet the requirements for claiming the PTC except for the requirement that your household income be at least 100% of the federal poverty line for your family size for 2023. You will determine whether you meet the 100% requirement in the process of completing these instructions.

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

- If you are filing Schedule 1 (Form 1040), complete lines 18 (Penalty on early withdrawal of savings) and 19a (Alimony paid). Also, figure any write-in adjustments you will enter on the dotted line next to line 26.
- Complete line 20 of Schedule 1 (Form 1040) if you made contributions to a traditional individual retirement arrangement (IRA) and you (and your spouse if filing a joint return) were **not** covered by a retirement plan at work or through self-employment.
- If you elect to report your child's interest and dividends on your tax return, complete Form 8814, Parents' Election To Report Child's Interest and Dividends.

Using this information, do the following.

1. If you have health insurance premiums for which you cannot claim the PTC (see *Nonspecified premiums*, later), first complete Worksheet P or, if required, Form 7206 but only with respect to those premiums. Skip Worksheets W and X if either of the following applies.
   a. You completed Worksheet P and line 2 is less than or equal to line 1.
   b. You completed Form 7206 and line 13 is equal to or less than line 3.
2. Then, complete Worksheet W and Worksheet X. You have to complete Worksheet X only if APTC was paid to your insurer on your behalf for the months you were self-employed. If APTC was not paid to your insurer on your behalf for the months you were self-employed, skip Worksheet X.
3. After completing Worksheets W and X, you may choose to use either the Simplified Calculation Method or the Iterative Calculation Method to compute your self-employed health insurance deduction and PTC. The Simplified Calculation Method is shorter, but in some cases will not produce a result as favorable as the Iterative Calculation Method.

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

Keep for Your Records

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

1.	Enter the total amount of nonspecified premiums paid in 2023 for health insurance coverage established under your business (or the S corporation in which you were a more-than-2% shareholder) for 2023 for you, your spouse, and your dependents. Your insurance can also cover your child who was under age 27 at the end of 2023, even if the child was not your dependent. But do not include amounts for any month you were eligible to participate in an employer-sponsored health plan or amounts paid from retirement plan distributions that were nontaxable because you are a retired public safety officer	**1.**	
2.	Enter your net profit* and any other earned income** from the business under which the insurance plan is established, minus any deductions on lines 15 and 16 of Schedule 1 (Form 1040). Do not include Conservation Reserve Program payments exempt from self-employment tax	**2.**	
3.	**Self-employed health insurance deduction for nonspecified premiums.** Enter the **smaller** of line 1 or line 2. **Do not** include this amount in figuring any medical expense deduction on Schedule A (Form 1040)	**3.**	

- If line 2 is equal to or less than line 1, **stop here**. Do not read the rest of these special instructions. Enter this amount on line 17 of Schedule 1 (Form 1040). Use Form 8962 to figure the PTC for specified premiums.
- If line 2 is more than line 1, complete Worksheet W. Also complete Worksheet X if APTC was paid to your insurer on your behalf for the months you were self-employed. If APTC was not paid to your insurer on your behalf for the months you were self-employed, skip Worksheet X.

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

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

Instructions for Worksheet P

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

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

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

After you complete Form 7206, follow the instructions below.

- If line 13 is equal to or less than line 3, **stop here**. Do not read the rest of these special instructions. Enter the amount from line 14 of Form 7206 on line 17 of Schedule 1 (Form 1040). Use Form 8962 to figure the PTC for specified premiums.
- If line 13 is more than line 3, complete Worksheet W. Also complete Worksheet X if APTC was paid to your insurer on your behalf for the months you were self-employed. If APTC was not paid to your insurer on your behalf for the months you were self-employed, skip Worksheet X.

Nonspecified Premiums

A nonspecified premium is either of the following.

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

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

The following are examples of nonspecified premiums.

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

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

Example. In 2023, you were self-employed and were enrolled in a qualified health plan through the Marketplace. You enrolled your dependent, 22-year-old daughter in individual market coverage not offered through the Marketplace. This coverage has an annual premium of $3,000. This $3,000 premium is a nonspecified premium because it is for coverage under a plan that is not a qualified health plan. Include this $3,000 premium on Worksheet P, line 1, or, if required, on line 1 of Form 7206.

Specified Premiums

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

Example. You were enrolled in a qualified health plan through the Marketplace for all of 2023 and you were self-employed from September 15 through December 31. Only the premiums for the last 4 months are specified premiums and only those premiums are entered on Worksheet W, line 1, and Worksheet X, line 27, if you are required to complete those worksheets. You are not allowed a self-employed health insurance deduction for the January through August premiums because you were not self-employed during those months. Those premiums are neither specified premiums nor nonspecified premiums. However, you may be allowed a PTC for your coverage for January through August.

Plan covering individuals in another tax family. If the plan covers at least one individual in your tax family and one individual in another tax family, you may have to allocate policy amounts between your tax family and the other tax family. See *Line 9* in the Form 8962 instructions for instructions on how to allocate policy amounts. Do this allocation before you determine the portion of the specified premiums allocable to your coverage family discussed next.

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

Example. Gary was self-employed in 2023 and enrolled in a qualified health plan. APTC was paid to his insurer on his behalf. The policy covers Gary, Gary's wife Sue, and Gary's two dependent daughters. Sue is not in the coverage family because she is eligible to enroll in her employer's health insurance. The enrollment premium is $15,000. The premium for the applicable SLCSP covering Gary and his two daughters is $12,000 and the premium for the applicable SLCSP covering Sue is $6,000. Gary figures the amount of specified premiums by multiplying the $15,000 enrollment premium by a fraction. The numerator of the fraction is the premium for his applicable SLCSP ($12,000). The denominator of the fraction is the total of the premiums for the applicable SLCSP of both Gary and Sue ($18,000). The result is $10,000 ($15,000 enrollment premium x ($12,000/$18,000)) of specified premiums, which Gary enters on Worksheet W, line 1, and Worksheet X, line 27. The remaining $5,000 of enrollment premium ($15,000 enrollment premium – $10,000 specified premiums) is attributable to Sue's coverage and is a nonspecified premium that Gary enters on Worksheet P, line 1.

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

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

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

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

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

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

Keep for Your Records

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

Part I: Taxpayer's Modified AGI			
1.	Combine the amounts from: • Form 1040, 1040-SR, or 1040-NR, lines 2a, 9, and the excess, if any, of line 6a over line 6b **Note.** See the instructions if you are filing Form 8582, 8814, or 8815.	1.	
2.	Enter any amounts from Form 2555, lines 45 and 50	2.	
3.	Add lines 1 and 2	3.	
4.	Enter the total of the amounts from: • Schedule 1 (Form 1040), lines 11 through 16, 18, and 19a, plus any write-in adjustments you entered on the dotted line next to Schedule 1 (Form 1040), line 26 **Note.** See the instructions if you made contributions to a traditional IRA.	4.	
5.	Enter the amount from Worksheet W, line 14	5.	
6.	Enter the amount from Worksheet W, line 16	6.	
7.	Add lines 4, 5, and 6	7.	
8.	Subtract line 7 from line 3. Then, go to Part II if you are claiming dependents on your tax return. If you are not claiming any dependents on your tax return, skip Part II and go to Part III	8.	
Part II: Dependents' Modified AGI **Note.** Use Part II to figure the combined modified AGI for the dependents you included in your tax family. Only include the modified AGI of those dependents who are required to file a return. Do not include the modified AGI of dependents who are filing a tax return only to claim a refund of tax withheld or estimated tax.			
9.	Enter the combined AGI for your dependents from Form 1040, 1040-SR, or 1040-NR, line 11	9.	
10.	Enter any tax-exempt interest for your dependents from Form 1040, 1040-SR, or 1040-NR, line 2a	10.	
11.	Enter any amounts for your dependents from Form 2555, lines 45 and 50	11.	
12.	Enter for each of your dependents the excess, if any, of Form 1040 or 1040-SR, line 6a, over line 6b	12.	
13.	Add lines 9 through 12. Then, go to Part III	13.	

Continued on next page

Instructions for Worksheet X

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

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

If you are filing Form 8814, and the amount on Form 8814, line 4, is more than $1,250, you must also include the following amounts on line 1.

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

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

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

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

Part III: Repayment Limitation			
14.	Household income. Add lines 8 and 13	**14.**	
15.	Enter the smaller of Worksheet W, line 19, or $700 ($350 if your filing status is single)	**15.**	
16.	Subtract line 15 from line 14. If zero or less, enter -0-	**16.**	
17a.	Enter the number of qualifying individuals in your tax family (including yourself) **17a.** ______		
17b.	Enter the federal poverty line amount as determined by the family size on line 17a and federal poverty Table 1-1, 1-2, or 1-3 for your state of residence during 2023 in the Form 8962 instructions	**17b.**	
18.	Divide line 16 by line 17b. If the result is not a whole percentage, do **not** round; instead, multiply this number by 100 (to express it as a percentage) and then drop any numbers after the decimal point. For example, for 0.9984, enter the result as 99; for 1.8565, enter the result as 185; and for 3.997, enter the result as 399 • If the result is less than 200, enter $700 ($350 if your filing status is single) on line 25. Skip lines 19 through 24. • If the result is 200 or more, go to line 19.	**18.**	%
19.	Enter the smaller of Worksheet W, line 19, or $1,800 ($900 if your filing status is single)	**19.**	
20.	Subtract line 19 from line 14. If zero or less, enter -0-	**20.**	
21.	Divide line 20 by line 17b. If the result is not a whole percentage, do **not** round; instead, multiply this number by 100 (to express it as a percentage) and then drop any numbers after the decimal point. For example, for 0.9984, enter the result as 99; for 1.8565, enter the result as 185; and for 3.997, enter the result as 399 • If the result is less than 300, enter $1,800 ($900 if your filing status is single) on line 25. Skip lines 22 through 24. • If the result is 300 or more, go to line 22.	**21.**	%
22.	Enter the smaller of Worksheet W, line 19, or $3,000 ($1,500 if your filing status is single)	**22.**	
23.	Subtract line 22 from line 14. If zero or less, enter -0-	**23.**	
24.	Divide line 23 by line 17b. If the result is not a whole percentage, do **not** round; instead, multiply this number by 100 (to express it as a percentage) and then drop any numbers after the decimal point. For example, for 0.9984, enter the result as 99; for 1.8565, enter the result as 185; and for 3.997, enter the result as 399 • If the result is less than 400, enter $3,000 ($1,500 if your filing status is single) on line 25. • If the result is 400 or more, enter the amount from Worksheet W, line 2, on line 25.	**24.**	%
25.	Enter the amount you were instructed to enter here by line 18, 21, or 24. See instructions	**25.**	
Part IV: Maximum Self-Employed Health Insurance Deduction			
26.	Add lines 6 and 25	**26.**	
27.	Enter the amount from Worksheet W, line 1	**27.**	
28.	Enter the smaller of line 26 or line 27	**28.**	
29.	Enter the amount from Worksheet W, line 15	**29.**	
30.	Enter the smaller of line 28 or line 29	**30.**	
31.	Add lines 5 and 30. Then, use one of the methods that follow to figure the PTC and the self-employed health insurance deduction for specified premiums	**31.**	

Iterative Calculation Method

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

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

Step 1

Figure your AGI, modified AGI, and household income using Worksheet X, line 31, as your self-employed health insurance deduction. If you did not fill out Worksheet X, use the amount from Worksheet W, line 17. Use Worksheets 1-1 and 1-2 in the Form 8962 instructions to figure modified AGI and household income.

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

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

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

Step 2

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

Cannot take the PTC. If you are not eligible to take the PTC, stop here. Do not use this method. Instead, figure your self-employed health insurance deduction using the Self-Employed Health Insurance Deduction Worksheet in the Instructions for Form 1040 or the Instructions for Form 1040-NR; or, if required, Form 7206. If you are following the instructions under *Special Instructions for Self-Employed Individuals Who Claim Certain Deductions/Exclusions*, later, make this determination when you complete the final iteration of Step 2. Refigure the deductions/exclusions if you are not eligible for the PTC.

Step 3

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

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

Step 3 Worksheet

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

1.	Enter the amount from Worksheet W, line 1	**1.**	.
	Caution. *If the amounts on lines 12 through 23, column (e), of your Step 2 Form 8962 are not the same for each month and you had specified premiums for less than 12 months, skip lines 2 through 5 below and enter on line 6 the total of those column (e) amounts for the months you paid specified premiums.*		
2.	Enter the total PTC (Form 8962, line 24) you figured in Step 2, earlier	**2.**	.
3.	Enter the number of months in 2023 for which specified premiums were paid	**3.**	
	Note. Self-employment for part of a month counts as a full month of self-employment.		
4.	Enter the number of months someone in your coverage family was enrolled in the qualified health plan	**4.**	
5.	Divide line 3 by line 4	**5.**	
6.	Multiply line 5 by line 2	**6.**	.
7.	Subtract line 6 from line 1	**7.**	.
8.	Enter the amount from Worksheet X, line 30. If you did not complete Worksheet X, enter the amount from Worksheet W, line 16	**8.**	.
9.	Enter the smaller of line 7 or line 8. Then, go to Step 4 next	**9.**	.

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

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

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

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

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

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

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

Step 4

Refigure the total PTC on another Form 8962. Complete this Form 8962 through line 29. When refiguring the total PTC, use all enrollment premiums for qualified health plans in which you or any individual in your tax family enrolled. Determine AGI, modified AGI, and household income using the total of the Step 3 Worksheet, line 9, and Worksheet W, line 14, as your self-employed health insurance deduction. Use Worksheets 1-1 and 1-2 in the Form 8962 instructions to figure modified AGI and household income.

Step 5

Refigure your self-employed health insurance deduction for specified premiums by completing the Step 5 Worksheet.

If you have more than one trade or business under which you established a qualified health plan, see More than one trade or business, later, before you complete the Step 5 Worksheet.

Step 5 Worksheet

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

1. Enter the amount from line 1 of the Step 3 Worksheet	**1.**	.
Caution. *If you skipped lines 2 through 5 of the Step 3 Worksheet, skip lines 2 and 3 below and enter on line 4 the total of the column (e) amounts from your Step 4 Form 8962 for the months you paid specified premiums.*		
2. Enter the total PTC (Form 8962, line 24) you figured in Step 4, earlier	**2.**	.
3. Enter the amount from line 5 of the Step 3 Worksheet	**3.**	
4. Multiply line 3 by line 2	**4.**	.
5. Subtract line 4 from line 1	**5.**	.
6. Enter the amount from Worksheet X, line 30. If you did not complete Worksheet X, enter the amount from Worksheet W, line 16	**6.**	.
7. Enter the smaller of line 5 or line 6. Then, go to Step 6 next	**7.**	.

More than one trade or business. If you have more than one trade or business under which you established a qualified health plan, you must complete lines 1 through 5 separately for each trade or business. Use the following instructions to complete the Step 5 Worksheet.

Line 1. Enter the amount from the Step 3 Worksheet for the same separate trade or business for which you are completing the Step 5 Worksheet.

If the *Caution* under line 1 applies to you, skip lines 2 and 3. Enter on line 4 the total of the column (e) amounts for the months you paid specified premiums that are allocable to the specified premiums you entered on line 1 for the separate trade or business. Allocate the column (e) amounts using the same method you used on the Step 3 Worksheet.

Line 2. Enter the Step 4 PTC that is allocable to the premiums you entered on line 1 for the separate trade or business. Use the same allocation method you used on the Step 3 Worksheet.

Line 3. Enter the amount from the Step 3 Worksheet for the same separate trade or business for which you are completing the Step 5 Worksheet.

Line 5. After you complete this line for each trade or business, add the amounts on line 5 for all the trades or businesses. Use the total of the line 5 amounts to complete lines 6 and 7.

Lines 6 and 7. Complete these lines once for all trades or businesses.

Step 6

Answer the following three questions.

1. Is the change in the self-employed health insurance deduction from Step 3 to Step 5 less than $1.00?
   ☐ Yes ☐ No
2. Is the change in the total PTC from Step 2 to Step 4 less than $1.00?
   ☐ Yes ☐ No
3. Did you answer "Yes" to **both** questions 1 and 2?
   ☐ Yes. You can claim a PTC for the amount you figured in Step 4. Attach the Form 8962 you used in Step 4 to your tax return. You can claim a self-employed health insurance deduction for the specified premiums equal to the amount on line 7 of the Step 5 Worksheet.

   Note. Your self-employed health insurance deduction is the total of the Step 5 Worksheet, line 7, and Worksheet W, line 14. Enter this total on line 17 of Schedule 1 (Form 1040).

   ☐ No. Repeat Step 4 and Step 5 (using amounts determined in the immediately preceding step) until changes in **both** the self-employed health insurance deduction and the total PTC between steps are less than $1.00.

*If you are unable to complete Step 6 because changes between steps are always $1.00 or more, do **not** use the Iterative Calculation Method. Instead, use the Simplified Calculation Method or any computation method that satisfies the rules for the self-employed health insurance deduction and PTC as* *long as the sum of the deduction claimed for the premiums and the PTC computed, taking the deduction into account, is less than or equal to the premiums.*

Simplified Calculation Method

Follow the steps below to figure your self-employed health insurance deduction and PTC under the Simplified Calculation Method. You do not have to use this method. You can use the Iterative Calculation Method (discussed earlier) if you can complete Step 6 of that method or you can use any computation method that satisfies each set of rules as long as the sum of the deduction claimed for the premiums and the PTC computed, taking the deduction into account, is less than or equal to the premiums.

Step 1

Figure your AGI, modified AGI, and household income using Worksheet X, line 31, as your self-employed health insurance deduction. If you did not fill out Worksheet X, use the amount from Worksheet W, line 17. Use Worksheets 1-1 and 1-2 in the Form 8962 instructions to figure modified AGI and household income.

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

1. *Passive activity losses from rental real estate activities and lines 1d and 3 of Form 8582 are losses.*
2. *IRA deduction and you (or your spouse if filing a joint return) were covered by a retirement plan at work or through self-employment.*
3. *Exclusion of interest from series EE and I U.S. savings bonds issued after 1989.*
4. *Student loan interest deduction.*

Step 2

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

Cannot take the PTC. If you are not eligible to take the PTC, **stop here**. Do not use this method. Instead, figure your self-employed health insurance deduction using the Self-Employed Health Insurance Deduction Worksheet in the Instructions for Form 1040 or the Instructions for Form 1040-NR; or, if required, Form 7206. If you are following the instructions under *Special Instructions for Self-Employed Individuals Who Claim Certain Deductions/Exclusions*, later, make this determination when you complete the final iteration of Step 2. Refigure the deductions/exclusions if you are not eligible for the PTC.

Step 3

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

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

Step 3 Worksheet

1.	Enter the amount from Worksheet W, line 1	**1.**	_____
	Caution. *If the amounts on lines 12 through 23, column (e), of your Step 2 Form 8962 are not the same for each month and you had specified premiums for less than 12 months, skip lines 2 through 5 below and enter on line 6 the total of those column (e) amounts for the months you paid specified premiums.*		
2.	Enter the total PTC (Form 8962, line 24) you figured in Step 2, earlier	**2.**	_____
3.	Enter the number of months in 2023 for which specified premiums were paid . . . . **Note.** Self-employment for part of a month counts as a full month of self-employment.	**3.**	_____
4.	Enter the number of months someone in your coverage family was enrolled in the qualified health plan	**4.**	_____
5.	Divide line 3 by line 4	**5.**	_____
6.	Multiply line 5 by line 2	**6.**	_____
7.	Subtract line 6 from line 1	**7.**	_____
8.	Enter the amount from Worksheet X, line 30. If you did not complete Worksheet X, enter the amount from Worksheet W, line 16	**8.**	_____
9.	Enter the smaller of line 7 or line 8	**9.**	_____
10.	Enter the amount from Worksheet W, line 14	**10.**	_____
11.	Add lines 9 and 10. Use this amount as your self-employed health insurance deduction in Step 4 next. Also enter this amount on line 17 of Schedule 1 (Form 1040)	**11.**	_____

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

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

If the *Caution* under line 1 applies to you, skip lines 2 through 5. Enter on line 6 the total of the column (e) amounts for the months you paid specified premiums that are allocable to the specified premiums you entered on line 1 for the separate trade or business. You can allocate the column (e) amounts using any reasonable method.

One reasonable method is based on enrollment premiums for each plan. Under this method, multiply the total of the column (e) amounts for the months you paid specified premiums by a fraction. The numerator of the fraction is the amount of specified premiums you entered on line 1 for the separate trade or business. The denominator of the fraction is the total of the column (a) amounts for the months you paid specified premiums.

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

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

Line 7. After you complete this line for each trade or business, add the amounts on line 7 for all the trades or businesses. Use the total of the line 7 amounts to complete lines 8 through 11.

Lines 8 through 11. Complete these lines once for all trades or businesses.

Step 4

Refigure the final PTC on another Form 8962. Complete this Form 8962 through line 29. Attach this Form 8962 to your tax return. When refiguring the PTC, use all enrollment premiums for qualified health plans in which you or any individual in your tax family enrolled. Determine AGI, modified AGI, and household income using the amount from line 11 of the Step 3 Worksheet as your self-employed health insurance deduction. Use Worksheets 1-1 and 1-2 in the Form 8962 instructions to figure modified AGI and household income.

Special Instructions for Self-Employed Individuals Who Claim Certain Deductions/Exclusions

The instructions in this section apply to you if you claim any of the following deductions or exclusions.

1. Passive activity losses from rental real estate activities and lines 1d and 3 of Form 8582 are losses.
2. IRA deduction and you (or your spouse if filing a joint return) were covered by a retirement plan at work or through self-employment.
3. Exclusion of interest from series EE and I U.S. savings bonds issued after 1989.
4. Student loan interest deduction.

Read the following instructions if you are claiming one or more of the deductions/exclusions listed above. Read these instructions **before** you complete the Iterative Calculation Method or Simplified Calculation Method.

1. The first time you complete the Iterative Calculation Method or Simplified Calculation Method, you do so **without** including any of the deductions/exclusions listed above in AGI, modified AGI, or household income. If you use the Simplified Calculation Method, complete it only through Step 3. Enter "400" on the interim Form 8962, line 5, if you answer "Yes" on Worksheet 2, line 4, in the Form 8962 instructions.
2. After you complete (1), figure the deduction/exclusion using the appropriate form or worksheet in your tax return instructions. When figuring modified AGI on the form or worksheet (or AGI on Form 8903), use as your self-employed health insurance deduction the amount from Step 6 of the Iterative Calculation Method or Step 3 of the Simplified Calculation Method.

   If you are claiming more than one deduction/exclusion on the list, you **must** figure the deductions/exclusions in the order shown in the list. For example, if you are claiming the student loan interest deduction and the exclusion of interest from series EE and I U.S. savings bonds, you must figure the exclusion of interest from series EE and I U.S. savings bonds first and complete (3) and (4) or (5) using that exclusion. Then, you figure the student loan interest deduction, as explained in (5) or at the end of Worksheets Y and Z.
3. Enter the deduction/exclusion you figured in (2) on your tax return.
4. If you completed Worksheet X, complete Worksheet Y and follow the instructions under line 22 of that worksheet. Skip (5).
5. If you did not complete Worksheet X, do the following.
   a. Repeat the Iterative Calculation Method or Simplified Calculation Method. Use the deduction/exclusion from (2) in any step that requires you to figure AGI, modified AGI, and household income.
   b. If the amount from (2) is the only deduction/exclusion on the list you are claiming, complete either method through the last step and follow the step instructions for claiming the PTC and self-employed health insurance deduction on your return. Skip (5c).
   c. If the amount from (2) is **not** the only deduction/exclusion on the list you are claiming, repeat the Iterative Calculation Method through Step 6 or the Simplified Calculation Method through Step 3. Enter "400" on the interim Form 8962, line 5, if you answered "Yes" on Worksheet 2, line 4, in the Form 8962 instructions. Then, figure the additional deduction/exclusion using the appropriate form or worksheet in your tax return instructions. When figuring modified AGI on the form or worksheet (or AGI on Form 8903), use as your self-employed

health insurance deduction the amount from Step 6 of the Iterative Calculation Method or Step 3 of the Simplified Calculation Method. Then, repeat (3) and (5) for each additional deduction/exclusion. Follow (5b) for your final deduction/exclusion.

Worksheet Y. **Refiguring Household Income and the Repayment Limitation When Claiming Certain Deductions or Exclusions**

Keep for Your Records

1. Enter the amount from Worksheet X, line 14 . . . . . 1. ______

2. Enter the deduction or exclusion . . . . . 2. ______

3. Revised household income. Subtract line 2 from line 1 . . . . . 3. ______

4. Enter the smaller of Worksheet W, line 19, or $700 ($350 if your filing status is single) . . . . . 4. ______

5. Subtract line 4 from line 3. If zero or less, enter -0- . . . . . 5. ______

6. Enter the amount from Worksheet X, line 17b . . . . . 6. ______

7. Divide line 5 by line 6. If the result is not a whole percentage, do **not** round; instead, multiply this number by 100 (to express it as a percentage) and then drop any numbers after the decimal point. For example, for 0.9984, enter the result as 99; for 1.8565, enter the result as 185; and for 3.997, enter the result as 399 . . . . . 7. ______ %

- If the result is less than 200, enter $700 ($350 if your filing status is single) on line 14. Skip lines 8 through 13.
- If the result is 200 or more, go to line 8.

8. Enter the smaller of Worksheet W, line 19, or $1,800 ($900 if your filing status is single) . . . . . 8. ______

9. Subtract line 8 from line 3. If zero or less, enter -0- . . . . . 9. ______

10. Divide line 9 by line 6. If the result is not a whole percentage, do **not** round; instead, multiply this number by 100 (to express it as a percentage) and then drop any numbers after the decimal point. For example, for 0.9984, enter the result as 99; for 1.8565, enter the result as 185; and for 3.997, enter the result as 399 . . . . . 10. ______ %

- If the result is less than 300, enter $1,800 ($900 if your filing status is single) on line 14. Skip lines 11 through 13.
- If the result is 300 or more, go to line 11.

11. Enter the smaller of Worksheet W, line 19, or $3,000 ($1,500 if your filing status is single) . . . . . 11. ______

12. Subtract line 11 from line 3. If zero or less, enter -0- . . . . . 12. ______

13. Divide line 12 by line 6. If the result is not a whole percentage, do **not** round; instead, multiply this number by 100 (to express it as a percentage) and then drop any numbers after the decimal point. For example, for 0.9984, enter the result as 99; for 1.8565, enter the result as 185; and for 3.997, enter the result as 399 . . . . . 13. ______ %

- If the result is less than 400, enter $3,000 ($1,500 if your filing status is single) on line 14.
- If the result is 400 or more, enter the amount from Worksheet W, line 2, on line 14.

14. Enter the amount you were instructed to enter here by line 7, 10, or 13. Also, enter this amount on line 28 of the Form 8962 you attach to your tax return if you are required to complete that line and you do not complete Worksheet Z. Do not enter an amount from Table 5 in the Form 8962 instructions . . . . . 14. ______

15. Enter the amount from Worksheet X, line 6 . . . . . 15. ______

16. Add lines 14 and 15 . . . . . 16. ______

17. Enter the amount from Worksheet X, line 27 . . . . . 17. ______

18. Enter the smaller of line 16 or line 17 . . . . . 18. ______

19. Enter the amount from Worksheet X, line 29 . . . . . 19. ______

20. Enter the smaller of line 18 or line 19 . . . . . 20. ______

21. Enter the amount from Worksheet X, line 5 . . . . . 21. ______

22. Add lines 20 and 21. Then, see *Next* below for further instructions . . . . . 22. ______

Next. Repeat the Iterative Calculation Method or Simplified Calculation Method, whichever applies. In Step 1 of either method, use the amount on line 22 above as your self-employed health insurance deduction. Also, use the amount on line 2 above in any step that requires you to figure AGI, modified AGI, and household income. If the amount on line 2 above is the only deduction/exclusion on the list that you are claiming, complete either method through the last step. If you are claiming another deduction/exclusion on the list, do the following.

- When you repeat either method as explained above, complete the Iterative Calculation Method through Step 6 **or** complete the Simplified Calculation Method through Step 3. Enter “400” on the interim Form 8962, line 5, if you answer “Yes” on Worksheet 2, line 3, in the Form 8962 instructions.
- Figure the other deduction/exclusion using the appropriate form or the worksheet provided in your tax return instructions. Use the self-employed health insurance deduction you figured in either Step 6 of the Iterative Calculation Method or Step 3 of the Simplified Calculation Method to figure modified AGI for the other deduction/exclusion.
- Then, complete Worksheet Z for the other deduction/exclusion.

Worksheet Z. **Refiguring Household Income and the Repayment Limitation When Claiming Certain Deductions or Exclusions**

Keep for Your Records

Before you begin:
- Complete Worksheet Y before you complete Worksheet Z.

1.	Enter the amount from Worksheet Y, line 3	**1.**	
2.	Enter the deduction or exclusion	**2.**	
3.	Revised household income. Subtract line 2 from line 1	**3.**	
4.	Enter the smaller of Worksheet W, line 19, or $700 ($350 if your filing status is single)	**4.**	
5.	Subtract line 4 from line 3. If zero or less, enter -0-	**5.**	
6.	Enter the amount from Worksheet X, line 17b	**6.**	
7.	Divide line 5 by line 6. If the result is not a whole percentage, do **not** round; instead, multiply this number by 100 (to express it as a percentage) and then drop any numbers after the decimal point. For example, for 0.9984, enter the result as 99; for 1.8565, enter the result as 185; and for 3.997, enter the result as 399 • If the result is less than 200, enter $700 ($350 if your filing status is single) on line 14. Skip lines 8 through 13. • If the result is 200 or more, go to line 8.	**7.**	%
8.	Enter the smaller of Worksheet W, line 19, or $1,800 ($900 if your filing status is single)	**8.**	
9.	Subtract line 8 from line 3. If zero or less, enter -0-	**9.**	
10.	Divide line 9 by line 6. If the result is not a whole percentage, do **not** round; instead, multiply this number by 100 (to express it as a percentage) and then drop any numbers after the decimal point. For example, for 0.9984, enter the result as 99; for 1.8565, enter the result as 185; and for 3.997, enter the result as 399 • If the result is less than 300, enter $1,800 ($900 if your filing status is single) on line 14. Skip lines 11 through 13. • If the result is 300 or more, go to line 11.	**10.**	%
11.	Enter the smaller of Worksheet W, line 19, or $3,000 ($1,500 if your filing status is single)	**11.**	
12.	Subtract line 11 from line 3. If zero or less, enter -0-	**12.**	
13.	Divide line 12 by line 6. If the result is not a whole percentage, do **not** round; instead, multiply this number by 100 (to express it as a percentage) and then drop any numbers after the decimal point. For example, for 0.9984, enter the result as 99; for 1.8565, enter the result as 185; and for 3.997, enter the result as 399 • If the result is less than 400, enter $3,000 ($1,500 if your filing status is single) on line 14. • If the result is 400 or more, enter the amount from Worksheet W, line 2, on line 14.	**13.**	%
14.	Enter the amount you were instructed to enter here by line 7, 10, or 13. Also enter this amount on line 28 of the Form 8962 you attach to your tax return if you are required to complete that line. Do not enter an amount from Table 5 in the Form 8962 instructions	**14.**	
15.	Enter the amount from Worksheet X, line 6	**15.**	
16.	Add lines 14 and 15	**16.**	
17.	Enter the amount from Worksheet X, line 27	**17.**	
18.	Enter the smaller of line 16 or line 17	**18.**	
19.	Enter the amount from Worksheet X, line 29	**19.**	
20.	Enter the smaller of line 18 or line 19	**20.**	
21.	Enter the amount from Worksheet X, line 5	**21.**	
22.	Add lines 20 and 21. Then, see *Next* below for further instructions	**22.**	

Next. Repeat the Iterative Calculation Method or Simplified Calculation Method, whichever applies. In Step 1 of either method, use the amount on line 22 above as your self-employed health insurance deduction. Also use the amounts on line 2 of Worksheets Y and Z in any step that requires you to figure AGI, modified AGI, and household income. If you are not claiming any more deductions/exclusions on the list, complete either method through the last step and follow the step instructions for claiming the PTC and self-employed health insurance deduction on your tax return. If you are claiming another deduction/exclusion on the list, do the following.
- When you repeat either method as explained above, complete the Iterative Calculation Method through Step 6 **or** complete the Simplified Calculation Method through Step 3. Enter “400” on the interim Form 8962, line 5, if you answer “Yes” on Worksheet 2, line 3, in the Form 8962 instructions.
- Figure the other deduction/exclusion using the appropriate form or the worksheet provided in your tax return instructions. Use the self-employed health insurance deduction you figured in either Step 6 of the Iterative Calculation Method or Step 3 of the Simplified Calculation Method to figure modified AGI for the other deduction/exclusion.
- Then, complete another Worksheet Z for the other deduction/exclusion.

Illustrated Example of the Simplified Calculation Method

The following example illustrates the Simplified Calculation Method.

In 2023, Carla Birch, her husband Jim, and their two dependent children enrolled in the applicable SLCSP through the Marketplace. The annual premium was $13,000, and $4,200 in APTC was paid for Carla, her husband, and two dependent children. All of the premiums are specified premiums. Carla operated a business as a sole proprietorship during the entire year. Carla and Jim are filing a joint Form 1040 (not illustrated). The income and deductions on their Form 1040 and Schedule 1 (Form 1040), excluding Schedule 1 (Form 1040), line 17, consist of the following.

Jim's salary (Form 1040, line 1)	$83,675
Taxable interest (Form 1040, line 2b)	419
Carla's net profit from her business on Schedule 1 (Form 1040), line 3	30,000
Total income (Form 1040, line 9)	114,094
Deductible part of Carla's self-employment tax (Schedule 1 (Form 1040), line 15)	2,119
Carla's qualified retirement plan deduction (Schedule 1 (Form 1040), line 16)	2,500

Carla's Worksheet W

Carla begins by completing Worksheet W to determine the limit on the self-employed health insurance deduction for specified premiums.

Carla's Worksheet X

Because Carla had APTC during the months of self-employment, she completes Worksheet X, Parts I and III. She skips Part II because neither one of her children is required to file a federal income tax return for 2023.

Line 1. Carla enters $114,094, which is the total income shown on line 9 of her Form 1040. Total income is the sum of Jim's salary, taxable interest, and Carla's net profit.

Line 4. Carla enters $4,619. This is the total of the deductible part of her self-employment tax and her qualified retirement plan deduction.

Line 17b. Carla enters $27,750. This is the federal poverty line shown in Table 1-1 in the Form 8962 instructions for a family size of four.

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

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

1.	Enter your specified premiums. See *Specified Premiums* under *Instructions for Worksheet P*, earlier	1.	13,000
2.	Enter the APTC from Form 1095-A, Part III, column C, that is attributable to the premiums on line 1	2.	4,200
3.	Subtract line 2 from line 1	3.	8,800
4.	Enter your net profit* and any other earned income** from the business under which the qualified health plan is established. Do not include Conservation Reserve Program payments exempt from self-employment tax. If the business is an S corporation, skip to line 11	4.	30,000
5.	Enter the total of all net profits* from Schedule C (Form 1040), line 31; Schedule F (Form 1040), line 34; or box 14, code A, of Schedule K-1 (Form 1065), plus any other income allocable to the profitable business. Do not include Conservation Reserve Program payments exempt from self-employment tax. See the Instructions for Schedule SE (Form 1040). **Do not** include any net losses shown on these schedules	5.	30,000
6.	Divide line 4 by line 5	6.	1.0
7.	Multiply line 15 of Schedule 1 (Form 1040) by line 6	7.	2,119
8.	Subtract line 7 from line 4	8.	27,881
9.	Enter the amount, if any, from line 16 of Schedule 1 (Form 1040), attributable to the same business for which the qualified health plan is established	9.	2,500
10.	Subtract line 9 from line 8	10.	25,381
11.	Enter your Medicare wages (box 5 of Form W-2) from an S corporation in which you are a more-than-2% shareholder and in which the qualified health plan is established	11.	
12.	Enter any amount from Form 2555, line 45, attributable to the amount entered on line 4 or line 11 above **Note.** If you are not filing Form 2555, enter -0-.	12.	-0-
13.	Subtract line 12 from line 10 or line 11, whichever applies	13.	25,381
14.	Enter your self-employed health insurance deduction for nonspecified premiums from Worksheet P, line 3, or Form 7206, line 14	14.	
15.	Subtract line 14 from line 13	15.	25,381
16.	Enter the smaller of line 3 or line 15	16.	8,800
17.	Add lines 14 and 16	17.	8,800
18.	Is line 2 blank or -0-? ☐ Yes. Skip line 19 and Worksheet X. Use one of the methods that follow Worksheet X to figure the PTC and self-employed health insurance deduction for specified premiums. x No. Go to line 19.	18.	
19.	Subtract line 16 from line 15. Then, go to Worksheet X	19.	16,581

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

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

The Simplified Calculation Method for Carla

Step 1. Carla figures her AGI, modified AGI, and household income using $11,800 as the self-employed health insurance deduction. (She does **not** enter $11,800 on Schedule 1 (Form 1040), line 17.) Her AGI is $97,625, figured as follows.

Total income from Form 1040, line 9	$114,094
Minus: deductible part of self-employment tax	(2,119)
Minus: qualified retirement plan deduction	(2,500)
Minus: self-employed health insurance deduction from Worksheet X, line 31	(11,800)
Equals: AGI	97,625

Carla uses this AGI amount on Worksheet 1-1. Taxpayer's Modified AGI Worksheet—Line 2a (not illustrated) in the Form 8962 instructions to figure her modified AGI and household income. Her modified AGI and household income are each $97,625, the same as her AGI figured in this Step 1.

Step 2. Carla figures the total PTC on Form 8962 (not illustrated) using the modified AGI and household income figured in Step 1. She completes Form 8962 only through line 24. She uses the total PTC shown on line 24 ($5,873) to figure the self-employed health insurance deduction in Step 3, later. She does **not** attach the Form 8962 to her tax return.

Step 3. Carla completes the following worksheet to figure the self-employed health insurance deduction she will enter on Schedule 1 (Form 1040), line 17.

Carla's Worksheet X. **Figuring Household Income and the Repayment Limitation**

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

Part I: Taxpayer's Modified AGI

1.	Combine the amounts from: • Form 1040, 1040-SR, or 1040-NR, lines 2a and 9, and the excess, if any, of line 6a over line 6b **Note.** See the instructions if you are filing Form 8582, 8814, or 8815.	**1.**	114,094
2.	Enter any amounts from Form 2555, lines 45 and 50	**2.**	
3.	Add lines 1 and 2	**3.**	114,094
4.	Enter the total of the amounts from: • Schedule 1 (Form 1040), lines 11 through 16, 18, and 19a, plus any write-in adjustments you entered on the dotted line next to Schedule 1 (Form 1040), line 26 **Note.** See the instructions if you made contributions to a traditional IRA.	**4.**	4,619
5.	Enter the amount from Worksheet W, line 14	**5.**	
6.	Enter the amount from Worksheet W, line 16	**6.**	8,800
7.	Add lines 4, 5, and 6	**7.**	13,419
8.	Subtract line 7 from line 3. Then, go to Part II if you are claiming dependents on your tax return. If you are not claiming any dependents on your tax return, skip Part II and go to Part III	**8.**	100,675

Part II: Dependents' Modified AGI

Note. Lines 9–13 of this part are omitted because Carla's dependent children are not required to file federal income tax returns.

Part III: Repayment Limitation

14.	Household income. Add lines 8 and 13	**14.**	100,675
15.	Enter the smaller of Worksheet W, line 19, or $700 ($350 if your filing status is single)	**15.**	700
16.	Subtract line 15 from line 14. If zero or less, enter -0-	**16.**	99,975
17a.	Enter the number of qualifying individuals in your tax family (including yourself) **17a.** 4		
17b.	Enter the federal poverty line amount as determined by the family size on line 17a and federal poverty Table 1-1, 1-2, or 1-3 for your state of residence during 2023 in the Form 8962 instructions	**17b.**	27,750
18.	Divide line 16 by line 17b. If the result is not a whole percentage, do **not** round; instead, multiply this number by 100 (to express it as a percentage) and then drop any numbers after the decimal point. For example, for 0.9984, enter the result as 99; for 1.8565, enter the result as 185; and for 3.997, enter the result as 399 • If the result is less than 200, enter $700 ($350 if your filing status is single) on line 25. Skip lines 19 through 24. • If the result is 200 or more, go to line 19.	**18.**	360%
19.	Enter the smaller of Worksheet W, line 19, or $1,800 ($900 if your filing status is single)	**19.**	1,800
20.	Subtract line 19 from line 14. If zero or less, enter -0-	**20.**	98,875
21.	Divide line 20 by line 17b. If the result is not a whole percentage, do **not** round; instead, multiply this number by 100 (to express it as a percentage) and then drop any numbers after the decimal point. For example, for 0.9984, enter the result as 99; for 1.8565, enter the result as 185; and for 3.997, enter the result as 399 • If the result is less than 300, enter $1,800 ($900 if your filing status is single) on line 25. Skip lines 22 through 24. • If the result is 300 or more, go to line 22.	**21.**	356%
22.	Enter the smaller of Worksheet W, line 19, or $3,000 ($1,500 if your filing status is single)	**22.**	3,000
23.	Subtract line 22 from line 14. If zero or less, enter -0-	**23.**	97,625
24.	Divide line 23 by line 17b. If the result is not a whole percentage, do **not** round; instead, multiply this number by 100 (to express it as a percentage) and then drop any numbers after the decimal point. For example, for 0.9984, enter the result as 99; for 1.8565, enter the result as 185; and for 3.997, enter the result as 399 • If the result is less than 400, enter $3,000 ($1,500 if your filing status is single) on line 25. • If the result is 400 or more, enter the amount from Worksheet W, line 2, on line 25.	**24.**	352%
25.	Enter the amount you were instructed to enter here by line 18, 21, or 24. See instructions	**25.**	3,000

Part IV: Maximum Self-Employed Health Insurance Deduction

26.	Add lines 6 and 25	**26.**	11,800
27.	Enter the amount from Worksheet W, line 1	**27.**	13,000
28.	Enter the smaller of line 26 or line 27	**28.**	11,800
29.	Enter the amount from Worksheet W, line 15	**29.**	25,381
30.	Enter the smaller of line 28 or line 29	**30.**	11,800
31.	Add lines 5 and 30. Then, use one of the methods that follow to figure the PTC and the self-employed health insurance deduction for specified premiums	**31.**	11,800

Carla's Step 3 Worksheet

1.	Enter the amount from Worksheet W, line 1 . . . . **Caution.** *If the amounts on lines 12 through 23, column (e), of your Step 2 Form 8962 are not the same for each month and you had specified premiums for less than 12 months, skip lines 2 through 5 below and enter on line 6 the total of those column (e) amounts for the months you paid specified premiums.*	**1.**	13,000
2.	Enter the total PTC (Form 8962, line 24) you figured in Step 2, earlier	**2.**	5,873
3.	Enter the number of months in 2023 for which specified premiums were paid . . . . **Note.** Self-employment for part of a month counts as a full month of self-employment.	**3.**	12
4.	Enter the number of months someone in your coverage family was enrolled in the qualified health plan	**4.**	12
5.	Divide line 3 by line 4	**5.**	1.0
6.	Multiply line 5 by line 2	**6.**	5,873
7.	Subtract line 6 from line 1	**7.**	7,127
8.	Enter the amount from Worksheet X, line 30. If you did not complete Worksheet X, enter the amount from Worksheet W, line 16	**8.**	11,800
9.	Enter the smaller of line 7 or line 8	**9.**	7,127
10.	Enter the amount from Worksheet W, line 14	**10.**	-0-
11.	Add lines 9 and 10. Use this amount as your self-employed health insurance deduction in Step 4 next. Also enter this amount on line 17 of Schedule 1 (Form 1040)	**11.**	7,127

Step 4. Carla refigures the final PTC on another Form 8962 (not illustrated). Carla figures AGI, modified AGI, and household income using the amount from line 11 of the Step 3 Worksheet as her self-employed health insurance deduction. Her AGI is $101,804, figured as follows.

Carla's Step 4 Worksheet

Total income from Form 1040, line 9	$114,094
Minus: deductible part of self-employment tax	(2,119)
Minus: qualified retirement plan deduction	(2,500)
Minus: self-employed health insurance deduction from line 11 of the Step 3 Worksheet	(7,127)
Equals: AGI	106,967

Carla uses this AGI amount on Worksheet 1-1. Taxpayer's Modified AGI Worksheet—Line 2a (not illustrated) in the Form 8962 instructions to refigure her modified AGI and household income. Her modified AGI and household income are each $106,967, the same as her AGI figured earlier.

Carla completes Form 8962 (not illustrated) through line 26. She enters the amount from line 26 ($104) on Schedule 3 (Form 1040), line 9, and attaches Form 8962.

How To Get Tax Help

If you have questions about a tax issue; need help preparing your tax return; or want to download free publications, forms, or instructions, go to *IRS.gov* to find resources that can help you right away.

Preparing and filing your tax return. After receiving all your wage and earnings statements (Forms W-2, W-2G, 1099-R, 1099-MISC, 1099-NEC, etc.); unemployment compensation statements (by mail or in a digital format) or other government payment statements (Form 1099-G); and interest, dividend, and retirement statements from banks and investment firms (Forms 1099), you have several options to choose from to prepare and file your tax return. You can prepare the tax return yourself, see if you qualify for free tax preparation, or hire a tax professional to prepare your return.

Free options for tax preparation. Your options for preparing and filing your return online or in your local community, if you qualify, include the following.

- **Free File.** This program lets you prepare and file your federal individual income tax return for free using software or Free File Fillable Forms. However, state tax preparation may not be available through Free File. Go to *IRS.gov/FreeFile* to see if you qualify for free online federal tax preparation, e-filing, and direct deposit or payment options.
- **VITA.** The Volunteer Income Tax Assistance (VITA) program offers free tax help to people with low-to-moderate incomes, persons with disabilities, and limited-English-speaking taxpayers who need help preparing their own tax returns. Go to *IRS.gov/VITA*, download the free IRS2Go app, or call 800-906-9887 for information on free tax return preparation.
- **TCE.** The Tax Counseling for the Elderly (TCE) program offers free tax help for all taxpayers, particularly those who are 60 years of age and older. TCE volunteers specialize in answering questions about pensions and retirement-related issues unique to seniors. Go to *IRS.gov/TCE* or download the free IRS2Go app for information on free tax return preparation.
- **MilTax.** Members of the U.S. Armed Forces and qualified veterans may use MilTax, a free tax service offered by the Department of Defense through Military OneSource. For more information, go to *MilitaryOneSource* (*MilitaryOneSource.mil/MilTax*).

  Also, the IRS offers Free Fillable Forms, which can be completed online and then e-filed regardless of income.

Using online tools to help prepare your return. Go to *IRS.gov/Tools* for the following.

- The *Earned Income Tax Credit Assistant* (*IRS.gov/EITCAssistant*) determines if you're eligible for the earned income credit (EIC).

- The *Online EIN Application* (*IRS.gov/EIN*) helps you get an employer identification number (EIN) at no cost.
- The *Tax Withholding Estimator* (*IRS.gov/W4App*) makes it easier for you to estimate the federal income tax you want your employer to withhold from your paycheck. This is tax withholding. See how your withholding affects your refund, take-home pay, or tax due.
- The *First-Time Homebuyer Credit Account Look-up* (*IRS.gov/HomeBuyer*) tool provides information on your repayments and account balance.
- The *Sales Tax Deduction Calculator* (*IRS.gov/SalesTax*) figures the amount you can claim if you itemize deductions on Schedule A (Form 1040).

Getting answers to your tax questions. On IRS.gov, you can get up-to-date information on current events and changes in tax law.

- *IRS.gov/Help*: A variety of tools to help you get answers to some of the most common tax questions.
- *IRS.gov/ITA*: The Interactive Tax Assistant, a tool that will ask you questions and, based on your input, provide answers on a number of tax topics.
- *IRS.gov/Forms*: Find forms, instructions, and publications. You will find details on the most recent tax changes and interactive links to help you find answers to your questions.
- You may also be able to access tax information in your e-filing software.

Need someone to prepare your tax return? There are various types of tax return preparers, including enrolled agents, certified public accountants (CPAs), accountants, and many others who don't have professional credentials. If you choose to have someone prepare your tax return, choose that preparer wisely. A paid tax preparer is:

- Primarily responsible for the overall substantive accuracy of your return,
- Required to sign the return, and
- Required to include their preparer tax identification number (PTIN).

CAUTION *Although the tax preparer always signs the return, you're ultimately responsible for providing all the information required for the preparer to accurately prepare your return and for the accuracy of every item reported on the return. Anyone paid to prepare tax returns for others should have a thorough understanding of tax matters. For more information on how to choose a tax preparer, go to Tips for Choosing a Tax Preparer on IRS.gov.*

Employers can register to use Business Services Online. The Social Security Administration (SSA) offers online service at *SSA.gov/employer* for fast, free, and secure W-2 filing options to CPAs, accountants, enrolled agents, and individuals who process Form W-2, Wage and Tax Statement, and Form W-2c, Corrected Wage and Tax Statement.

IRS social media. Go to *IRS.gov/SocialMedia* to see the various social media tools the IRS uses to share the latest information on tax changes, scam alerts, initiatives, products, and services. At the IRS, privacy and security are our highest priority. We use these tools to share public information with you. **Don't** post your social security number (SSN) or other confidential information on social media sites. Always protect your identity when using any social networking site.

The following IRS YouTube channels provide short, informative videos on various tax-related topics in English, Spanish, and ASL.

- *Youtube.com/irsvideos*.
- *Youtube.com/irsvideosmultilingua*.
- *Youtube.com/irsvideosASL*.

Watching IRS videos. The IRS Video portal (*IRSVideos.gov*) contains video and audio presentations for individuals, small businesses, and tax professionals.

Online tax information in other languages. You can find information on *IRS.gov/MyLanguage* if English isn't your native language.

Free Over-the-Phone Interpreter (OPI) Service. The IRS is committed to serving taxpayers with limited-English proficiency (LEP) by offering OPI services. The OPI Service is a federally funded program and is available at Taxpayer Assistance Centers (TACs), most IRS offices, and every VITA/TCE tax return site. The OPI Service is accessible in more than 350 languages.

Accessibility Helpline available for taxpayers with disabilities. Taxpayers who need information about accessibility services can call 833-690-0598. The Accessibility Helpline can answer questions related to current and future accessibility products and services available in alternative media formats (for example, braille, large print, audio, etc.). The Accessibility Helpline does not have access to your IRS account. For help with tax law, refunds, or account-related issues, go to *IRS.gov/LetUsHelp*.

Note. Form 9000, Alternative Media Preference, or Form 9000(SP) allows you to elect to receive certain types of written correspondence in the following formats.

- Standard Print.
- Large Print.
- Braille.
- Audio (MP3).
- Plain Text File (TXT).
- Braille Ready File (BRF).

Disasters. Go to *IRS.gov/DisasterRelief* to review the available disaster tax relief.

Getting tax forms and publications. Go to *IRS.gov/Forms* to view, download, or print all the forms, instructions, and publications you may need. Or, you can go to *IRS.gov/OrderForms* to place an order.

Getting tax publications and instructions in eBook format. Download and view most tax publications and instructions (including the Instructions for Form 1040) on mobile devices as eBooks at *IRS.gov/eBooks*.

IRS eBooks have been tested using Apple's iBooks for iPad. Our eBooks haven't been tested on other dedicated eBook readers, and eBook functionality may not operate as intended.

Access your online account (individual taxpayers only). Go to *IRS.gov/Account* to securely access information about your federal tax account.

- View the amount you owe and a breakdown by tax year.
- See payment plan details or apply for a new payment plan.
- Make a payment or view 5 years of payment history and any pending or scheduled payments.
- Access your tax records, including key data from your most recent tax return, and transcripts.
- View digital copies of select notices from the IRS.
- Approve or reject authorization requests from tax professionals.
- View your address on file or manage your communication preferences.

Get a transcript of your return. With an online account, you can access a variety of information to help you during the filing season. You can get a transcript, review your most recently filed tax return, and get your adjusted gross income. Create or access your online account at *IRS.gov/Account*.

Tax Pro Account. This tool lets your tax professional submit an authorization request to access your individual taxpayer IRS online account. For more information, go to *IRS.gov/TaxProAccount*.

Using direct deposit. The safest and easiest way to receive a tax refund is to e-file and choose direct deposit, which securely and electronically transfers your refund directly into your financial account. Direct deposit also avoids the possibility that your check could be lost, stolen, destroyed, or returned undeliverable to the IRS. Eight in 10 taxpayers use direct deposit to receive their refunds. If you don't have a bank account, go to *IRS.gov/DirectDeposit* for more information on where to find a bank or credit union that can open an account online.

Reporting and resolving your tax-related identity theft issues.

- Tax-related identity theft happens when someone steals your personal information to commit tax fraud. Your taxes can be affected if your SSN is used to file a fraudulent return or to claim a refund or credit.
- The IRS doesn't initiate contact with taxpayers by email, text messages (including shortened links), telephone calls, or social media channels to request or verify personal or financial information. This includes requests for personal identification numbers (PINs), passwords, or similar information for credit cards, banks, or other financial accounts.
- Go to *IRS.gov/IdentityTheft*, the IRS Identity Theft Central webpage, for information on identity theft and data security protection for taxpayers, tax professionals, and businesses. If your SSN has been lost or stolen or you suspect you're a victim of tax-related identity theft, you can learn what steps you should take.
- Get an Identity Protection PIN (IP PIN). IP PINs are six-digit numbers assigned to taxpayers to help prevent the misuse of their SSNs on fraudulent federal income tax returns. When you have an IP PIN, it prevents someone else from filing a tax return with your SSN. To learn more, go to *IRS.gov/IPPIN*.

Ways to check on the status of your refund.

- Go to *IRS.gov/Refunds*.
- Download the official IRS2Go app to your mobile device to check your refund status.
- Call the automated refund hotline at 800-829-1954.

CAUTION *The IRS can't issue refunds before mid-February for returns that claimed the EIC or the additional child tax credit (ACTC). This applies to the entire refund, not just the portion associated with these credits.*

Making a tax payment. Payments of U.S. tax must be remitted to the IRS in U.S. dollars. *Digital assets* are **not** accepted. Go to *IRS.gov/Payments* for information on how to make a payment using any of the following options.

- *IRS Direct Pay*: Pay your individual tax bill or estimated tax payment directly from your checking or savings account at no cost to you.
- *Debit Card, Credit Card, or Digital Wallet*: Choose an approved payment processor to pay online or by phone.
- *Electronic Funds Withdrawal*: Schedule a payment when filing your federal taxes using tax return preparation software or through a tax professional.
- *Electronic Federal Tax Payment System*: Best option for businesses. Enrollment is required.
- *Check or Money Order*: Mail your payment to the address listed on the notice or instructions.
- *Cash*: You may be able to pay your taxes with cash at a participating retail store.
- *Same-Day Wire*: You may be able to do same-day wire from your financial institution. Contact your financial institution for availability, cost, and time frames.

Note. The IRS uses the latest encryption technology to ensure that the electronic payments you make online, by phone, or from a mobile device using the IRS2Go app are safe and secure. Paying electronically is quick, easy, and faster than mailing in a check or money order.

What if I can't pay now? Go to *IRS.gov/Payments* for more information about your options.

- Apply for an *online payment agreement* (*IRS.gov/OPA*) to meet your tax obligation in monthly installments if you can't pay your taxes in full today. Once you complete the online process, you will receive immediate notification of whether your agreement has been approved.
- Use the *Offer in Compromise Pre-Qualifier* to see if you can settle your tax debt for less than the full amount you owe. For more information on the Offer in Compromise program, go to *IRS.gov/OIC*.

Filing an amended return. Go to *IRS.gov/Form1040X* for information and updates.

Checking the status of your amended return. Go to *IRS.gov/WMAR* to track the status of Form 1040-X amended returns.

CAUTION *It can take up to 3 weeks from the date you filed your amended return for it to show up in our system, and processing it can take up to 16 weeks.*

Understanding an IRS notice or letter you've received. Go to *IRS.gov/Notices* to find additional information about responding to an IRS notice or letter.

Responding to an IRS notice or letter. You can now upload responses to all notices and letters using the Document Upload Tool. For notices that require additional action, taxpayers will be redirected appropriately on IRS.gov to take further action. To learn more about the tool, go to *IRS.gov/Upload*.

Note. You can use Schedule LEP (Form 1040), Request for Change in Language Preference, to state a preference to receive notices, letters, or other written communications from the IRS in an alternative language. You may not immediately receive written communications in the requested language. The IRS's commitment to LEP taxpayers is part of a multi-year timeline that began providing translations in 2023. You will continue to receive communications, including notices and letters, in English until they are translated to your preferred language.

Contacting your local TAC. Keep in mind, many questions can be answered on IRS.gov without visiting a TAC. Go to *IRS.gov/LetUsHelp* for the topics people ask about most. If you still need help, TACs provide tax help when a tax issue can't be handled online or by phone. All TACs now provide service by appointment, so you'll know in advance that you can get the service you need without long wait times. Before you visit, go to *IRS.gov/TACLocator* to find the nearest TAC and to check hours, available services, and appointment options. Or, on the IRS2Go app, under the Stay Connected tab, choose the Contact Us option and click on "Local Offices."

The Taxpayer Advocate Service (TAS) Is Here To Help You

What Is TAS?

TAS is an ***independent*** organization within the IRS that helps taxpayers and protects taxpayer rights. TAS strives to ensure that every taxpayer is treated fairly and that you know and understand your rights under the *Taxpayer Bill of Rights*.

How Can You Learn About Your Taxpayer Rights?

The Taxpayer Bill of Rights describes 10 basic rights that all taxpayers have when dealing with the IRS. Go to *TaxpayerAdvocate.IRS.gov* to help you understand what these rights mean to you and how they apply. These are ***your*** rights. Know them. Use them.

What Can TAS Do for You?

TAS can help you resolve problems that you can't resolve with the IRS. And their service is free. If you qualify for their assistance, you will be assigned to one advocate who will work with you throughout the process and will do everything possible to resolve your issue. TAS can help you if:

- Your problem is causing financial difficulty for you, your family, or your business;
- You face (or your business is facing) an immediate threat of adverse action; or
- You've tried repeatedly to contact the IRS but no one has responded, or the IRS hasn't responded by the date promised.

How Can You Reach TAS?

TAS has offices *in every state, the District of Columbia, and Puerto Rico*. To find your advocate's number:

- Go to *TaxpayerAdvocate.IRS.gov/Contact-Us*;
- Download Pub. 1546, The Taxpayer Advocate Service Is Your Voice at the IRS, available at *IRS.gov/pub/irs-pdf/p1546.pdf*;
- Call the IRS toll free at 800-TAX-FORM (800-829-3676) to order a copy of Pub. 1546;
- Check your local directory; or
- Call TAS toll free at 877-777-4778.

How Else Does TAS Help Taxpayers?

TAS works to resolve large-scale problems that affect many taxpayers. If you know of one of these broad issues, report it to TAS at *IRS.gov/SAMS*. Be sure to not include any personal taxpayer information.

Low Income Taxpayer Clinics (LITCs)

LITCs are independent from the IRS and TAS. LITCs represent individuals whose income is below a certain level and who need to resolve tax problems with the IRS. LITCs can represent taxpayers in audits, appeals, and tax collection disputes before the IRS and in court. In addition, LITCs can provide information about taxpayer rights and responsibilities in different languages for individuals who speak English as a second language. Services are offered for free or a small fee. For more information or to find an LITC near you, go to the LITC page at *TaxpayerAdvocate.IRS.gov/LITC* or see IRS Pub. 4134, *Low Income Taxpayer Clinic List*, at *IRS.gov/pub/irs-pdf/p4134.pdf*.

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To help us develop a more useful index, please let us know if you have ideas for index entries. See “Comments and Suggestions” in the “Introduction” for the ways you can reach us.