

# PREMIUM TAX CREDIT



## Affordable Care Act Individuals and Families



### Report changes to the Marketplace as they happen

IMPORTANT REMINDER ABOUT ADVANCE PAYMENTS OF THE PREMIUM TAX CREDIT

If you or anyone in your family purchased health coverage through the Marketplace and decided to have advance payments of the premium tax credit paid in advance to your insurance company to lower your monthly premiums, it is important to report life changes to the Marketplace when they happen.

The Marketplace computes your advance credit payments by estimating the premium tax credit you will be allowed when you file your tax return for the year. The Marketplace uses information about your family composition and projected income that you provide when you enroll in coverage to estimate your credit. When you file your return you must reconcile – or compare – your advance credit payments with the actual premium tax credit you are allowed. If your advance credit payments are more than your premium tax credit, you must increase the taxes you owe by all or a portion of the difference.

Reporting life changes as they happen allows the Marketplace to adjust your advance credit payments. This will help you avoid a smaller refund or unexpectedly owing taxes when you file your tax return.

### CHANGES YOU SHOULD REPORT TO THE MARKETPLACE INCLUDE:

- Birth or adoption
- Marriage or divorce
- Moving to another address
- Changes in household income and size
- Gaining or losing health care coverage or eligibility
- Other changes affecting income, including lump sum payments
- Incarceration or release from incarceration

These changes may also open the door for the Marketplace special enrollment period, during which time you can purchase health coverage through the Marketplace.



Find out more about the [premium tax credit](#), and other tax-related provisions of the health care law at [IRS.gov/aca](https://www.irs.gov/aca).

Find out more about the Health Insurance Marketplace at [HealthCare.gov](https://www.healthcare.gov).