



# Failure to File and Reconcile 2014 APTC: Overview for Assisters



*October 2015*

# Failure to File and Reconcile: Overview

- **NEW:** For the first time, beginning with Open Enrollment 2016, the Federally-facilitated Marketplace (“Marketplace”) **will discontinue APTC/CSR for 2016 coverage for those received APTC in 2014 but did not comply with the requirement to file an income tax return and reconcile APTC.**
- According to Marketplace regulations, Marketplaces must discontinue APTC and CSRs for tax filers who received APTC but did not comply with the requirement to file an income tax return and reconcile APTC for 2014 (155.305(f)(4)).
- This presentation provides an overview of how the Federally-facilitated Marketplace will assist consumers with the requirement. State-based Marketplaces may choose to implement different processes.

# Refresher: What Does it Mean to “Reconcile APTC”?

- Enrollees who received advance payments of the premium tax credit (APTC) are required to file an income tax return including the IRS Form 8962 to reconcile the amount of advance payments of the premium tax credit (based on projected household income) with the final premium tax credit the enrollee is eligible for (based on actual household income for the year during which they received APTC).

Form **1095-A** **Health Insurance Marketplace Statement** OMB No. 1545-2232

Department of the Treasury Internal Revenue Service **2014**

Information about Form 1095-A and its separate instructions is at [www.irs.gov/form1095a](http://www.irs.gov/form1095a).  CORRECTED

**Part I Recipient Information**

1 Marketplace identifier	2 Marketplace-assigned policy number	3 Policy issuer's name	
4 Recipient's name	5 Recipient's SSN	6 Recipient's date of birth	
7 Recipient's spouse's name	8 Recipient's spouse's SSN	9 Recipient's spouse's date of birth	
10 Policy start date	11 Policy termination date	12 Street address (including apartment no.)	
13 City or town	14 State or province	15 Country and ZIP or foreign postal code	

Form **8962** **Premium Tax Credit (PTC)** OMB No. 1545-0014

Department of the Treasury Internal Revenue Service **2014**

Information about Form 8962 and its separate instructions is at [www.irs.gov/form8962](http://www.irs.gov/form8962).

**Part 1: Annual and Monthly Contribution Amount**

1 Family Size: Enter the number of exemptions from Form 1040 or Form 1040A, line 4d, or Form 1040NR, line 7d **1**

2a Modified AGI: Enter your modified AGI (see instructions) **2a**

2b Enter total of your dependent's modified AGI (see instructions) **2b**

3 Household Income: Add the amounts on lines 2a and 2b **3**

4 Federal Poverty Line: Enter the federal poverty amount as determined by the family size on line 1 and the federal poverty table for your state of residence during the tax year (see instructions). Check the appropriate box for the federal poverty table used.  Alaska  Hawaii  Other 48 states and DC **4**

5 Household Income as a Percentage of Federal Poverty Line: Divide line 3 by line 4. Enter the result rounded to a whole percentage. (For example, for 1.54 enter the result as 154, for 1.54 enter as 155.) (See instructions for special rules.) Is the result entered on line 5 less than or equal to 400%? (See instructions if the result is less than 100%.) **5**

6  Yes. Continue to line 7.  No. You are not eligible to receive PTC. If you received advance payment of PTC, see the instructions for how to report your Excess Advance PTC (Repayment) amount. **6**

7 Applicable Figure: Using your line 5 percentage, locate your "applicable figure" on the table in the instructions. **7**

8a Annual Contribution for Health Care **8a**

8b Monthly Contribution for Health Care: Divide line 8a by 12. Round to whole-dollar amount. **8b**

**Part 2: Premium Tax Credit Claim and Reconciliation of Advance Payment of Premium Tax Credit**

9 Did you share a policy with another taxpayer or get married during the year and want to use the alternative calculation? (See instructions.)  Yes. Skip to Part 4, Shared Policy Allocation, or Part 5, Alternative Calculation for Year of Marriage.  No. Continue to line 10. **9**

10 Do all Forms 1095-A for your tax household include coverage for January through December with no change in monthly amounts shown on lines 21-23, column A and B?  Yes. Continue to line 11. Compute your annual PTC. Skip lines 10-20.  No. Continue to lines 10-20. Compute your monthly PTC and continue to line 24. **10**

Annual Calculation	A. Premium Amount (Form 1095-A, line 23A)	B. Annual Premium Amount of (S)CSP (Form 1095-A, line 23B)	C. Annual Contribution Amount (Line 8b)	D. Annual Maximum Premium Assistance (Subtract C from B)	E. Annual Premium Tax Credit Allowed (Smaller of A or D)	F. Annual Advance Payment of PTC (Form 1095-A, line 23C)
11 Annual Total						
Monthly Calculation	A. Monthly Premium Amount (Form 1095-A, line 21-23, column A)	B. Monthly Premium Amount of (S)CSP (Form 1095-A, line 21-23, column B)	C. Monthly Contribution Amount (Amount from line 8b if alternative marriage monthly contribution)	D. Monthly Maximum Premium Assistance (Subtract C from B)	E. Monthly Premium Tax Credit Allowed (Smaller of A or D)	F. Monthly Advance Payment of PTC (Form 1095-A, line 21-23, column C)
12 January						
13 February						
14 March						
15 April						
16 May						
17 June						
18 July						
19 August						
20 September						
21 October						
22 November						
23 December						
24 Total Premium Tax Credit: Enter the amount from line 11E or add lines 12E through 23E and enter the total here <b>24</b>						
25 Advance Payment of PTC: Enter the amount from line 11F or add lines 12F through 23F and enter the total here <b>25</b>						
26 Net Premium Tax Credit: If line 24 is greater than line 25, subtract line 25 from line 24. Enter the difference here and on Form 1040, line 6f; Form 1040A, line 4f; or Form 1040NR, line 6f. If you elected the alternative calculation for marriage, enter zero. If line 24 equals line 25, enter zero. Stop here. If line 25 is greater than line 24, leave this line blank and continue to line 27 <b>26</b>						
<b>Part 3: Repayment of Excess Advance Payment of the Premium Tax Credit</b>						
27 Excess Advance Payment of PTC: If line 25 is greater than line 24, subtract line 24 from line 25. Enter the difference here <b>27</b>						
28 Repayment Limitation: Using the percentage on line 5 and your filing status, locate the repayment limitation amount in the instructions. Enter the amount here <b>28</b>						
29 Excess Advance Premium Tax Credit (Repayment): Enter the smaller of line 27 or line 28 here and on Form 1040, line 4e; Form 1040A, line 2e; or Form 1040NR, line 4e <b>29</b>						

For Paperwork Reduction Act Notice, see your tax return instructions. Cat. No. 8962-10-14 Form 8962 (9-14)

# Refresher: Open Enrollment and Annual Redetermination

## **The Marketplace must redetermine a consumer's eligibility for Marketplace coverage and financial assistance on an annual basis**

- Consumers are encouraged to return to the Marketplace during Open Enrollment to update their application and receive an updated eligibility determination.
- Consumers who do not come back to the Marketplace and select a plan during Open Enrollment generally are automatically re-enrolled into the same qualified health plan (QHP), when possible, or if not, into a similar QHP.
- For consumers who are auto re-enrolled, the amount of financial assistance they are eligible for will be calculated using the most recent information available to the Marketplace.

# Failure to File and Reconcile: IRS and Tax Filing Information

## The Marketplace relies on IRS for information on whether a tax filer has filed and reconciled APTC for 2014

- Marketplaces may use this information from IRS for a tax filer in any of the following situations:
  - New applications for 2016
  - Updated applications for 2016
  - Auto re-enrolled applications for 2016
- When the Marketplace requests updated income information from IRS for 2016 coverage, **the Marketplace will receive a notification if a tax filer who applied APTC failed to file a tax return for 2014.**
- It takes the IRS 3 to 10 weeks to process a tax return, depending on how it is filed (paper vs. electronic) and information shared with the Marketplace is updated monthly.

# Failure to File and Reconcile: Consumer Notices

**Notices will be sent to consumers in advance of Open Enrollment warning them about the possible impact of not filing and reconciling APTC**

## **IRS letters:**

- The IRS mailed reminder letters in July to consumers who had received APTC in 2014 but had not yet filed a 2014 tax return.
- Reminders were also sent to consumers who filed an extension to encourage them to file ASAP

## **Marketplace Open Enrollment Notices:**

- Enrollees who received APTC in 2014 and whose tax return is not filed and processed by the time the Marketplace requests data from the IRS will receive a Marketplace Open Enrollment Notice (MOEN) with language explaining their risk for losing APTC for 2016.
- The notice will not tell the consumer why they may lose APTC in 2016, because information about whether someone filed a tax return is protected federal tax information.
- Instead – the notice message will be combined with other possible reasons for losing APTC starting January 1, 2016. Consumers affected by any one of these reasons will get the same notice. These reasons will include:
  1. Not authorizing the Marketplace to request updated tax information;
  2. Failure to file a tax return; or
  3. Updated tax information indicates household income is too high to receive APTC

# Failure to File and Reconcile: Consumer Experience during Open Enrollment

**During Open Enrollment, enrolled consumers can avoid losing APTC for 2016 after they file and reconcile their APTC for 2014**

- 1) Return to the application to let the Marketplace know they filed and reconciled**
  - Starting on November 1, 2015, after filing their 2014 tax return and reconciling APTC, enrollees can return to the Marketplace, create a 2016 application and attest on the application that they have filed a 2014 tax return. Enrollees should continue through to confirm enrollment after submitting the application. This will ensure the enrollee is eligible to receive APTC for 2016.
- 2) If they do not return to the application, the Marketplace will re-check IRS data in December**
  - In mid-December, the Marketplace will recheck IRS data for all enrollees who did not return to the Marketplace and at the beginning of Open Enrollment, were initially flagged by IRS as not having filed a tax return reconciling APTC.
  - Consumers will be auto re-enrolled in coverage for January with APTC if they either attested to having filed and reconciled OR the December re-check of IRS data indicated they had filed and reconciled.



# Failure to File and Reconcile: Attestation Question

**Starting November 1, 2015, the Marketplace application will include a new tax filing-related question.**


This question will display on all 2016 applications and **allow enrollees who received APTC for 2014 to attest, under penalty of perjury, to having filed a 2014 tax return and reconciled APTC.**

- After filing and reconciling 2014 APTC, attesting to having filed a tax return on the application will allow the enrollee to maintain eligibility for APTC even if IRS' data has not yet been updated.
- Enrollees who filed a 2014 tax return and reconciled APTC must attest to having filed and reconciled on the application and select a plan by December 15, 2015, in order to maintain APTC eligibility for coverage effective January 1, 2016.

As discussed earlier, if consumers do not return to the application to attest to having filed a 2014 tax return and reconciling APTC, the Marketplace will re-check IRS data in December and the consumer will be auto-reenrolled with APTC if the IRS data indicates that the consumer did file and reconcile.



# FTR Attestation Question

Alabama **Apply** Get Results Get Coverage  HELP

Application ID: 118305670

**GET STARTED**

**FAMILY & HOUSEHOLD**

**INCOME**

**ADDITIONAL INFORMATION**

**John Carson**

Other questions

**REVIEW & SIGN**

**Did your household file a 2014 tax return and reconcile any premium tax credit you used?** *Optional*

Yes, 2014 premium tax credits were reconciled

Check the box above only if **all** of these apply to you:

- You used [advance payments of premium tax credits](#) (APTC) in 2014 to help lower your costs for Marketplace coverage.
- The tax filer for your household filed a federal income tax return for 2014.
- The tax return filed compared the amount of APTC used in 2014 to the rest of the tax return information.

If all of these **don't** apply to you, select "SAVE & CONTINUE" without checking the box above.

[Learn more about tax filing](#)

**SAVE & CONTINUE**

# What if APTC ends because the tax filer didn't file and reconcile in time?

**Enrollees whose APTC is discontinued beginning January 1, 2016 due to failure to file and reconcile can still take action to restore their APTC.**

- **After filing and reconciling**, an enrollee may return to the Marketplace application, report a life change, attest to filing and reconciling, receive a new eligibility determination, select a plan, and receive APTC prospectively.
  - If the enrollee completes these steps between Dec 16th and Jan 15th, APTC will begin February 1st
  - If the enrollee completes the steps above between Jan 16th and Jan 31st, APTC will begin March 1st
  - After Open Enrollment, enrollees cannot change plans unless they qualify for a special enrollment period; however, they can follow the steps above to regain APTC eligibility following the 15th of the month coverage effective date rules

# What Assisters Can Do Now

## Assisters can take steps now when working with enrollees

- Encourage enrollees who received APTC in 2014 to file their 2014 federal income taxes and reconcile their APTC **as soon as possible**, even if they missed the filing deadline or they are within their filing extension deadline.
  - Remind enrollees that even if they usually don't have to file an income tax return, if they received APTC in 2014 they need to file a tax return.
  - Consumers can file an amended return, so they may want to file now to ensure they continue to receive APTC, even if they think they may need to make changes in the future.
- Help enrollees who haven't filed their taxes yet understand what steps to take, including helping them access their Forms 1095-A and report any errors.
  - Enrollees can log in to their respective Marketplace accounts to view or download their Form 1095-A (see screenshots in the following slides).
  - CMS is processing 2014 Form 1095-A correction and reprint requests on an ongoing basis. If an enrollee recently requested a corrected or reprinted 1095-A for 2014, he or she should receive a response from CMS within a couple of weeks. Once an enrollee receives his or her corrected Form 1095-A, the enrollee should keep a copy in case IRS has follow-up questions regarding his or her corrected form.

# What Assisters Can Do Now (cont'd)

## **How to help enrollees who are unsure whether they are at risk for losing APTC because they did not file a tax return and reconcile their 2014 APTC.**

- Encourage enrollees to check with the tax filer in their household if a 2014 tax return was filed.
- Encourage the enrollee to have the household tax filer use Interactive Tax Assistant at [http://www.irs.gov/uac/Interactive-Tax-Assistant-\(ITA\)-1](http://www.irs.gov/uac/Interactive-Tax-Assistant-(ITA)-1) or call the IRS call center at 1-800-829-1040.
- Note that in order to protect federal tax information, the Marketplace Call Center will not be able to tell consumers whether they are at risk for losing APTC because they failed to file and reconcile.
- **Encourage all enrollees to return to the Marketplace during Open Enrollment**
- Providing updated household information, obtaining an updated eligibility determination, and browsing available plans may help enrollees find the best options for their families.
- Enrollees who have filed their 2014 tax returns can attest to having done so and keep their APTC for 2016.

# Log In to “My Account”

HealthCare.gov

Individuals & Families

Small Businesses

Log in

Español

Get Coverage

Change or Update Your Plan

Get Answers -

SEARCH

If you saved an application during recent maintenance, it's time to return and submit it.

## You can still get 2015 health coverage

You can enroll if you have certain life changes — like getting married, having a baby, losing other coverage, or moving — or if you qualify for Medicaid or CHIP

SEE IF YOU CAN GET COVERAGE

Want a [quick overview](#) first?

### Log in

See [tips for remembering your username and password](#). Remember, your user name may be your email address. All fields are required unless they're marked optional. If you'd like to apply or enroll over the phone, call the Marketplace Call Center at 1-800-318-2596 (TTY: 1-855-889-4325).

miles.scott@yopmail.com

••••••••

Important: Please complete this required field

LOG IN

[Forgot your username?](#) | [Forgot your password?](#) | [Having trouble logging in?](#)

Note: If you're using a shared computer or a computer in a public place, like a library or community center, don't forget to close all browser windows and tabs and log out when you're done. This will help keep your information secure.

DON'T HAVE AN ACCOUNT?

# My Account 1095-A Messages

HealthCare.gov

Individuals & Families

Small Businesses

John  | [Logout](#) [Español](#)

  John Carson

 WELCOME

 MY APPLICATIONS & COVERAGE

 MY PROFILE

 MESSAGES (4)

## Messages

You have a Form 1095-A containing tax information. [Download](#) 

You have a corrected Form 1095-A containing tax information. [Download](#) 

You have a notice available about your Marketplace eligibility. [Download](#) 

You have a notice available about your Marketplace eligibility. [Download](#) 

Each initial 1095A that is created will trigger an automatic Message that is available here with a direct link to the PDF for download. If the consumer had selected to get email updates from the Marketplace, then when each message posts for a 1095A it will send an automated email letting the consumer know that there is a new message in their account.

Consumers that have a corrected 1095A that is created will have a different message post when the PDF is available to let the consumer know that it is a corrected 1095A.



# My Account 2014 Coverage

The screenshot shows a web interface for a '2014 Application for Individuals & Families (ID: #123456789)'. The left sidebar contains a list of menu items: 'My plans & programs', 'Eligibility & appeals', 'Application details', 'Report a life change', 'Communication preferences', 'Authorized users', 'Exemptions', and 'Tax forms'. The 'Tax forms' item is highlighted with a red box. The main content area is titled 'Tax forms' (also in a red box) and contains the following text: 'Here's where you'll find your 1095-A forms. Each one has information you'll need to fill out your federal income tax return after the coverage year.' Below this is a section titled 'Your Form 1095-A for federal income taxes' with a sub-header 'Here's where you'll find your 1095-A forms. Each one has information you'll need to fill out your federal income tax return after the coverage year. These forms are sent to you in the mail by early February. Forms may be available here a little sooner.' It then lists 'The 1095-A includes:' followed by three bullet points: 'Information about everyone in your tax household who was enrolled in a Marketplace plan.', 'Information about your plan premium that you'll need to fill out your federal income tax return.', and 'The amount of any advance payments of the premium tax credit paid to your health plan.' Further text explains that a household may receive more than one Form 1095-A and that the information is needed for filing 2014 taxes. It lists two bullet points: 'Complete questions about your Marketplace health coverage on your federal tax return.' and 'Confirm the amount of premium tax credit that you're eligible for, based on your actual income for the year.' A reminder states: 'Remember: If you got advance payments of the premium tax credit to help pay for your Marketplace health plan premium, you'll have to file a federal income tax return, even if you usually don't.' A link is provided: 'Learn more about the 1095-A and how to use it.'

New  
Section in  
My Account

Previous Coverage Year (2014):  
Instructional text to help the consumer understand what the 1095A is, when it'll be received, what they need to do and how to get help with next steps for the 2014 filing process.



# My Account

## Form 1095-A Download

### New Section in My Account

Exemptions

Tax forms

Dynamic: Statement is displayed when one or more corrected 1095A forms are posted to the account.

Dynamic Table: Table is displayed once there is one 1095A available to the consumer.

If no 1095As have been generated and posted to the consumer's application / account then the table is not visible on the Tax Forms section.

Static: Help information below the table on what to do if the information is not correct

Remember: If you got advance payments of the premium tax credit to help pay for your Marketplace health plan premium, you'll have to file a federal income tax return, even if you usually don't.

[Learn more about the 1095-A and how to use it.](#)

**You have at least one corrected Form 1095-A.** If you have 2 versions of the same form, use the corrected form, which has the most recent date.

#### Your 1095-A forms

Name	Plan Name	Date Posted	Action
John, Jane, Marianne, Billyjoe, Sarahbeth...	Blue Cross and Blue Shield of Illinois Blue Choice Bronze PPO™ 006 <i>Coverage dates</i> 03/31/2014 - 12/31/2014	06/11/2014	<a href="#">Download</a>
Mary	IlliniCare Health Ambetter Essential Care 1 Sinai Health Select Network <i>Coverage dates</i> 01/01/2014 - 03/31/2014	02/18/2014	<a href="#">Download</a>
John, Jane, Marianne	Blue Cross and Blue Shield of Illinois Blue Precision Gold HMO™ 001 <i>Coverage dates</i> 01/01/2014 - 03/31/2014	01/14/2014	<a href="#">Download</a>

[What to do if you think your Form 1095-A is wrong.](#)

# Open Enrollment 2016: Key Dates

- **July:** IRS reminders sent to enrollees who received 2014 APTC and had not filed a 2014 tax return
- **October:** FFM runs offline income verification (OIV) process and will receive data on consumers who have the Failure to File and Reconcile (FTR) indicator
- **October:** FFM will begin sending Marketplace Open Enrollment Notices (MOEN) to all consumers currently enrolled in 2015 coverage
- **November 1:** 2016 Open Enrollment begins; new tax filing attestation question appears on application
- **December 15:** Last day to select plan for January 1 coverage
- **December:** Second check of IRS data to determine whether consumers have filed and reconciled
- **January 31:** 2016 Open Enrollment closes

# Resources

- Guidance on Annual Eligibility Redeterminations and Re-enrollments for Marketplace Coverage for 2016: <http://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/annual-redeterminations-for-coverage-42215.pdf>
- Guidance on Federal Standard Notices of Product Discontinuation and Renewal in Connection with the Open Enrollment Period for the 2016 Coverage Year: <https://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/Guidance-on-Notices-of-Product-Discontinuation-and-Renewal-for-the-2016-Coverage-Year.pdf>
- IRS, Understanding Your Letters:
- <http://www.irs.gov/Individuals/Understanding-Your-Letter-5591>
- <http://www.irs.gov/Individuals/Understanding-Your-Letter-5596>
- <http://www.irs.gov/Individuals/Understanding-Your-Letter-5591A>
- IRS, Letter with preliminary results from the 2015 filing season related to Affordable Care Act provisions - <http://www.irs.gov/pub/irs-utl/CommissionerLetterlwithcharts.pdf>