

It's Time for a PTC Checkup for your 2016 Health Insurance Marketplace Coverage

If you, or anyone in your family, are getting advance payments of the premium tax credit, it's that time of year for a checkup to see if you need to adjust your premium assistance. Since the advance payments are paid directly to your insurance company and lower the out-of-pocket cost for your health insurance premiums, changes in your income or family size may affect your credit. You should report changes that have occurred since the time that you signed up for your health insurance plan.

Changes in circumstances that you should report to your Marketplace when they happen include:

- Increases or decreases in your household income including lump sum payments; for example, a lump sum payment of Social Security benefits
- Marriage
- Divorce
- Birth or adoption of a child
- Other changes affecting the composition of your tax family
- Gaining or losing eligibility for government sponsored or employer sponsored health care coverage
- Moving to a different address

Reporting the changes when they happen will help you avoid getting too much or too little advance payment of the premium tax credit. Getting too much means you may owe additional money or get a smaller refund when you file your taxes. Getting too little could mean missing out on premium assistance to lower what you pay out-of-pocket for your monthly premiums.

Changes in circumstances also may qualify you for a special enrollment period to change or get insurance through the Marketplace. In most cases, if you qualify for the special enrollment period, you generally have 60 days to enroll following the change in circumstances.

The Premium Tax Credit Change Estimator can help you estimate how your premium tax credit will change if your income or family size changes during the year. This estimator tool does not report changes in circumstances to your Marketplace. To report changes and to adjust the amount of your advance payments of the premium tax credit you must contact your Health Insurance Marketplace.

For more information, please see the following websites:

Special Enrollment

<https://www.healthcare.gov/>

Premium Tax Credit Change Estimator

<http://www.taxpayeradvocate.irs.gov/estimator/premiumtaxcreditchange/>

Source: IRS Tax Tip – July 6, 2016