



HEALTH INSURANCE AND YOUR TAXES



Public funds help you pay for your health insurance, so you have to file another tax form (form 8962) for years when you have coverage from healthcare.gov

**STEP
1**

Already completed: Your 2023 healthcare.gov application

The healthcare.gov application asks you to estimate your income for the coming year. Based on that estimate, your tax household size, and your county of residence, the application calculates how much financial help you receive throughout the coming year.

VIEW PLAN BENEFITS	
Base premium	\$285.11/mo.
<u>Premium tax credit</u>	-\$193.00/mo.
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You pay:	\$92.11/mo.

Example

Every month in 2023, based on the income estimate in your 2023 Marketplace application, the US Treasury paid your 2023 insurance company whatever is the "Premium tax credit" noted in your healthcare.gov account.

These numbers vary for everyone based on the base cost of the plan you chose for 2023 and the financial help they got from the Treasury based on their 2023 household income estimate from the healthcare.gov application.



STEP 2

Tax Return for the completed year

When you file your 2023 taxes, the tax return documents calculate your 2023 taxable income from employment and self-employment.

Before you can file those forms, healthcare.gov will send you a form 1095-A, which shows how much the US Treasury paid for your health insurance in 2023:

Form **1095-A** Health Insurance Marketplace Statement VOID CORRECTED OMB No. 1545-2232
 Department of the Treasury Internal Revenue Service **2023**
 ▶ Do not attach to your tax return. Keep for your records.
 ▶ Go to www.irs.gov/Form1095A for instructions and the latest information.

Part I Recipient Information

1 Marketplace identifier | 2 Marketplace-assigned policy number | 3 Policy issuer's name

Part III Coverage Information

Month	A. Monthly enrollment premiums	B. Monthly second lowest cost silver plan (SLCSP) premium	C. Monthly advance payment of premium tax credit
21 January	285.11	295.26	193.00
22 February	285.11	295.26	193.00

Total cost of your plan

Premium Tax Credits paid to the insurance company on your behalf

Form 8962: What?

Numbers from the 1095-A go onto form 8962, the form you need to submit with your tax return documents for every year you have Marketplace coverage.

Your tax software or tax preparer will generate an 8962 when you let the platform or person know that you had "Marketplace" health insurance in 2023.

You must submit form 8962 every year you received health insurance from healthcare.gov. **If you do not file an 8962 with your taxes, you will lose eligibility for future financial help, and your health insurance could be very expensive next year until you amend your tax returns to include the 8962.**

Form 8962: Why?

Form 8962 calculates the difference between the amount of public funds you received based on your 2023 healthcare.gov income estimate and the amount you're actually eligible for based on your actual 2023 earned income. If you got too much financial help, you pay back the difference. If you didn't get enough financial help, you get the difference back with your tax return.

This tax filing process is not a penalty; it is a comparison and reconciliation process that makes sure you got the right amount of financial help based on your actual income.

Good News! If you do need to repay extra financial help, consumer protections limit the amount many people have to repay to the IRS.

How can I avoid having to pay back a lot of money?

During the year, schedule an appointment with Foundation Communities (schedule online at www.ProspierHealthCoverage.org) to update your income if it will be significantly higher than your 2024 healthcare.gov application income estimate.

