

HDAP & the MA Health Connector: Understanding Premium Tax Credits & Client Responsibilities

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**BRIDGE = Benefits, Resources, & Infectious Disease
Guidance & Engagement**

HDAP*'s BRIDGE Team

(Benefits Resources Infectious Disease Guidance & Engagement)

Training and Technical Assistance:

- Trains case managers, financial benefits staff, other providers, peer advocates, and consumers
- Provides individualized insurance navigation assistance to clients and case managers
- Webinars and Q&A sessions
- Communicates changes in health insurance landscape and benefits programs to provider and consumer populations
- “Did you know...” information and tips email communications series

What we will cover in this webinar:

1. Premium Tax Credits:

- What are Premium Tax Credits (PTCs)?
- How and Why CHII clients are receiving PTCs?
- What clients need to know about how PTCs affect their taxes.

2. PTC Related Tax Forms and Reconciliation:

- Action steps that HDAP/CHII requires clients to complete when filing their taxes.

3. HDAP/CHII & Client Responsibilities for PTCs reconciliation

- HDAP/CHII role in paying PTCs-related taxes owed to IRS and collecting PTCs-related refunds that clients may receive.

4. Example Client Scenarios

5. Additional Guidance and Resources

Premium Tax Credits (PTCs)

What are Premium Tax Credits (PTCs)?

- Premium Tax Credits are federal subsidies that lower the cost of health insurance premiums for individuals and families who purchase a ConnectorCare or Health Connector plan through the MA Health Connector.
- The amount of PTCs a household receives in advance is based on the projected annual household income they estimate for the upcoming plan year and report on their Health Connector application.

Who is Eligible for PTCs?

To be eligible for PTCs, clients must:

- 1) Be covered by a Health Connector Plan or a ConnectorCare plan.
 - Note: clients covered by MassHealth or Medicare are not eligible for PTCs.
- 2) Agree to file federal taxes (if married, must file jointly except in specific circumstances) and reconcile any PTCs they receive in advance.
- 3) Not be claimed as a dependent by someone else on their taxes.

For tax year 2024, there is no income limit to be eligible for PTCs.

Overview - APTC Outreach

- BRIDGE is emailing case managers a list with HDAP clients who we have verified received PTCs during 2024, along with an info packet including definitions, example cases, and document checklist.
- We are sending these emails out in late January and beginning of February.
- We ask CMs to proactively reach out to these clients, encourage them to file their taxes, and do the steps laid out in this webinar.
 - This helps clients continue to participate in plans with low medical copays and other out of pocket costs.

How Are CHII Clients Connected to PTCs?

- 1) CHII clients who receive insurance through the Health Connector must apply for and accept all subsidies available to them, including PTCs or ConnectorCare.
- 2) PTCs can be received in advance, on a monthly basis throughout the year, or as a lump sum when clients file their taxes for a given year. **CHII clients are required to receive PTCs in advance** throughout the year. PTCs received in advance are referred to as **Advance PTCs (APTCs)**.
- 3) APTCs are paid by the IRS to the Health Connector insurance companies each month, reducing the cost of insurance premiums due each month.

Health Connector Processing Center
P. O. Box 4404
Taunton, MA 02780

Primary member Name: [REDACTED] Member ID: XXXXXXXX

Insurer: Tufts Health Plan - Direct
Plan name: Tufts Health Direct ConnectorCa

Client Name
100 Some Street
Sometown, MA 02222

Total due
\$80.66
Please pay by
12/23/2022

This bill is for your **January** the Health Connector.

Important messages about
After payment is received, v
confirming your enrollment.
send more information.
This bill is for your new 202
to pay the amount due by D
this bill by the 23rd, you wo
January 1.

Account activity	
Plan's monthly premium	763.66
Advance Premium Tax Credit	-683.00
ConnectorCare subsidy:	-0.00
Your monthly premium:	\$ 80.66
Last statement balance:	0.00
Total fees, discounts, and adjustments:	\$ 0.00
What you owe by 12/23/2022:	\$ 80.66

What is PTCs Reconciliation?

PTCs are federal tax credits issued by the IRS and they must be **reconciled** at tax time if they were received in advance

Reconciliation of PTCs is a part of the federal tax filing process. It is required of everyone who receives PTCs in advance. PTCs reconciliation ensures that people receive the amount of PTCs they are eligible for based on their income for the tax year.

Reconciliation is done using Tax Form 8962. It compares two figures:

- 1) The amount of PTCs a household received in advance. This amount is determined from the projected household income they estimated they would receive for the tax year, which they reported to the MA Health Connector when they applied for insurance.
- 2) The amount of PTCs that a household is determined eligible for. This amount is determined from the actual income the household received for the tax year.

Form 8962 will inform clients if they received too many or too few PTCs in advance during the tax year. If clients received too many PTCs, they would likely owe the IRS that amount in taxes. If clients received too few PTCs throughout the year, they would likely receive the additional PTCs they are eligible for as credits. This process of PTCs reconciliation will affect the individual's or household's federal tax return.

How Does PTCs Reconciliation Affect Taxes?

Important Terminology & Process

- If your actual income for the tax year was **more than what you estimated your income would be**, then the government has given you more money in advance PTCs than you are eligible for. You will have to pay the IRS back the amount of money given to you in excess of what you were eligible for. This money owed to IRS is referred to as **Excess APTCs** by the IRS.

TOO MANY Premium Tax Credits = Excess APTCs

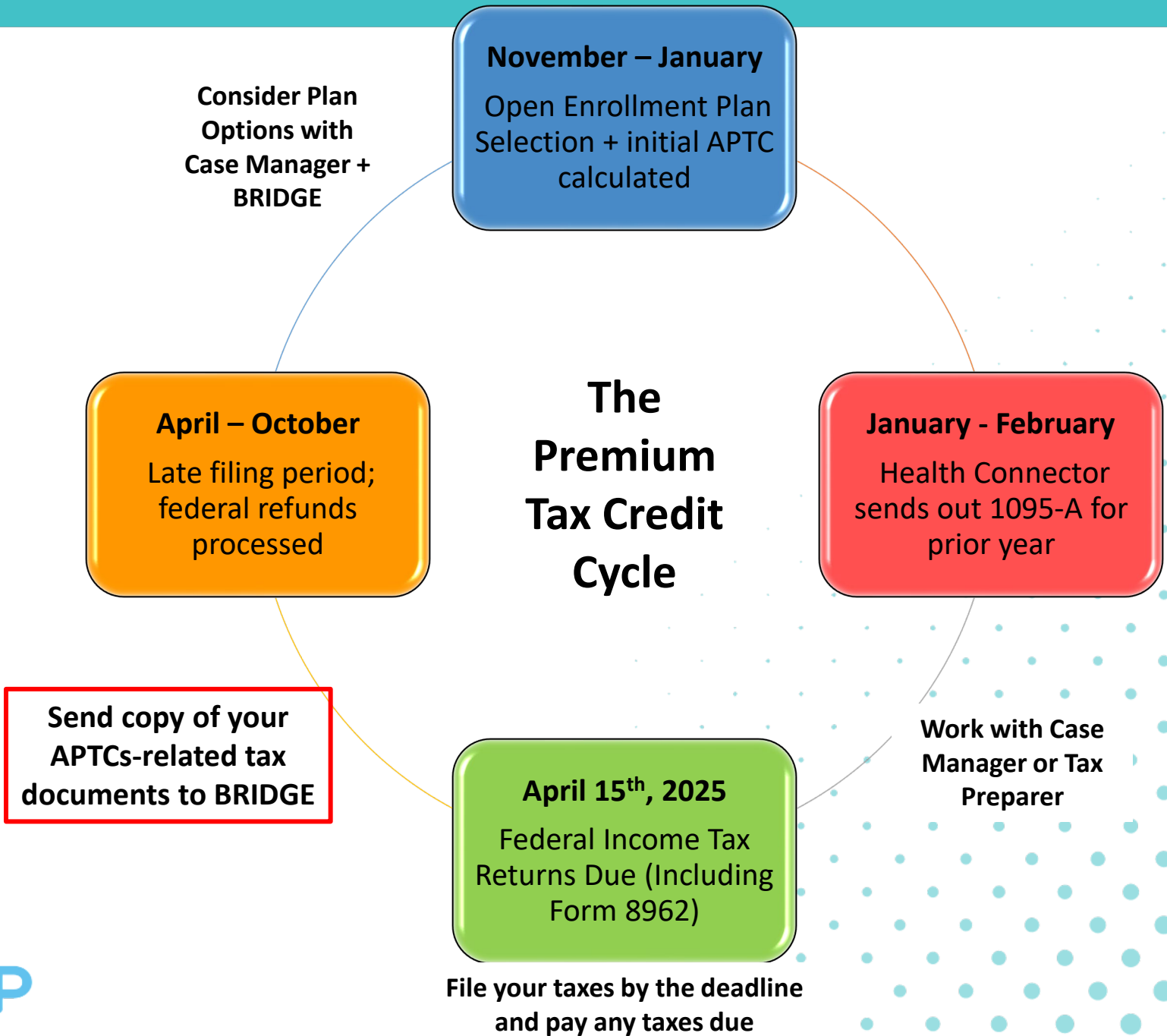
- If your actual income for the tax year was **less than what you estimated your income would be**, the government gave you less money in APTCs than you are eligible for. The IRS will give you the PTCs you were eligible for, but have not yet received, in the form of a refundable tax credit when you file your taxes for that year. This money credited to you is referred to as **Net PTCs** by the IRS.

TOO FEW Premium Tax Credits = Net PTCs

Why does Reconciliation of PTCs matter?

- If clients who received PTCs in advance do not reconcile their PTCs, they will lose access to subsidized insurance through the Health Connector in the future, including ConnectorCare and PTCs, and the IRS may contact client to pay back the PTCs.
- HDAP/CHII can pay the IRS on a client's behalf for Excess APTCs owed to IRS.
- Net PTCs issued to clients are owed to HDAP/CHII. HDAP/CHII is required by funders (HRSA/HAB) to “vigorously pursue” Net PTCs issued to clients.

Neither the MA Health Connector nor the IRS are aware that the HDAP/CHII program is paying the cost of client's insurance premiums. In the eyes of the Health Connector and the IRS, our clients are purchasing this insurance themselves, are benefiting from the PTCs, and are responsible for any repayments due for Excess APTCs.



Reconciliation Process: Important Considerations



If clients received APTCs in prior years and have not filed their taxes or reconciled the APTCs for those years:

- **They may not be eligible for APTCs or ConnectorCare in future years**

-AND-

- The IRS may contact them to **pay back** some or all of the APTCs they received during those years.

People can file or amend their taxes from previous years!

Public Service Announcement – We are talking about reconciling for tax year 2024, but we want to give a PSA for tax year 2025.

Because Health Connector continues to offer the expanded ConnectorCare eligibility up to 500% FPL for 2025, more clients will be eligible for APTCs and receiving larger amounts of APTCs.

- Anticipate that you will have more clients who will need to reconcile their APTCs for tax year 2025 (note – you will probably see this more in March/April/May of 2026).
- We anticipate the number of clients who will need to reconcile PTCs in 2025 will be similar to that of 2024.

PTCs-related Tax Forms and Reconciliation

Forms Needed for PTCs Reconciliation

	Forms	Purpose	Origin
#1	Form 1095-A – Health Coverage through the MA Health Connector	<ul style="list-style-type: none"> Verifies insurance enrollment, cost of premium, & amount of Advance PTCs client received for each month of 2024. Form 1095-A is needed to complete Form 8962. 	MA Health Connector mails Form 1095-A to clients in January 2025.
#2	Form 8962 – Premium Tax Credit	<ul style="list-style-type: none"> Calculates total amount (\$) of PTCs a client is eligible to receive for 2024 based on their actual 2024 income. Compares it to the amount PTCs they received in advance which is reported on Form 1095-A 	IRS – Form 8962 has instructions https://www.irs.gov/pub/irs-pdf/i8962.pdf
#3	Schedule 2 or Schedule 3	<ul style="list-style-type: none"> Schedule 2 (additional taxes) if Excess Advance PTCs Schedule 3 (additional credits) if Net PTCs 	IRS
#4	Form 1040 – US Individual Income Tax Return	<ul style="list-style-type: none"> The main form used for filing federal income tax returns 	IRS
#5	CRI's Client Agreement Form for PTCs Reconciliation	Details client obligations regarding filing taxes & reconciling APTCs. All clients receiving Advance PTCs are required to submit this client agreement form with the above tax forms to CRI.	CRI – copies are available on www.crihealth.org & in handbook

PTCs Reconciliation: Form 1095-A

- Form 1095-A is necessary to complete IRS Form 8962 and Reconcile APTCs. Clients will be mailed a 1095-A from the Health Connector in January 2025.
- The form arrives pre-filled with info; clients don't fill it out.

Clients can access 1095-A from Health Connector by:

1. Opening mail from the Health Connector in January 2025.
2. Call Health Connector customer service at 877-623-6765 to request additional copy be mailed (confirm mailing address).
3. View and print 1095-A through individual's online www.mahix.org account. Go to the Billing and Notices Center.
4. Financial Assistants, Case Managers who are also Navigators with the Health Connector, can also view and print 1095-A forms for clients.

Note: HDAP/CHII requires a copy of Form 1095-A for CHII clients who enrolled in a plan through the Health Connector.



Example Form 1095-A:

Form **1095-A** | Health Insurance Marketplace Statement | VOID | OMB No. 1545-0047
 Department of the Treasury | Internal Revenue Service | Do not attach to your tax return. Keep for your records. | CORRECTED | **2024**
 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 type	Head of Household Info	
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		

Part II Covered Individuals

A. Covered individual name	B. Covered individual SSN	C. Covered individual date of birth	D. Coverage start date	E. Coverage termination date
16				
17				
18				
19				
20				

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			
22 February			
23 March			
24 April			
25 May			
26 June			
27 July			
28 August			
29 September			
30 October			
31 November			
32 December			
33 Annual Totals			

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 60709Q Form **1095-A** (2024)

PTC Reconciliation: Tax Form 8962

Tax Form 8962 is a 2-page US tax form used to reconcile Advance PTCs. See example of TY2024 tax form →

- To complete Form 8962, clients will enter their annual income for 2024 and the information found in their Form 1095-A.
- The form will compare the amount of PTCs clients received in Advance during 2024 to the amount of PTCs they are eligible for.

Tax Form 8962 will indicate if clients need to fill out Schedule 2 or Schedule 3.

If a client does not have their Form 1095-A, they cannot complete Form 8962 and cannot proceed with filing their taxes correctly. See prior slide for how to get Form 1095-A



Form 8962

Department of the Treasury
Internal Revenue Service
Name (do not fill in for e-file)

Premium Tax Credit (PTC)

Attach to Forms 1040, 1040-SR, or 1040-NR.
Go to www.irs.gov/Form8962 for instructions and the latest information.

OMB No. 1545-0044

2024

Attachment
Sequence No. 73

Your social security number

A. You cannot take the PTC if your filing status is married filing separately unless you qualify for an exception. See instructions. If you qualify, check the box

Part I Annual and Monthly Contribution Amount

1 Tax family size. Enter your tax family size. See instructions.		1
2a Modified AGI. Enter your modified AGI. See instructions.	2a	
b Enter the total of your dependents' modified AGI. See instructions.	2b	
3 Household income. Add the amounts on lines 2a and 2b. See instructions.		3
4 Federal poverty line. Enter the federal poverty line amount from Table 1-1, 1-2, or 1-3. See instructions. Check the appropriate box for the federal poverty table used. <input type="checkbox"/> Alaska <input type="checkbox"/> Hawaii <input type="checkbox"/> Other 48 states and DC		4
5 Household income as a percentage of federal poverty line (see instructions)		5 %
6 Reserved for future use		6
7 Applicable figure. Using your line 5 percentage, locate your "applicable figure" on the table in the instructions.		7
8a Annual contribution amount. Multiply line 3 by line 7. Round to nearest whole dollar amount.	8a	
8b Monthly contribution amount. Divide line 8a by 12. Round to nearest whole dollar amount.	8b	

Part II Premium Tax Credit Claim and Reconciliation of Advance Payment of Premium Tax Credit

9 Are you allocating policy amounts with another taxpayer or do you want to use the alternative calculation for year of marriage? See instructions.
 Yes. Skip to Part IV, Allocation of Policy Amounts, or Part V, Alternative Calculation for Year of Marriage. No. Continue to line 10.

10 See the instructions to determine if you can use line 11 or must complete lines 12 through 23.
 Yes. Continue to line 11. Compute your annual PTC. Then skip lines 12-23 No. Continue to lines 12-23. Compute your monthly PTC and continue to line 24.

Annual Calculation	(a) Annual enrollment premiums (Form(s) 1095-A, line 30A)	(b) Annual applicable SLCSP premium (Form(s) 1095-A, line 30B)	(c) Annual contribution amount (line 8a)	(d) Annual maximum premium assistance (subtract (c) from (b); if zero or less, enter -0-)	(e) Annual PTC allowed (smaller of (d) or (c))	(f) Annual advance payment of PTC (Form(s) 1095-A, line 30C)
11 Annual Total						
Monthly Calculation	(a) Monthly enrollment premiums (Form(s) 1095-A, lines 21-23, column A)	(b) Monthly applicable SLCSP premium (Form(s) 1095-A, lines 21-23, column B)	(c) Monthly contribution amount (amount from line 8b or alternative marriage monthly calculation)	(d) Monthly maximum premium assistance (subtract (c) from (b); if zero or less, enter -0-)	(e) Monthly PTC allowed (smaller of (d) or (c))	(f) Monthly advance payment of PTC (Form(s) 1095-A, lines 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 PTC. Enter the amount from line 11(e) or add lines 12(e) through 23(e) and enter the total here.						24
25 Advance payment of PTC. Enter the amount from line 11(f) or add lines 12(f) through 23(f) and enter the total here.						25
26 Net PTC. If line 24 is greater than line 25, subtract line 25 from line 24. Enter the difference here and on Schedule 3 (Form 1040), line 9. If line 24 equals line 25, enter -0-. Stop here. If line 25 is greater than line 24, leave this line blank and continue to line 27.						26

Part III Repayment of Excess Advance Payment of the Premium Tax Credit

27 Excess advance payment of PTC. If line 25 is greater than line 24, subtract line 24 from line 25. Enter the difference here.

28 Repayment limitation (see instructions)

29 Excess advance PTC repayment. Enter the smaller of line 27 or line 28 here and on Schedule 2 (Form 1040), line 1a.

For Paperwork Reduction Act Notice, see your tax return instructions. Cat. No. 277622 Form 8962 (2024)

PTC Reconciliation: Tax Form Schedule 2

Schedule 2 (Form 1040) is a 2-page tax document that is used when clients receive **Excess APTCs**.

- Clients received too many PTCs throughout 2024 and have to pay the excess amount back.
- Page 1 is used for Excess APTCs

Tax Form 8962 will direct clients to fill out a Schedule 2 or Schedule 3.

SCHEDULE 2 (Form 1040) Additional Taxes
 Attach to Form 1040, 1040-SR, or 1040-NR.
 Department of the Treasury Internal Revenue Service
 Go to www.irs.gov/Form1040 for instructions and the latest information.
 Name(s) shown on Form 1040, 1040-SR, or 1040-NR
 Your social security number

Part I Tax

1	Additions to tax:		
a	Excess advance premium tax credit repayment. Attach Form 8962	1a	
b	Repayment of new clean vehicle credit(s) transferred to a registered dealer from Schedule A (Form 8936), Part II. Attach Form 8936 and Schedule A (Form 8936)	1b	
c	Repayment of previously owned clean vehicle credit(s) transferred to a registered dealer from Schedule A (Form 8936), Part IV. Attach Form 8936 and Schedule A (Form 8936)	1c	
d	Recapture of net EPE from Form 4255, line 2a, column (i)	1d	
e	Excessive payments (EP) from Form 4255. Check applicable box and enter amount. <input type="checkbox"/> Line 1a, column (i) <input type="checkbox"/> Line 1c, column (i) <input type="checkbox"/> Line 1d, column (i) <input type="checkbox"/> Line 2a, column (i)	1e	
f	20% EP from Form 4255. Check applicable box and enter amount. See instructions. <input type="checkbox"/> Line 1a, column (c) <input type="checkbox"/> Line 1c, column (c) <input type="checkbox"/> Line 1d, column (c) <input type="checkbox"/> Line 2a, column (c)	1f	
y	Other additions to tax (see instructions):	1y	
z	Add lines 1a through 1y	1z	
2	Alternative minimum tax. Attach Form 6251	2	
3	Add lines 1z and 2. Enter here and on Form 1040, 1040-SR, or 1040-NR, line 17	3	

Part II Other Taxes

4	Self-employment tax. Attach Schedule SE	4	
5	Social security and Medicare tax on unreported tip income. Attach Form 4137	5	
6	Uncollected social security and Medicare tax on wages. Attach Form 8919	6	
7	Total additional social security and Medicare tax. Add lines 5 and 6	7	
8	Additional tax on IRAs or other tax-favored accounts. Attach Form 5329 if required. If not required, check here	8	
9	Household employment taxes. Attach Schedule H	9	
10	Repayment of first-time homebuyer credit. Attach Form 5405 if required	10	
11	Additional Medicare Tax. Attach Form 8959	11	
12	Net investment income tax. Attach Form 8960	12	
13	Uncollected social security and Medicare or RRTA tax on tips or group-term life insurance from Form W-2, box 12	13	
14	Interest on tax due on installment income from the sale of certain residential lots and timeshares	14	
15	Interest on the deferred tax on gain from certain installment sales with a sales price over \$150,000	15	
16	Recapture of low-income housing credit. Attach Form 8611	16	

(continued on page 2)
 For Paperwork Reduction Act Notice, see your tax return instructions. Cat. No. 714782 Schedule 2 (Form 1040) 2024

Other taxes

p	Any interest from Form 8621, line 16i, relating to distributions from, and dispositions of, stock of a section 1291 fund	17p	
q	Any interest from Form 8621, line 24	17q	
z	Any other taxes. List type and amount:	17z	

Total additional taxes. Add lines 17a through 17z **18**

19 Recapture of net EPE from Form 4255, line 1d, column (i) **19**

20 Section 965 net tax liability installment from Form 965-A **20**

21 Add lines 4, 7 through 16, and 18. These are your **total other taxes**. Enter here and on Form 1040 or 1040-SR, line 23, or Form 1040-NR, line 23b **21**

Schedule 2 (Form 1040) 2024



PTC Reconciliation: Tax Form Schedule 3

Schedule 3 (Form 1040) is a 2-page tax document that is used when clients receive Net Premium Tax Credits.

- Clients received too few PTCs throughout 2024 and are receiving the additional credit.
- Net PTCs are documented on page 2



SCHEDULE 3 (Form 1040)		Additional Credits and Payments		OMB No. 1545-0074
Department of the Treasury Internal Revenue Service		Attach to Form 1040, 1040-SR, or 1040-NR. Go to www.irs.gov/Form1040 for instructions and the latest information.		2024 Attachment Sequence No. 03
Name(s) shown on Form 1040, 1040-SR, or 1040-NR			Your social security number	
Part I Nonrefundable Credits				
1	Foreign tax credit. Attach Form 1116 if required		1	
2	Credit for child and dependent care expenses from Form 2441, line 11. Attach Form 2441		2	
3	Education credits from Form 8863, line 19		3	
4	Retirement savings contributions credit. Attach Form 8880		4	
5a	Residential clean energy credit from Form 5695, line 15		5a	
5b	Energy efficient home improvement credit from Form 5695, line 32		5b	
6	Other nonrefundable credits:			
a	General business credit. Attach Form 3800	6a		
b	Credit for prior year minimum tax. Attach Form 8801	6b		
c	Adoption credit. Attach Form 8839	6c		
d	Credit for the elderly or disabled. Attach Schedule R	6d		
e	Reserved for future use	6e		
f	Clean vehicle credit. Attach Form 8936	6f		
g	Mortgage interest credit. Attach Form 8396	6g		
h	District of Columbia first-time homebuyer credit. Attach Form 8859	6h		
i	Qualified electric vehicle credit. Attach Form 8834	6i		
j	Alternative fuel vehicle refueling property credit. Attach Form 8911	6j		
k	Credit to holders of tax credit bonds. Attach Form 8912	6k		
l	Amount on Form 8978, line 14. See instructions	6l		
m	Credit for previously owned clean vehicles. Attach Form 8936	6m		
z	Other nonrefundable credits. List type and amount: _____	6z		
7	Total other nonrefundable credits. Add lines 6a through 6z		7	
8	Add lines 1 through 4, 5a, 5b, and 7. Enter here and on Form 1040, 1040-SR, or 1040-NR, line 20		8	
Part II Other Payments and Refundable Credits				
9	Net premium tax credit. Attach Form 8962		9	
10	Amount paid with request for extension to file (see instructions)		10	
11	Excess social security and tier 1 RRTA tax withheld		11	
12	Credit for federal tax on fuels. Attach Form 4136		12	
13	Other payments or refundable credits:			
a	Form 2439	13a		
b	Section 1341 credit for repayment of amounts included in income from earlier years	13b		
c	Net elective payment election amount from Form 3800, Part III, line 6, column (j)	13c		
d	Deferred amount of net 965 tax liability (see instructions)	13d		
z	Other refundable credits (see instructions): _____	13z		
14	Total other payments or refundable credits. Add lines 13a through 13z		14	
15	Add lines 9 through 12 and 14. Enter here and on Form 1040, 1040-SR, or 1040-NR, line 31		15	

PTC Reconciliation: Tax Form 1040

- Form 1040 is the US Individual Income Tax Return.
- It is a 2-page form that summarizes client's income and taxes owed and compares that to any tax credits or payments already made.
- Ultimately, Form 1040 determines if clients owe additional taxes to the IRS or if they receive a tax refund.

Whether a client has Excess or Net PTCs can affect whether a client receives a tax refund or if they owe additional money to the IRS.



1040 Department of the Treasury - Internal Revenue Service
U.S. Individual Income Tax Return **2024** OMB No. 1545-0047 (PS) Use Only - Do not write or staple in this space.

For the year Jan. 1-Dec. 31, 2024, or other tax year beginning _____, 2024, ending _____, 20

See separate instructions.

Your last name and middle initial _____ Last name _____ Your social security number _____

If joint return, spouse's first name and middle initial _____ Last name _____ Spouse's social security number _____

Home address (number and street), if you have a P.O. box, see instructions. _____ Apt. no. _____

City, town, or post office. If you have a foreign address, also complete spaces below. _____ State _____ ZIP code _____

Foreign country name _____ Foreign province/state/county _____ Foreign postal code _____

Filing Status Single Head of household (HOH)
 Married filing jointly Married filing separately
 Check only one box. If you checked qualifying person, if treating a spouse's name.

Digital Assets At any time during the year, did you exchange, sell, or otherwise dispose of digital assets? Yes No

Standard Deduction Someone can claim you as a dependent Spouse itemizes

Age/Blindness You: Yes No Were born before 1/1/1954

Dependents (see instructions) If more than four dependents, see instructions and check here: Yes No

Income **1a** Total amount from Form(s) W-2 here. Also attach Form(s) W-2 and 1099-R if tax was withheld. **1b** Household **1c** Tip income **1d** Medicare wages and tips **1e** Taxable dividend income **1f** Employer-paid health insurance **1g** Wages from other sources **1h** Other income **1i** Nontaxable interest **1j** Add lines 1a through 1i

Attach docs. if required. **2a** Tax-exempt interest **2b** Qualified dividends **2c** IRA distributions **2d** Pensions or annuities **2e** Social security benefits **2f** Capital gain **2g** Additional tax **2h** Add lines 2a through 2g **2i** Adjustments **2j** Subtract line 2h from line 2g **2k** Standard deduction **2l** Qualified business unearned income **2m** Add lines 2a through 2j **2n** Subtract line 2k from line 2m

Standard Deduction for: **1** Single or Married filing separately, \$13,800 **2** Married filing jointly or Qualifying surviving spouse, \$27,600 **3** Head of household, \$13,800 **4** If you checked any box under Standard Deduction, see instructions.

Tax and Credits **16** Tax (see instructions). Check if any from Form(s) 1 8814 **2** 4872 **3** _____ **17** Amount from Schedule 2, line 3 **18** Add lines 16 and 17 **19** Child tax credit or credit for other dependents from Schedule 8812 **20** Amount from Schedule 3, line 8 **21** Add lines 19 and 20 **22** Subtract line 21 from line 16. If zero or less, enter -0- **23** Other taxes, including self-employment tax, from Schedule 2, line 21 **24** Add lines 22 and 23. This is your total tax.

Payments **25** Federal income tax withheld from: **a** Form(s) W-2 **25a** **b** Form(s) 1099 **25b** **c** Other forms (see instructions) **25c** **d** Add lines 25a through 25c **25d** **26** 2024 estimated tax payments and amount applied from 2023 return **27** Earned income credit (EIC) **28** Additional child tax credit from Schedule 8812 **29** American opportunity credit from Form 8863, line 8 **30** Reserved for future use **31** Amount from Schedule 3, line 15 **32** Add lines 27, 28, 29, and 31. These are your total other payments and refundable credits **33** Add lines 25d, 26, and 32. These are your total payments.

Refund **34** If line 33 is more than line 24, subtract line 24 from line 33. This is the amount you overpaid **34** **35a** Amount of line 34 you want refunded to you. If Form 8888 is attached, check here **35a** **35b** Routing number _____ **35c** Type: Checking Savings **35d** Account number _____ **36** Amount of line 34 you want applied to your 2025 estimated tax.

Amount You Owe **37** Subtract line 33 from line 24. This is the amount you owe. For details on how to pay, go to www.irs.gov/Payments or see instructions. **37** **38** Estimated tax penalty (see instructions) **38**

Third Party Designee Do you want to allow another person to discuss this return with the IRS? See instructions. Yes. Complete below. No

Sign Here Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature _____ Date _____ Your occupation _____ If the IRS sent you an Identity Protection PIN, enter it here (see inst.) _____

Spouse's signature, if a joint return, both must sign. _____ Date _____ Spouse's occupation _____ If the IRS sent your spouse an Identity Protection PIN, enter it here (see inst.) _____

Preparer's name _____ Preparer's signature _____ Date _____ PTIN _____ Check if Self-employed

Preparer's name _____ Preparer's address _____ Preparer's EIN _____

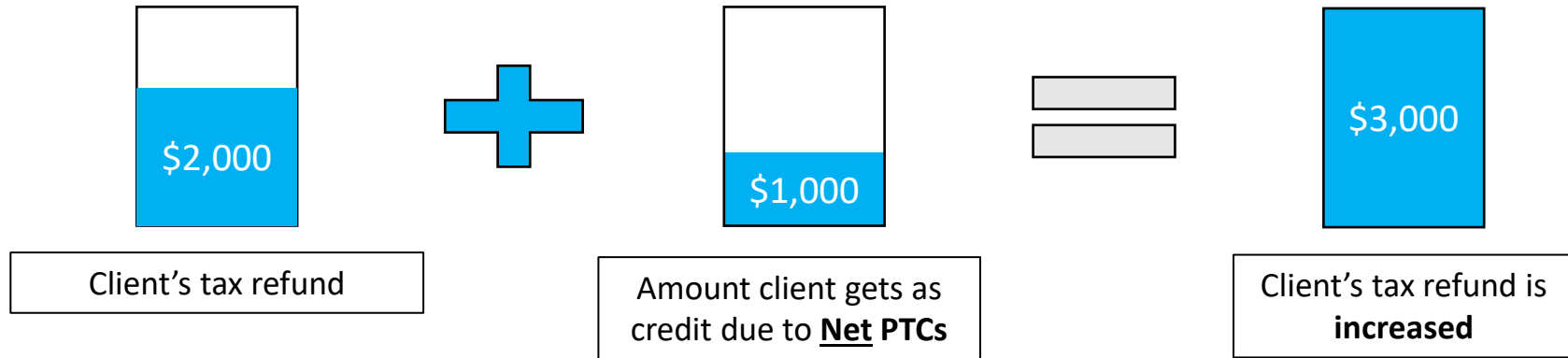
Go to www.irs.gov/Form1040 for instructions and the latest information. Form 1040 (2024)

PTC Reconciliation Scenarios

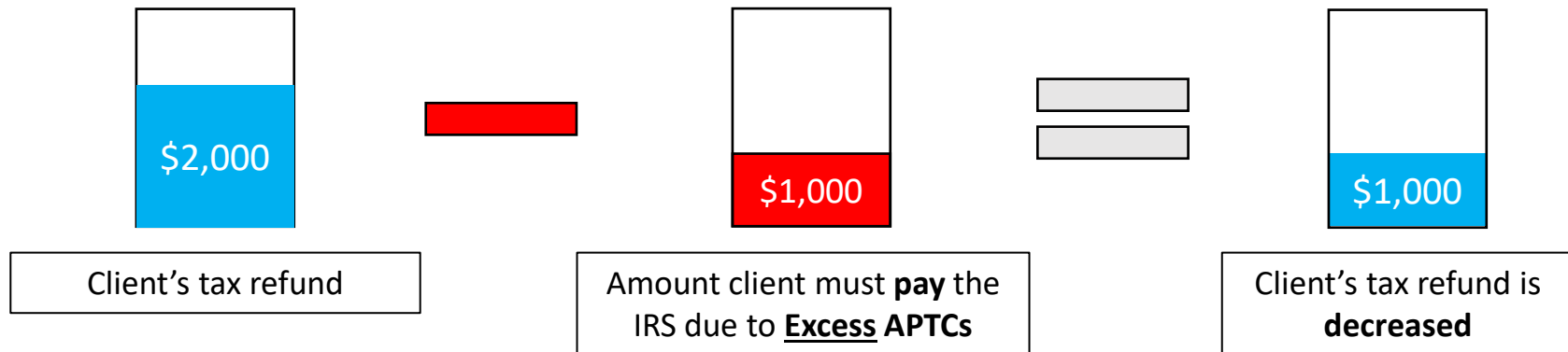
A client's tax refund can be altered due to Excess or Net Premium Tax Credits.



Scenario 1:
Client's refund
increased by Net PTCs.

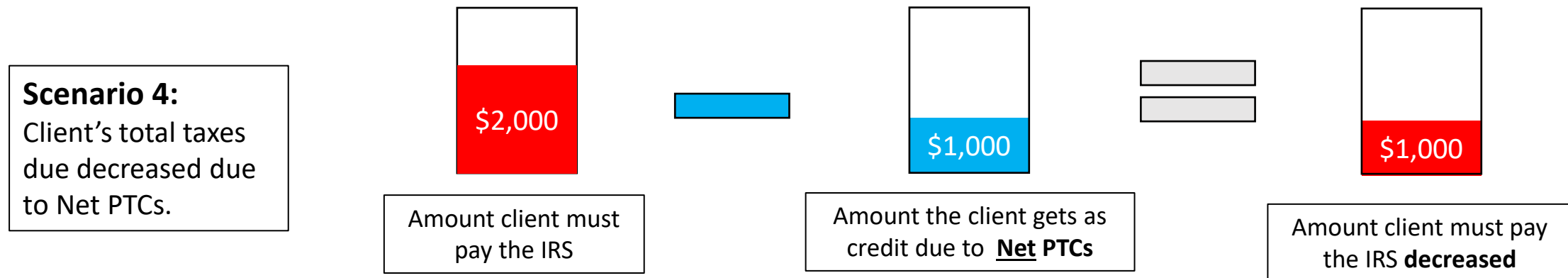
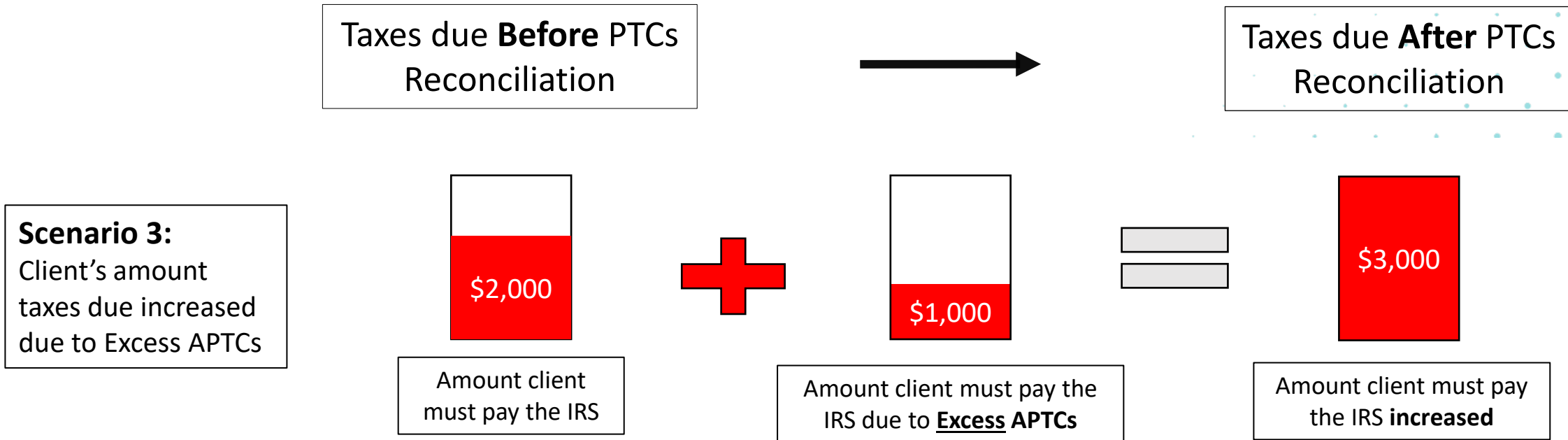


Scenario 2:
Client's refund
decreased by Excess
APTCs.



PTC Reconciliation Scenarios

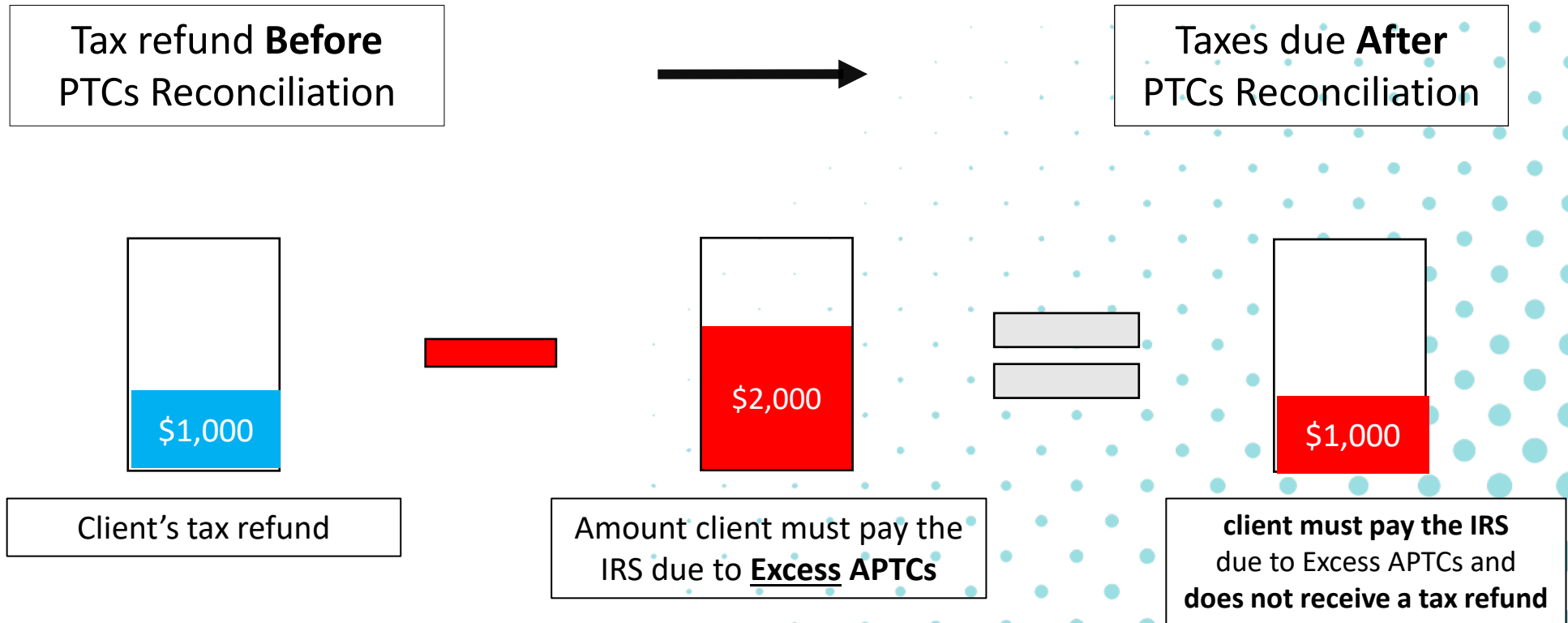
A client's total tax amount due can be altered due to Excess or Net Premium Tax Credits.



PTC Reconciliation Scenarios

A client's tax refund can disappear due to having to pay the IRS for Excess APTCs

Scenario 5: Client's tax refund gets applied to amount they must pay the IRS due to Excess APTCs, resulting in client having to pay taxes instead of getting a refund.



What Are Clients Supposed to Do About Paying Their Taxes?

Clients must file and pay **all** taxes they owe the IRS, **including those due to Excess APTCs**, by the tax deadline to avoid paying any late penalties or interest. Any taxes owed to IRS are due by April 17th.

- If client cannot pay full amount, they can set up a payment plan for whatever they can't pay. Late penalties and interest will still apply, which HDAP/CHII cannot pay. Advise clients to pay as much as they can to minimize penalty.

RECAP:

- 1) CHII clients on ConnectorCare or other Health Connector plans must apply for PTCs and take them in advance.
- 2) The IRS does not know that CHII pays monthly insurance premiums for our clients. IRS thinks the client is paying premiums and the client is receiving PTCs in advance each month.
- 3) Clients must reconcile the PTCs they received in 2024 when they file taxes. Reconciliation may alter the amount they have to pay the IRS or the amount they receive as tax refund.

For Clients who have Excess APTCs:

- HDAP/CHII can pay IRS on a client's behalf for Excess APTCs **after** the client has filed their taxes. Client will be reimbursed by IRS later that year.
- HDAP/CHII **cannot** pay for any late penalties/interest.

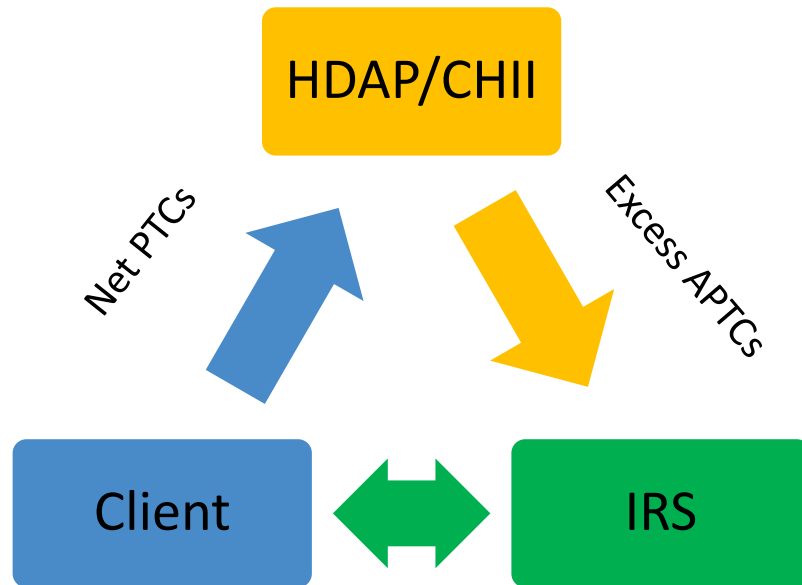
How can clients minimize late penalties/interest?

1. Pay in full by April 15th: No late penalties/interest
2. Pay as much as possible by April 15th. Set up a *payment plan* for remaining balance and make payments on time according to payment plan to minimize penalties & interest on remaining balance.

HDAP/CHII & Client Responsibilities For PTCs reconciliation

PTCs Reconciliation: How can HDAP/CHII assist clients?

Potential Payments



- Money owed in taxes
- Tax refunds
- Reimbursement for payment made by HDAP/CHII on client's behalf for Excess APTCs after they filed their taxes

If client has Excess APTCs: client owes extra \$ to the IRS

- The client must pay the IRS all taxes owed by the tax deadline to avoid having to pay late payment penalty and interest.
- HDAP/CHII can pay the IRS on a client's behalf the amount owed due to Excess APTCs **after** client has filed their taxes and after BRIDGE has reviewed the client's tax forms.
- When the IRS receives a payment from HDAP/CHII sent on client's behalf, the IRS then sends payment to the client as a reimbursement for the amount client already paid when they filed. *It may take several months for a client to receive this.*
- HDAP/CHII cannot send payments directly to clients under any circumstances (due to funding restrictions)
- Client is required to send payment to HDAP/CHII for the extra tax credits they receive from the IRS due to Net PTCs


What does HDAP/CHII require clients to do regarding PTCs?

1. Obtain a copy of Form 1095-A from the Health Connector.
2. File their taxes. Include Form 8962 (requires Form 1095-A).
 - Free tax prep services are available across Massachusetts. See Resources slide.
3. After filing, if client owes money to IRS, advise client to pay what is owed by tax deadline or request payment plan with IRS to minimize any late penalty (HDAP/CHII cannot pay late penalties). If client receives a tax refund, do not spend until after BRIDGE reviews client's forms, because some or all of the refund may be due to HDAP/CHII if client has Net PTCs.
4. Submit their PTCs-related tax forms **and signed client agreement** re: PTCs form to BRIDGE after filing taxes.
 - IRS Form 1040** (both sides of 1-pager)
 - **IRS Schedule 2 (Form 1040)** if they have Excess APTCs **OR**
 - **IRS Schedule 3 (Form 1040)** if they have Net PTCs.
 - IRS Form 8962: Premium Tax Credit**
 - Form 1095-A** – mailed to client from MA Health Connector
 - HDAP/CHII Client Agreement Regarding Reconciliation of PTCs Form** – signed and dated by client

HDAP/CHII Requirements for PTCs: *Agreement Regarding Reconciliation of Premium Tax Credits*

- CHII clients who received APTCs and premium assistance for any month of 2024 **must sign and date** this form and then **send a copy** to the BRIDGE Team via upload to HDAP portal (preferred), or via secure email, fax, or mail.



Massachusetts HIV Drug Assistance Program (HDAP)

Agreement Regarding Reconciliation of Premium Tax Credits – Tax Year 2024

Please sign, date, and return this form immediately.
PROVIDE PORTAL UPLOAD: Please use "other document" category and write "APTCs" in comments box
Provider Portal: <https://mahdaprovider.providecm.net/Account/LogOn>
Client Portal: <https://mahdap.providecm.net/>

EMAIL it securely to: BRIDGEteam@crihealth.org using our [Secure Email](#).
Find instructions and link to access the secure email here: <https://crihealth.org/contact/#Secure>.
FAX this form to (617) 502-1703, **MAIL** it to: Community Resource Initiative, ATTN: BRIDGE Team, Schrafft's City Center, 529 Main Street, Suite 301, Boston, MA 02129

REQUIRED

I, (Name) _____, agree to make payment to Community Resource Initiative for any refundable federal tax credits I receive from the Internal Revenue Service (IRS) for Net Premium Tax Credits (PTCs), resulting from health insurance premium payments made on my behalf by the Massachusetts HDAP/CHII program during tax year 2024.

I understand that this credit due to Net PTCs, which I may receive as an additional credit in my tax refund or as a reduction in the amount I must pay in taxes, is the sole property of the HDAP/CHII program, which expects to receive payment within 10 days of my having received a refund from the IRS or my paying the IRS a reduced amount in taxes.

I also authorize HDAP/CHII to make a payment to the IRS on my behalf if I owe money to the IRS due to Excess Advance PTCs, because of overpayment of Advance PTCs due to my 2024 income being greater than my estimated income for 2024 that I reported to the Massachusetts Health Connector in my application. I understand HDAP/CHII cannot pay the IRS on my behalf until I have provided them with the required documentation.

By signing below, I agree to these terms and conditions.

Signature: _____ Date: _____

Please contact the BRIDGE Team with questions: BRIDGEteam@crihealth.org, or (617) 502-1700, press "1", then press "5".

This program is supported by funds from the U.S. Health Resources and Services Administration and the Massachusetts Department of Public Health, and is administered by Community Resource Initiative.

Submitting Tax Documents to BRIDGE: Use the HDAP portal

- Upload as “Other Document”
- Write “APTCs” in comments box.



Please submit any documents missing from an existing application, or to update information already provided or extend temporary coverage. If you send insurance payment statements to CHII, you can use this screen to do so.

Submit Documentation

HDAP ID (if known):

Full First Name: *

Full Last Name: *

Date of Birth: *

Comments: ?

Other Document

Click to select files to attach ==>:

If you are unable to upload documentation, you may securely fax it to HDAP at 617-502-1703 or mail to Schrafft City Center, 529 Main St Suite 301, Boston, MA 02129



Examples

Reconciliation of PTCs and HDAP/CHII: Action Steps From Start to Finish

Examples: A Tax Refund Amount Increases Due to Reconciling PTCs



In Jan 2024, Sophie estimates she will earn \$30,000 for the year. Throughout 2024, Sophie gets \$900 in APTCs monthly on her premium bill, reducing her monthly Health Connector premium bill.

Sophie initially completes her Tax Year 2024 taxes, and finds she is getting a **\$1,000 refund.**

When Sophie submits her taxes, **the IRS sends her a \$2,200 tax refund.** Sophie's case manager warns her not to spend this money until the BRIDGE team reviewed her tax documents.

Sophie writes a check to Community Resource Initiative for \$1,200 for Net PTCs in TY2024. **She keeps her \$1,000 net tax refund.**



In February 2025, when Sophie gets her W2s, she realizes that she only made \$25,000 in 2024.

Sophie's accountant checks her work and realizes she forgot to reconcile her PTCs. Sophie and her accountant complete Form 8962, and realize **Sophie gets \$1,200 in Net PTCs;** Sophie should have received an additional \$100 in APTCs every month in 2024.

Sophie sends her IRS tax forms, Form 1095-A, and signed client agreement form Re: PTCs to the BRIDGE team. BRIDGE reviews the tax forms and emails a letter requesting **Sophie pay CRI \$1,200 due to Net PTCs.**

\$1000 refund if no PTCs	+	\$1,200 Net PTCs	=	\$2,200 refund with Net PTCs						
					↳	\$2,200 refund with Net PTCs	-	\$1,200 Sophia's payment to HDAP/CHII for Net PTCs	=	\$1000 refund as if no PTCs
						Sophia pays CRI \$1,200 due to Net PTCs				

Examples: A Tax Refund Amount Decreases Due to Reconciling PTCs



In Jan 2024, Amari estimates he will earn \$30,000 for the year. Throughout 2024, Amari gets \$1,000 in APTCs monthly on his premium bill, reducing his monthly Health Connector premium bill.

Amari initially completes his Tax Year 2024 taxes, and finds he is getting a **\$1,000 refund.**

When Amari submits his taxes, **the IRS sends him a \$200 tax refund.** Amari's case manager lets him know that HDAP/CHII might be able to pay the Excess PTCs amount.

Months later, Amari receives a check from the IRS for \$800. **In total, Amari ends up with a \$1,000 net tax refund.**



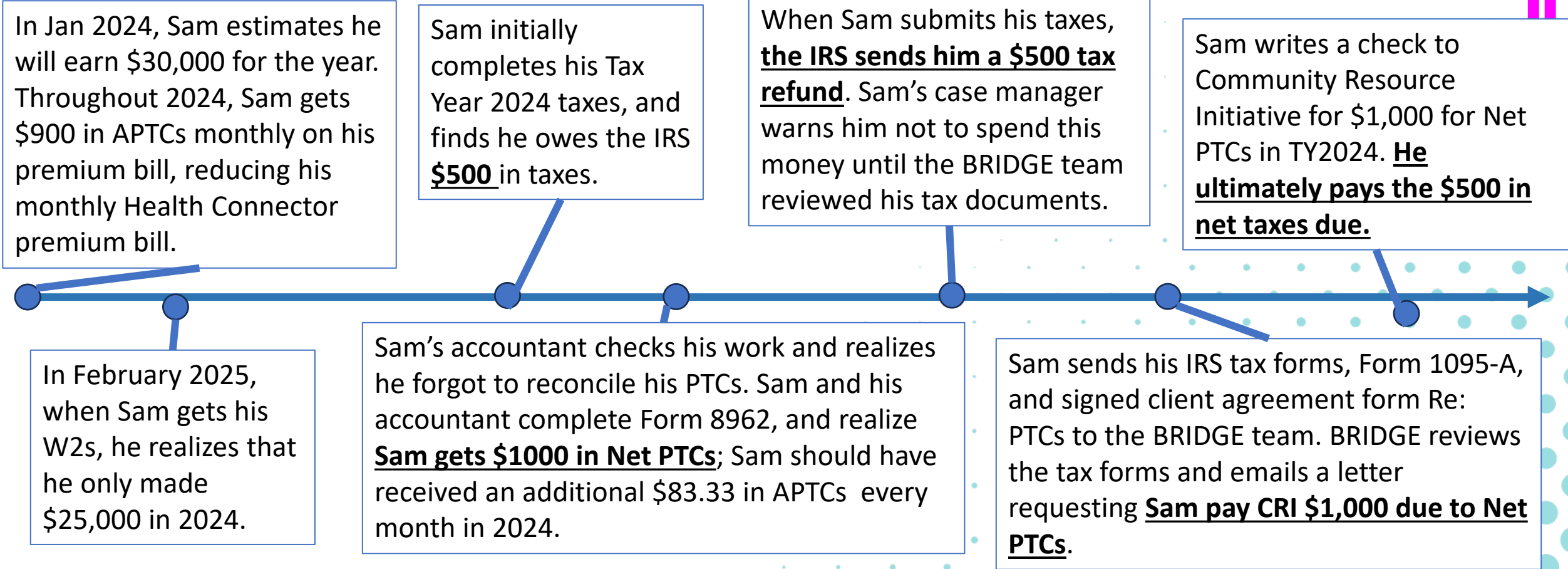
In February 2025, when Amari gets his W2s, he realizes that he made \$35,000 in 2024.

Amari's accountant checks his work and realizes he forgot to reconcile his PTCs. Amari and his accountant complete Form 8962, and realize **Amari owes \$800 in Excess PTCs;** Amari should have received \$66.67 less in APTCs every month in 2024.

Amari sends his IRS tax forms, Form 1095-A, and signed client agreement form Re: PTCs to the BRIDGE team. BRIDGE reviews the tax forms and emails a letter stating that **HDAP/CHII is paying the IRS \$800 due to Excess PTCs.**

\$1000 refund if no PTCs	-	\$800 Excess PTCs	=	\$200 refund with Excess PTCs		\$200 refund	+	\$800 Reimbursement from IRS due to HDAP/CHII payment	=	\$1000 refund as if no PTCs
					HDAP/CHII pay IRS \$800 on Amari's behalf. <i>Months later</i> , the IRS pays Amari \$800 as reimbursement.					

Complex Examples: Client Gets a Tax Refund Instead of Owing the IRS



$-\$500$ taxes owed if no PTCs	$+$	$\$1,000$ Net PTCs	$=$	$\$500$ refund with Net PTCs	$\xrightarrow{\text{Sam pays CRI } \$1,000 \text{ due to Net PTCs}}$	$\$500$ Refund with Net PTCs	$-$	$\$1,000$ Sam's payment to HDAP/CHII for Net PTCs	$=$	$-\$500$ taxes owed as if no PTCs
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Complex example: Client Owes the IRS Instead of Getting a Tax Refund



In Jan 2024, Martin estimates they will earn \$30,000 for the year. Throughout 2024, Martin gets \$1,000 in APTCs monthly on their premium bill, reducing their monthly Health Connector premium bill.

Martin initially completes their Tax Year 2024 taxes, and finds they get a **\$500 refund**.

When Martin submits their taxes, **they pay the IRS \$700 for taxes due**. Martin's case manager lets them know that HDAP/CHII might be able to pay the IRS for their Excess PTCs amount.

Months later, Martin receives a check from the IRS for \$1,200. **In total, Martin ends up with a \$500 net tax refund.**

In February 2025, when Martin gets their W2s, they realize that they made \$35,000 in 2024.

Martin's accountant checks their work and realizes they forgot to reconcile their PTCs. Martin and their accountant complete Form 8962, and realize **Martin owes \$1,200 in Excess PTCs**; Martin should have received \$100 less in APTCs every month in 2024.

Martin sends their IRS tax forms, Form 1095-A, and signed client agreement form Re: PTCs to the BRIDGE team. BRIDGE reviews the tax forms and emails a letter stating that **HDAP/CHII is paying the IRS \$1,200 due to Excess PTCs**.

\$500 refund if no PTCs	-	\$1,200 Excess PTCs	=	-\$700 taxes due to IRS with Excess PTCs					
						$\xrightarrow{\text{HDAP/CHII pay IRS \$1,200 on Martin's behalf. Months later, the IRS pays Martin \$1,200 as reimbursement.}}$			
						-\$700 Taxes due	+	\$1,200 Reimbursement from IRS due to HDAP/CHII payment	= \$500 refund as if no PTCs

How to Minimize Excess APTCs Owed to IRS or Net PTCs Owed to HDAP/CHII in Future Years

Report life changes to the MA Health Connector as they occur. Life changes may change the amount of APTCs a client receives and reporting them promptly may prevent large tax credit adjustments at the end of the year. Changes in income will change the amount of APTCs a client receives.

- “Life changes” include, but are not limited to:
 - **Changes in income and employment**
 - Changes in health coverage eligibility, such as becoming newly eligible for Medicare
 - Changes to one’s household, like birth or adoption, becoming pregnant, and marriage or divorce

Summary
Reference Slides
Free Tax Prep Services

Summary of Action Steps:

What do clients who received PTCs last year need to do?

1. Obtain a copy of Form 1095-A from the Health Connector.
2. File taxes, even if not done before. Include Form 8962 (requires information from Form 1095-A).
 - Free tax prep services are available across Massachusetts. See Resources slide.
3. If client owes money to IRS when they file, client should pay what they owe by deadline or request payment plan with IRS to avoid a late penalty. If client receives a tax refund, do not spend refund until after BRIDGE reviews client's tax forms; some of the refund might be due to HDAP/CHII if client has Net PTCs.
4. Submit client's PTCs-related tax forms and signed client agreement re: PTCs form to BRIDGE after filing taxes.
 - Required forms are listed on prior slide and at <https://crihealth.org/insurance-support/premium-tax-credits/>.
5. Look out for correspondence from BRIDGE Team regarding determination if HDAP/CHII can pay IRS on client's behalf due to Excess APTCs, or if client must send payment to HDAP/CHII due to Net PTCs.

How to set up a payment plan with IRS:

- Most clients will qualify for a Short-term Payment Plan with the IRS as individual taxpayer.
 - Gives clients up to 180 days/ 6 months to pay off taxes due.
 - \$0 set up fee; can pay from direct deposit, debit/credit card, money order or check.
 - Penalties and interest still add up until balance owed is \$0.
 - HDAP/CHII cannot pay for the penalties and interest fees.
- Apply for a payment plan online, in person, over the phone.
 - IRS now offers secure online login through tech partner: ID.me.
 - Requires government ID or call with ID.me staff.
- Reference IRS website to setup up IRS account and learn how to set up payment plan: <https://www.irs.gov/payments/online-payment-agreement-application>.

Free Tax Prep Resources in Massachusetts

- **Volunteer Income Tax Assistance (VITA) Program – *Multiple Locations in Mass***
 - Free tax assistance for those earning less than \$64,000, the elderly, persons with disabilities, and limited-English speaking taxpayers.
 - Find Locations here: <https://irs.treasury.gov/freetaxprep/>
 - Additional locations here: <https://www.masscap.org/freetaxprep/>
- **Greater Boston Legal Services Low Income Tax Clinic**
 - Main office: 197 Friend Street, Boston, MA 02114
 - Phone: 800-323-3205; 617-371-1234; <https://www.gbls.org/what-we-do/taxes>
- **Springfield Partners Low Income Tax Clinic**
 - Address: 721 State Street, Springfield, MA 01109
 - Phone: 413-263-6500, [Volunteer Income Tax Assistance \(VITA\) – Springfield Partners for Community Action](#)

For clients who want to file their taxes online, we recommend they take advantage of the IRS free file program (if eligible), starting with the IRS website: <https://apps.irs.gov/app/freeFile> rather than starting from a tax service's homepage. Income eligibility for free file is \$79,000 AGI or less.

PTCs-related Tax Forms due to BRIDGE:

Clients must send completed forms to BRIDGE after filing



- IRS Form 8962:** www.irs.gov/pub/irs-pdf/f8962.pdf
 - Instructions for IRS Form 8962:** <https://www.irs.gov/pub/irs-pdf/i8962.pdf>
- IRS Form 1040:** www.irs.gov/pub/irs-pdf/f1040.pdf
 - IRS Schedule 2 (Form 1040):** www.irs.gov/pub/irs-pdf/f1040s2.pdf if they have Excess Advance PTCs **OR**
 - IRS Schedule 3 (Form 1040):** www.irs.gov/pub/irs-pdf/f1040s3.pdf if they have Net premium tax credit
- Form 1095-A** – mailed to client from MA Health Connector and available to download online from [Health Connector](#)
 - 1-877-623-6765 (call to request another copy be mailed)
 - www.mahealthconnector.org/taxes/tax-form-copies-and-corrections sign in and follow download instructions
- HDAP/CHII Client Agreement Regarding Reconciliation of PTCs Form** – signed and dated by client
 - Available on our website in English: [TY2024-HDAP-ENGLISH APTCs-Client-Agreement 1.15.25.pdf](#)
 - And in Spanish: [TY2024-HDAP-SPANISH APTCs-Client-Agreement-Form-1.15.25.pdf](#)

How to Contact Us

Individuals:

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P: 617.502.1744

BRIDGE Team Contact:

BRIDGE Team

P. 617.502.1700 (select option 1 followed by option 5)

bridgeteam@crihealth.org

Email Us Securely:

<https://crihealth.org/contact/#Secure>

Mail:

Community Resource Initiative

ATTN: BRIDGE Team

529 Main Street, Suite 301

Boston, MA 02129

Community Resource Initiative:

<https://crihealth.org/insurance-support/bridge/>

617.502.1700 (Phone)

617.502.1703 (HDAP/BRIDGE/CHII fax)