Module 14: MADAP and Premium Tax Credits

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About *Alive!* Maryland

The **Maryland Department of Health** has engaged with **HealthHIV** to launch *Alive! Maryland*, the first-ever comprehensive capacity building initiative for the infectious disease and primary care workforces in the State of Maryland.

For more information on this initiative and a listing of trainings, resources, and events, please visit

www.alivemaryland.org

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Services

POINT TO POINT
Technical Assistance Services

ACCESS POINT
On-Demand Training Resources

- Individualized trainings and technical assistance
- CME-eligible virtual trainings and self-paced curricula
- Downloadable resources and toolkits for community partners
- Interactive MDH training calendar

CBA and Training Core Content Areas

- Effective HIV, Viral Hepatitis, STI Prevention, Care, and Treatment Programs for specific populations
- Health Equity
- Financial and Grants/Management/Compliance
- Care and Treatment
- Organizational and Infrastructure Development
- Prevention and Surveillance
- Ending the HIV Epidemic (EHE)

Objectives

- Explain the Premium Tax Credit (PTC) for Qualified Health Plans
- Review the IRS procedures for PTC reconciliation
- Highlight PTC reconciliation requirements for MADAP clients

Premium Tax Credits

General Definition and Eligibility Guidelines

Definition

What is the Premium Tax Credit (PTC)?

- ***Federal*** subsidy to assist with paying insurance premiums for a qualified health plan (QHP) obtained through a Health Exchange
  - Maryland – all functions handled by Maryland Health Exchange
  - Designed to cap taxpayer contribution towards health insurance premium costs to no more than 8.5% of Household Income (Modified Adjusted Gross Income) as of tax year 2021
  - Amount of subsidy is based on income, household, residency, and/or eligibility for other health care coverage upon enrollment

Definition

PTC cont'd

- For individuals lawfully present
  - Income between 100% and 400% of Federal Poverty Level through tax year 2020
  - Beginning tax year 2021, no upper limit on income
  - MFS filing status (Married Filing Separately) generally not eligible

Definition

PTC options

- Lump Sum payment when federal income taxes are filed, or
- Advance monthly payments of the Premium Tax Credit (APTC)
    - Made directly to insurance carrier by the U.S. Treasury
    - Amount shows as a credit on the insurance premium invoice and reduces the monthly premium
    - APTC represents an *estimate* calculated at time of enrollment

Premium Tax Credits

IRS Process for PTC Reconciliation

IRS Process

PTC Reconciliation

- When Advance payments of the Premium Tax Credit were made for even one month during the year, the IRS requires *reconciliation* on ***Federal*** income tax filing (see Form 1095-A)
  - This requirement takes precedence over income filing threshold
  - The result of the reconciliation is calculated within the tax filing—the insurance carrier is no longer involved in process

IRS Process

PTC Reconciliation

- Three basic IRS forms required
  - 1095-A
  - 8962
  - 1040 (additional schedules may be required)

IRS Process

PTC Reconciliation

- 1095-A: Health Insurance Marketplace Statement
  - Month-by-month detail of insurance premium and subsidy info
  - This form represents information reported directly to the IRS
  - Mailed by Maryland Health Exchange by Jan 31st (also available on website within customer account)

IRS Process

PTC Reconciliation

- 1095-A: Health Insurance Marketplace Statement
  - Any APTC applied during year will appear in Part III, Col C
  - Coverage information on the 1095-A will be compared to MADAP Plus payments made for client during the applicable tax year
  - If taxpayer hasn't received this form or has misplaced the form, contact Maryland Health Exchange (1-855-642-8572)

IRS Process

Form **1095-A**

Department of the Treasury
Internal Revenue Service

Health Insurance Marketplace Statement

▶ Do not attach to your tax return. Keep for your records.
▶ Go to *www.irs.gov/Form1095A* for instructions and the latest information.

☐ VOID
☐ CORRECTED

OMB No. 1545-2232

2020

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 [redacted]	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			

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IRS Process

PTC Reconciliation

- 8962: Premium Tax Credit (worksheet)
  - Obtained by tax preparer or tax software, also at IRS.gov
  - Uses data obtained from the 1095-A
  - Exemption for filing status Married Filing Separately, check box
  - Result transferred to 1040 (schedules change year to year)

IRS Process

Form **8962** | **Premium Tax Credit (PTC)** | 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/Form8962* for instructions and the latest information.

2020
Attachment Sequence No. **73**

Name shown on your return | Your social security number

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. a ☐ Alaska b ☐ Hawaii c ☐ Other 48 states and DC	4	
5	Household income as a percentage of federal poverty line (see instructions)	5	%
6	Did you enter 401% on line 5? (See instructions if you entered less than 100%.) ☐ **No.** Continue to line 7. ☐ **Yes.** You are not eligible to take the PTC. If advance payment of the PTC was made, see the instructions for how to report your excess advance PTC repayment amount.		
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** **b** 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 and continue to line 24. ☐ **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 33A)	**(b)** Annual applicable SLCSP premium (Form(s) 1095-A, line 33B)	**(c)** Annual contribution amount (line 8a)	**(d)** Annual maximum premium assistance (subtract (c) from (b); if zero or less, enter -0-)	**(e)** Annual premium tax credit allowed (smaller of (a) or (d))	**(f)** Annual advance payment of PTC (Form(s) 1095-A, line 33C)
11 Annual Totals						
Monthly Calculation	**(a)** Monthly enrollment premiums (Form(s) 1095-A, lines 21–32, column A)	**(b)** Monthly applicable SLCSP premium (Form(s) 1095-A, lines 21–32, 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 premium tax credit allowed (smaller of (a) or (d))	**(f)** Monthly advance payment of PTC (Form(s) 1095-A, lines 21–32, column C)
12 January						
13 February						
14 March						

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IRS Process

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

b 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 and continue to line 24.

☐ **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 33A)	**(b)** Annual applicable SLCSP premium (Form(s) 1095-A, line 33B)	**(c)** Annual contribution amount (line 8a)	**(d)** Annual maximum premium assistance (subtract (c) from (b); if zero or less, enter -0-)	**(e)** Annual premium tax credit allowed (smaller of (a) or (d))	**(f)** Annual advance payment of PTC (Form(s) 1095-A, line 33C)
11 Annual Totals						

Monthly Calculation	**(a)** Monthly enrollment premiums (Form(s) 1095-A, lines 21–32, column A)	**(b)** Monthly applicable SLCSP premium (Form(s) 1095-A, lines 21–32, 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 premium tax credit allowed (smaller of (a) or (d))	**(f)** Monthly advance payment of PTC (Form(s) 1095-A, lines 21–32, 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 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 premium tax credit. 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 8. 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 27

28 Repayment limitation (see instructions) 28

29 Excess advance premium tax credit repayment. Enter the smaller of line 27 or line 28 here and on Schedule 2 (Form 1040), line 2 29

For Paperwork Reduction Act Notice, see your tax return instructions. Cat. No. 37784Z Form **8962** (2020)

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IRS Process

PTC Reconciliation

- Schedule 2 of Form 1040 (2020 example)
    - Line 2, Excess Advance Premium Tax Credit repayment
    - Amount of subsidy overpaid by U.S. Treasury during year
    - This amount normally eligible for repayment by MADAP back to the IRS – for tax year 2020, IRS waived need for repayment as part of the American Rescue Plan Act!

IRS Process

PTC Reconciliation

- Schedule 3 of Form 1040 (2020 example)
  - Line 8, Net Premium Tax Credit
  - Amount of additional subsidy credited to taxpayer – "refundable" credit
  - This amount may represent an overpayment by MADAP to the insurance carrier—if so, client must reimburse MADAP

IRS Process

SCHEDULE 2 (Form 1040)
Department of the Treasury
Internal Revenue Service

Additional Taxes

▶ Attach to Form 1040, 1040-SR, or 1040-NR.
▶ Go to *www.irs.gov/Form1040* for instructions and the latest information.

OMB No. 1545-0074
2020
Attachment Sequence No. 02

Name(s) shown on Form 1040, 1040-SR, or 1040-NR | **Your social security number**

Part I Tax

1	Alternative minimum tax. Attach Form 6251	1	
2	Excess advance premium tax credit repayment. Attach Form 8962	2	
3	Add lines 1 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	Unreported social security and Medicare tax from Form: a ☐ 4137 b ☐ 8919	5	
6	Additional tax on IRAs, other qualified retirement plans, and other tax-favored accounts. Attach Form 5329 if required	6	
7a	Household employment taxes. Attach Schedule H	7a	
b	Repayment of first-time homebuyer credit from Form 5405. Attach Form 5405 if required	7b	
8	Taxes from: a ☐ Form 8959 b ☐ Form 8960 c ☐ Instructions; enter code(s)	8	
9	Section 965 net tax liability installment from Form 965-A (9)		
10	Add lines 4 through 8. These are your **total other taxes.** Enter here and on Form 1040 or 1040-SR, line 23, or Form 1040-NR, line 23b	10	

For Paperwork Reduction Act Notice, see your tax return instructions. Cat. No. 71478U **Schedule 2 (Form 1040) 2020**

SCHEDULE 3 (Form 1040)
Department of the Treasury
Internal Revenue Service

Additional Credits and Payments

▶ Attach to Form 1040, 1040-SR, or 1040-NR.
▶ Go to *www.irs.gov/Form1040* for instructions and the latest information.

OMB No. 1545-0074
2020
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. Attach Form 2441	2	
3	Education credits from Form 8863, line 19	3	
4	Retirement savings contributions credit. Attach Form 8880	4	
5	Residential energy credits. Attach Form 5695	5	
6	Other credits from Form: a ☐ 3800 b ☐ 8801 c ☐	6	
7	Add lines 1 through 6. Enter here and on Form 1040, 1040-SR, or 1040-NR, line 20	7	

Part II Other Payments and Refundable Credits

8	Net premium tax credit. Attach Form 8962	8	
9	Amount paid with request for extension to file (see instructions)	9	
10	Excess social security and tier 1 RRTA tax withheld	10	
11	Credit for federal tax on fuels. Attach Form 4136	11	
12	Other payments or refundable credits:		
a	Form 2439 (12a)		
b	Qualified sick and family leave credits from Schedule(s) H and Form(s) 7202 (12b)		
c	Health coverage tax credit from Form 8885 (12c)		
d	Other: (12d)		
e	Deferral for certain Schedule H or SE filers (see instructions) (12e)		
f	Add lines 12a through 12e	12f	
13	Add lines 8 through 12f. Enter here and on Form 1040, 1040-SR, or 1040-NR, line 31	13	

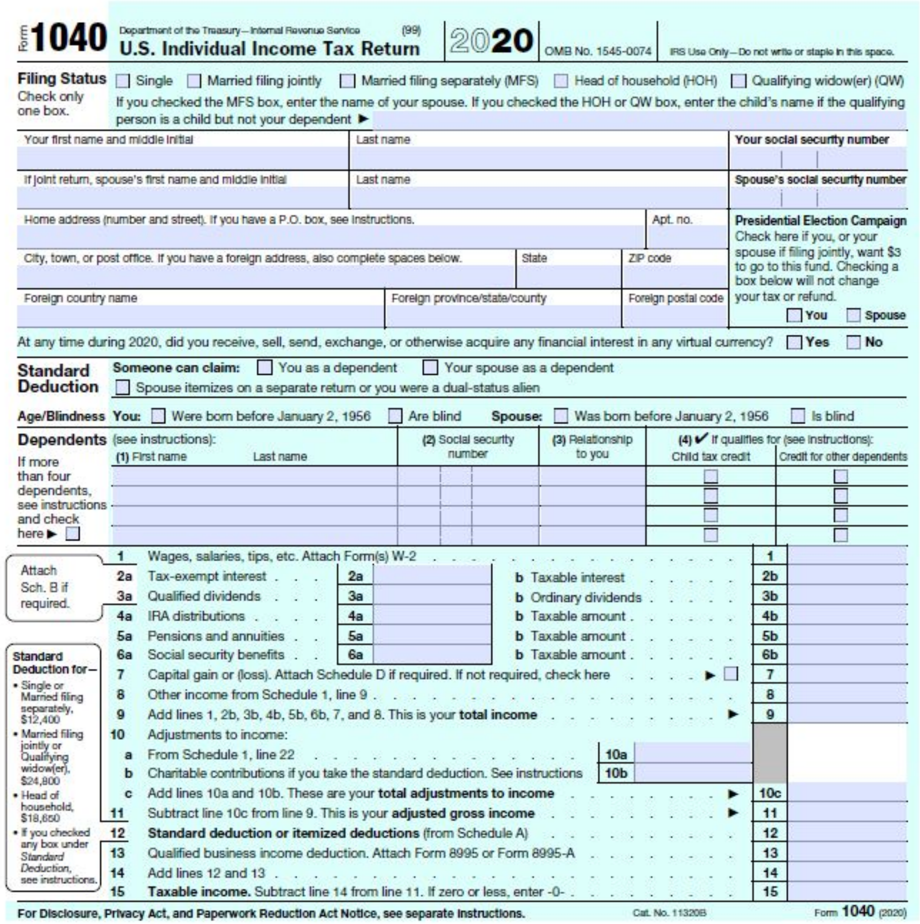
For Paperwork Reduction Act Notice, see your tax return instructions. Cat. No. 71480G **Schedule 3 (Form 1040) 2020**

IRS Process

PTC Reconciliation

- Form 1040
  - Main tax form – individual mandate removed beginning 2019
  - Overall tax result not relevant for MADAP purposes with regard to PTC reconciliation
  - Form 1040X – may be needed if taxes have been amended

IRS Process



Form **1040** Department of the Treasury—Internal Revenue Service (99)
U.S. Individual Income Tax Return **2020** OMB No. 1545-0074 IRS Use Only—Do not write or staple in this space.

Filing Status Check only one box. ☐ Single ☐ Married filing jointly ☐ Married filing separately (MFS) ☐ Head of household (HOH) ☐ Qualifying widow(er) (QW)
If you checked the MFS box, enter the name of your spouse. If you checked the HOH or QW box, enter the child's name if the qualifying person is a child but not your dependent ▶

Your first 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

Presidential Election Campaign Check here if you, or your spouse if filing jointly, want $3 to go to this fund. Checking a box below will not change your tax or refund. ☐ **You** ☐ **Spouse**

At any time during 2020, did you receive, sell, send, exchange, or otherwise acquire any financial interest in any virtual currency? ☐ **Yes** ☐ **No**

Standard Deduction **Someone can claim:** ☐ You as a dependent ☐ Your spouse as a dependent
☐ Spouse itemizes on a separate return or you were a dual-status alien

Age/Blindness **You:** ☐ Were born before January 2, 1956 ☐ Are blind **Spouse:** ☐ Was born before January 2, 1956 ☐ Is blind

Dependents (see instructions): If more than four dependents, see instructions and check here ▶ ☐

(1) First name Last name	(2) Social security number	(3) Relationship to you	(4) ✔ if qualifies for (see instructions): Child tax credit	Credit for other dependents
			☐	☐
			☐	☐
			☐	☐
			☐	☐

Attach Sch. B if required.

1	Wages, salaries, tips, etc. Attach Form(s) W-2			1
2a	Tax-exempt interest	2a	b Taxable interest	2b
3a	Qualified dividends	3a	b Ordinary dividends	3b
4a	IRA distributions	4a	b Taxable amount	4b
5a	Pensions and annuities	5a	b Taxable amount	5b
6a	Social security benefits	6a	b Taxable amount	6b
7	Capital gain or (loss). Attach Schedule D if required. If not required, check here ▶ ☐			7
8	Other income from Schedule 1, line 9			8
9	Add lines 1, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your **total income** ▶			9
10	Adjustments to income:			
a	From Schedule 1, line 22	10a		
b	Charitable contributions if you take the standard deduction. See instructions	10b		
c	Add lines 10a and 10b. These are your **total adjustments to income** ▶			10c
11	Subtract line 10c from line 9. This is your **adjusted gross income** ▶			11
12	**Standard deduction or itemized deductions** (from Schedule A)			12
13	Qualified business income deduction. Attach Form 8995 or Form 8995-A			13
14	Add lines 12 and 13			14
15	**Taxable income.** Subtract line 14 from line 11. If zero or less, enter -0-			15

Standard Deduction for—
- Single or Married filing separately, $12,400
- Married filing jointly or Qualifying widow(er), $24,800
- Head of household, $18,650
- If you checked any box under *Standard Deduction*, see instructions.

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 11320B Form **1040** (2020)

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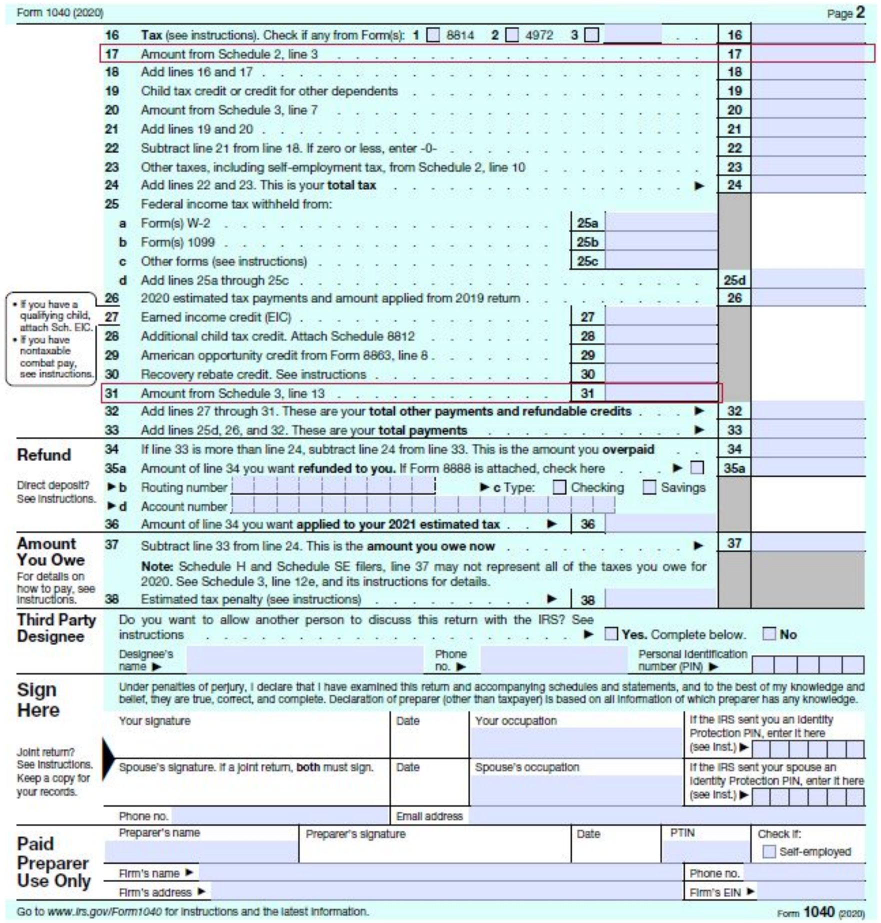
IRS Process



Form 1040 (2020) Page 2

16	Tax (see instructions). Check if any from Form(s): 1 ☐ 8814 2 ☐ 4972 3 ☐	16	
17	Amount from Schedule 2, line 3	17	
18	Add lines 16 and 17	18	
19	Child tax credit or credit for other dependents	19	
20	Amount from Schedule 3, line 7	20	
21	Add lines 19 and 20	21	
22	Subtract line 21 from line 18. If zero or less, enter -0-	22	
23	Other taxes, including self-employment tax, from Schedule 2, line 10	23	
24	Add lines 22 and 23. This is your **total tax** ▶	24	
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	2020 estimated tax payments and amount applied from 2019 return	26	
27	Earned income credit (EIC) — 27		
28	Additional child tax credit. Attach Schedule 8812 — 28		
29	American opportunity credit from Form 8863, line 8 — 29		
30	Recovery rebate credit. See instructions — 30		
31	Amount from Schedule 3, line 13 — 31		
32	Add lines 27 through 31. These are your **total other payments and refundable credits** ▶	32	
33	Add lines 25d, 26, and 32. These are your **total payments** ▶	33	

• If you have a qualifying child, attach Sch. EIC.
• If you have nontaxable combat pay, see instructions.

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	
▶ b	Routing number ▶ c Type: ☐ Checking ☐ Savings		
▶ d	Account number		
36	Amount of line 34 you want **applied to your 2021 estimated tax** ▶ 36		

Direct deposit? See instructions.

Amount You Owe

For details on how to pay, see instructions.

37	Subtract line 33 from line 24. This is the **amount you owe now** ▶	37	
	Note: Schedule H and Schedule SE filers, line 37 may not represent all of the taxes you owe for 2020. See Schedule 3, line 12e, and its instructions for details.		
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**

Designee's name ▶ Phone no. ▶ Personal identification number (PIN) ▶

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.) ▶

Joint return? See instructions. Keep a copy for your records.

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.) ▶

Phone no. | Email address

Paid Preparer Use Only

Preparer's name | Preparer's signature | Date | PTIN | Check if: ☐ Self-employed

Firm's name ▶ | Phone no.

Firm's address ▶ | Firm's EIN ▶

Go to *www.irs.gov/Form1040* for instructions and the latest information. Form **1040** (2020)

Premium Tax Credits

MADAP Requirements for Qualified Health Plans

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PTC and MADAP

Federal Guidance for MADAP

- MADAP is payer of last resort: This also applies to health insurance premiums covered under MADAP Plus
  - Advanced Premium Tax Credit (APTC) directly reduces cost of monthly health insurance premiums
  - MADAP Plus pays remainder of monthly QHP premium to the insurance carrier after APTC is applied

PTC and MADAP

Federal Guidance for MADAP

- Charged to *vigorously pursue* the following:
    - Reconciliation of PTC
    - Collection of applicable Net Premium Tax Credit identified
- Allowed to make payment to IRS for Excess APTC
    - Not allowed to pay any interest, late fees or penalties

PTC and MADAP

Federal Guidance for MADAP

- MADAP cannot make payments directly to clients
- MADAP requires clients to select the option for Advance payments if eligible at time of enrollment—Important!
    - Reduces the amount MADAP pays upfront for premiums
    - Guarantees a 90-day grace period for the QHP

PTC and MADAP

MADAP Requirements

- MADAP implemented PTC reconciliation process as of 2015 tax year
  - PTC initially introduced in tax year 2014 as result of ACA
- MADAP cannot provide tax advice or assist with preparation and filing of taxes

PTC and MADAP

MADAP Requirements, cont'd

- Report changes to Exchange in income, household, etc promptly
    - Monthly APTC may fluctuate—but still an *estimate*
- Adjustments for PTC reconciliation will be pro-rated if client's MADAP Plus coverage period and QHP premium payments don't match the Coverage Information reported on the 1095-A

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PTC and MADAP

MADAP PTC Correspondence

- Initial mailing of PTC packet normally by mid-February
    - Letter plus two forms for completion by clients—*not* tax forms
- Payment confirmations for payments to IRS—payee is "United States Treasury"
- Notification of Net PTC due to MADAP—payment plans are available and tailored to clients' needs

PTC and MADAP

MADAP PTC Correspondence, Cont’d

- Payment receipt letters—as payments for Net PTC are received, shows updated balance or paid in full
- PTC packet follow-up—sent to clients who haven’t yet sent tax forms
- Missing information letters—as needed
- 2020 workload delayed by COVID19, also delay in 2021/22 letters

PTC and MADAP

Key Points!

- ✔ Select ***Advance*** option for PTC during (re)enrollment if eligible!
- ✔ Report changes promptly/accurately to MADAP & Exchange
- ✔ IRS requires taxes to be filed if ***Advance*** PTC applied
- ✔ Client must present Form 1095-A(s) to tax preparer
- ✔ Additional credit reported as ***Net PTC*** must be returned to MADAP

Objectives Revisited

- Explain the Premium Tax Credit (PTC) for Qualified Health Plans
- Review the IRS procedures for PTC reconciliation
- Highlight PTC reconciliation requirements for MADAP clients

Resources/References

https://www.marylandhealthconnection.gov

https://www.irs.gov/

https://targethiv.org/ace

https://health.maryland.gov/phpa/OIDPCS/Pages/MADAP.aspx