PTC Allocation Situations – Nos. 1 & 2

- Spouses enroll in the Marketplace as married filing jointly, but divorce during the year
- Spouses enroll in the Marketplace as married filing jointly, but file taxes separately
PTC Allocation Situations – No. 3

- Two or more people from separate tax households enroll in one health plan; no APTC is paid
  - A young adult age 24, who is not a tax dependent, enrolls in her parents’ plan

- Note: If APTC is paid for a health plan covering multiple tax households, each taxpayer receives a separate Form 1095-A with items already allocated. No allocation on the tax return is necessary.
  - If the Marketplace did not realize the plan covered multiple tax households, and APTC was paid, use Allocation Situation 4.
PTC Allocation Situations – No. 4

• “Shifting enrollee” – A person enrolled as a member of a taxpayer’s household is not that taxpayer’s dependent
  - One parent enrolled a child in coverage, but the other parent ends up claiming the child as a tax dependent
  - Parents enroll with their child, but the child ends up not being their tax dependent that year

• Note: APTC must be paid for this situation to apply
General Allocation Rules

- One allocation percentage is applied to all the items that must be allocated
  - You can’t use different allocation percentages for different items
- If the health plan covers months during which only one taxpayer (or his or her dependents) was enrolled in the plan, then 100% is allocated to that taxpayer for those months
- It doesn’t matter who actually made the premium payments
# Premium Tax Credit Allocation Rules

<table>
<thead>
<tr>
<th>Allocation Situation</th>
<th>What is allocated?</th>
<th>Can tps choose an allocation percentage?</th>
<th>Default allocation</th>
<th>Legal Citation</th>
<th>Form 8962 Allocation Situation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Divorce</strong></td>
<td>• Premiums paid&lt;br&gt;• APTC&lt;br&gt;• Benchmark premiums</td>
<td>Yes. Taxpayers may agree on any percentage.</td>
<td>50% (or 100%)</td>
<td>Treas. Reg. § 1.36B-4(b)(3)</td>
<td>1</td>
</tr>
<tr>
<td><strong>Separate tax returns</strong></td>
<td>• Premiums paid&lt;br&gt;• APTC</td>
<td>No.</td>
<td>50% (or 100%)</td>
<td>Treas. Reg. § 1.36B-4(b)(4)</td>
<td>2</td>
</tr>
<tr>
<td><strong>Separate tax households; no APTC paid</strong></td>
<td>• Premiums paid, if claiming a PTC</td>
<td>No.</td>
<td>Ratio of enrollees’ benchmark premiums</td>
<td>Treas. Reg. § 1.36B-3(h)</td>
<td>3</td>
</tr>
<tr>
<td><strong>Shifting enrollee</strong></td>
<td>• Premiums paid&lt;br&gt;• APTC&lt;br&gt;• Benchmark premiums</td>
<td>Yes. Taxpayers may agree on any percentage.</td>
<td># of shifting enrollees claimed by claiming tp -divided by- # of people enrolled in the QHP with the shifting enrollee(s)</td>
<td>Treas. Reg. § 1.36B-4(a)(1)(ii)(B)</td>
<td>4</td>
</tr>
</tbody>
</table>