

Hot Topics and Tips

This newsletter highlights spousal coverage and provides tips and suggestions for improving the registration success for the HCTC program.

Hot Topic: Spousal Coverage

Qualified Spousal coverage is health coverage under a group plan that is available through the employer of the HCTC-eligible individual's spouse. The spousal coverage option is only HCTC-qualified if the spouse's employer contributes less than 50% toward the total cost for coverage. HCTC candidates with spousal coverage may not participate in the *advance* tax credit program. They may only claim the HCTC on their tax returns for the following reason:

The law specifies that advance HCTC payments can only be sent to a health plan administrator. Since the employer administers employer-sponsored health plans, the HCTC program would have to send payments to the employer for the premium. The program cannot process payments to individuals or employers. Therefore, spousal coverage can only be claimed on a federal tax return unless it is COBRA coverage.

Tips to Improve Registration Success

Completing the HCTC Registration Form accurately is essential in ensuring on-time processing and registration in the program. Some HCTC candidates may come to you for assistance in completing the HCTC Registration Form instead of calling the HCTC Customer Contact Center (CCC). The following are some tips and highlights of common errors that HCTC candidates can make on the HCTC Registration Form. The HCTC Program Office is aware that you are not expected to help individuals with their Registration Form. If you are unable to assist for any reason, please refer these individuals to the HCTC Customer Contact Center at 1-866-628-HCTC (1-866-628-4282). If you decide to assist an individual and come across a question that you cannot answer please call our CCC for assistance.



1. Instructions and Questions

Please advise individuals to take their time in reading the instructions and questions on the Registration Form. Remind individuals to call the HCTC Customer Contact Center if they have any questions.

2. Candidate Letter

A Candidate Letter is a document distributed by the HCTC Program Office to potentially eligible individuals. The Candidate Letter/Checklist is provided for the candidate's convenience only, as it may be requested by the health plan administrator to demonstrate potential HCTC eligibility. If requested, individuals should complete, sign, and mail the Candidate Letter to their health plan administrators and keep a copy for their records. Please remind individuals not to mail back the Candidate Letter to the HCTC Program Office with, or instead of, a Registration Form.

3. Candidate Telephone Numbers

Providing complete information on the Registration Form, including telephone numbers is very important. The fastest way for the HCTC Program Office to contact individuals to clarify any issues is by phone, allowing HCTC candidates to participate in the program sooner.



4. Registration Form – Page 3, Question #6

Is your qualified health plan sponsored by your spouse's employer?

No. Go to question 7.

Yes. If the health plan is COBRA continuation coverage, go to question 7. Otherwise, **stop**. You are not eligible for the advance payment option. If the employer pays for less than 50% of the cost of coverage, you may be able to claim the credit when you file your federal tax return.

Individuals often answer "Yes" even when their health plan is NOT sponsored by their spouse's employer. Individuals focus on the word COBRA in the explanation and automatically check "Yes". If you are helping an individual, we suggest that you explain that the question is about spousal coverage.

5. Registration Form – Page 4, Question #7

Check the box next to the qualified health plan you have.

Candidates have difficulty determining the type of qualified coverage they have. Below are short definitions that you may choose to use when explaining the question to an individual:

- COBRA – Any continuation coverage that the eligible individual has under the federal Consolidated Omnibus Budget and Reconciliation Act of 1985. This is usually offered to employees who have been laid off by their former employers.
- HCTC state-qualified health plan – A health plan that is qualified by the state specifically for the HCTC program. You can get a current list from the HCTC Customer Contact Center at 1-866-628-HCTC or by visiting www.irs.gov and entering IRS keyword: HCTC.
- Individual coverage – The person had non-group coverage for at least the last 30 days before being separated from the job that made them eligible for TRA benefits, ATAA benefits, or payments from the PBGC.

Retirement plans offered as part of the former employer's group plan are not eligible under the Individual or COBRA options.

**6. Registration Form – Page 4, Question #8**

Do you have any qualified family members for whom you wish to claim the advance tax credit?

No. Skip questions 9-11 and go to **Part III** on **page 5**.

Yes. Go to question 9.

Some individuals indicate that they do not want to claim any family members by checking "No." However, individuals put a name under "Part IV – Information about Qualified Family Members on Your Health Plan Policy" on page 7. If individuals answer "No" and do not continue on to questions 9, 10 and 11, then this inconsistent information causes confusion when registering candidates and can result in the omission of a qualified family member in the program. We suggest checking the Registration Form to make sure that the individuals are consistent in their answers.

7. Registration Form – Page 5 and 6, Part III

Often, individuals do not enter their premium amount per month for health insurance, or they enter the incorrect amount on the worksheet on page 6 of the Registration Form. They also do not list excepted premium amounts such as vision and dental, or they do not break out the premiums for non-qualified family members. This will affect the amount that an individual calculates for their monthly payment to HCTC. We recommend explaining the importance of completing this information accurately and the impact it can have on their monthly payments to HCTC.

8. Registration Form – Page 7, Part IV and Page 8, Part V

Policy information is sometimes entered as separate policies when the individual and other family members are on the same policy, or it is entered as one policy when the individual and spouse are on separate policies. Part IV is for family members that are on the SAME policy as the individual. Part V is for family members that are on a SEPARATE policy. These might be two areas where you want to double check that an individual is completing insurance information in Part IV or V correctly.

9. Registration Form – Page 6, Signature and Date field

Please remind individuals to sign and date the form on the bottom of page 6. This is a necessary step when completing the registration process through the mail. Not signing the Registration Form will delay processing the individual's registration.

10. Complete Entire Registration Form

Individuals need to complete each section and all required questions of the Registration Form. Sometimes, individuals skip questions they do not understand. This can delay registration. If you are unsure how to explain a question, we suggest contacting the HCTC Customer Contact Center.

11. Copy of Invoice for the Back of Registration Form

Individuals sometimes do not supply an invoice that contains adequate information. The health plan invoice must contain the following: total premium amount, name of policyholder, policy or member number, payment due date, "remit to" address, and the health plan administrator's phone number. Some of this information can be found on the payment coupon that is sent in with payment or found on the back of the invoice. Please encourage individuals to make a copy of the full invoice, both front and back, to mail in with the application.

12. Copy of COBRA Documentation

If the individual has COBRA coverage, documentation must be attached to the Registration Form such as the copy of the election letter, election form, or payment coupon stub. We recommend reminding individuals with COBRA coverage to attach the appropriate documentation.

You can help expedite the registration process significantly by reviewing Registration Forms prior to submission and ensuring that these common problems are avoided. If you do not feel comfortable helping individuals complete the Registration Form, please advise them to call the HCTC Customer Contact Center at 1-866-628-HCTC, to get their questions answered or register by telephone. Even if individuals register over the phone, tips 11 and 12 from this newsletter will ensure they submit the correct documentation for a successful registration.

Next Newsletter Topic: Claiming the Health Coverage Tax Credit on Tax Returns

Many people have questions about claiming the Health Coverage Tax Credit on the federal tax returns. Our next newsletter is devoted to this topic so please stay tuned.

