

# TaxWise® Learning Portal

## Correcting IRS Reject F8962 – 070

If an individual tax return should include Form 8962, Premium Tax Credit but does not, it will reject with Code F8962-070.

- This occurs if the IRS has information that the taxpayer, spouse, or dependent has Marketplace insurance, and /or received and advanced payment for marketplace insurance.
- This must be reconciled on Form 8962 in order to determine if the taxpayer is either owed more credit or has to pay all or part of it back.

The IRS began using this reject in Tax Year 2021. Prior to 2021, if the tax return was missing Form 8962 the IRS sent the taxpayer a letter requesting they complete and submit the form. Beginning with Tax Year 2021, a return that ought to include Form 8962 simply rejects.

**i** IRS implemented this check for taxpayers who received the Premium Tax Credit payments during the year and must add form 8962 to the return to reconcile the payments received against the credit calculated and either pay back or get an additional refund. The reject prevents e-files from falling to the back-end IRS - ERS resolution system, delaying refunds.

To resolve the reject, the taxpayer needs to give the preparer the Form 1095-A they received from the Health Insurance Marketplace so that the preparer can complete Form 8962.

If the taxpayer is uncertain whether or not they were covered by Marketplace insurance, or if they cannot locate Form 1095-A, they should log in to their account at [healthcare.gov](https://healthcare.gov) and retrieve a copy of the form there.

To correct this error from the open return:

1. On the Main Information Sheet, scroll down to the Taxpayer Information section.
2. Locate the question that asks... Did the taxpayer, spouse, or any dependent receive insurance through the Marketplace? If they did, select **Yes**. This automatically loads the 8962 into the return.

Taxpayer Information	
Special processing .....	
Did the taxpayer's address change since last year's return? .....	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are you excluding Puerto Rico income from this tax return? .....	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If "Yes", enter the amount of income excluded .....	0.
Did the taxpayer, spouse, or any dependent receive insurance through the Marketplace? See Form 8962 .....	
<input type="checkbox"/> Yes <input type="checkbox"/> No	
If the return was rejected for F8962-070 (e-file database indicates that Form 8962 or a binary attachment with an explanation must be attached), check here to attach a PDF with an explanation of why Form 8962 is not being filed with the return .....	
<input type="checkbox"/>	
At any time during 2024, did the taxpayer or spouse (a) receive (as a reward, award, or payment for property or services); or (b) sell, exchange, or otherwise dispose of a digital asset (or a financial interest in a digital asset)? .....	
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

3. From the Load Forms section, select Form 8962.
4. At the top of Form 8962, there are multiple check boxes, review, and mark those that apply to your taxpayer.

**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 here ☐  
 If married filing separately and not applying for relief, complete lines 1 through 5, skip lines 7 through 8b, and complete lines 9 and 10. When completing lines 11 or 12 through 23, complete only Column F to determine how much you must repay.

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Qualified small employer health reimbursement arrangement (QSEHRA) - if you were covered by a QSEHRA, check this box. If the QSEHRA is affordable for a month, no PTC is allowed for that month. If the QSEHRA is not affordable for a month, you must reduce the PTC for the month (but not below zero) by the monthly permitted benefit amount. You may need to override column E of line 11 or line 12 (whichever applies). See Publication 974 for more information . . ☐

5. Note that in Part I, the program has already calculated the tax family size, AGI, and federal poverty line for this taxpayer. If the Federal Poverty line is not automatically populated, select the appropriate checkbox on line 4 to indicate where this taxpayer resided.
6. The note on Line 8, the program automatically calculates what the taxpayer's expected contribution is to their own insurance premiums for both the annual and monthly amounts.

Part I: Annual and Monthly Contribution Amount	
1 Tax family size .....	1
2a Modified AGI .....	32,500.
b Enter total of your dependents' modified AGI .....   0.	0.
3 Household income .....	32,500.
4 Federal poverty line - check the appropriate box for the state you resided in. If you moved during 2024 and you lived in Alaska and / or Hawaii, or if filing jointly and you and your spouse lived in different states, check all of the boxes that apply. The table that results in the highest income will be used. <input type="checkbox"/> Alaska <input type="checkbox"/> Hawaii <input type="checkbox"/> Other 48 states and DC .....	0.
5 Household income as a percentage of Federal poverty line ..... If the percentage on line 5 is less than 100%, did the taxpayer meet the requirements under "Estimated household income at least 100% of the Federal poverty line" or "Alien lawfully present in the United States" in the instructions? <input type="checkbox"/> Yes <input type="checkbox"/> No	401 %
6 Reserved .....	
7 Applicable figure from the table in the instructions .....	0.0850
8a Annual contribution amount. Multiply line 3 by line 7 .....	2,763.
b Monthly contribution amount. Divide line 8a by 12 .....	230.

7. In Part II, answer Question 9, which asks if we are allocating with another taxpayer, or if we need to use an alternative calculation due to a marriage during the year. For the purpose of this lesson, select **No**.

Answer Question 10 based on whether the taxpayer paid the same amount every month for the entire year, or if they paid different amounts for different months. For the purpose of this lesson , select **Yes**.

**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, Shared Policy Allocation, or Part V, Alternative Calculation for Year of Marriage

☒ **No.** Continue to line 10.

**10** Check the "Yes" box below if ALL of the following conditions apply (see instructions).

**a** You were enrolled in a qualified health plan for all 12 months during 2024;

**b** Your enrollment premium was the same for every month of 2024. Your enrollment premium is reported in Part III, column A, lines 21 through 32, of Form 1095-A;

**c** Your SLCSP premium is the same for every month of 2024. Your SLCSP premium is reported in Part III, column B, lines 21 through 32, of Form 1095-A. (See missing or incorrect SLCSP premium on Form 1095-A in the instructions).

☒ **Yes.** Continue to line 11. Compute your annual PTC. Skip lines 12 - 23 and continue to line 24.

☐ **No.** Continue to lines 12 - 23. Compute your monthly PTC and continue to line 24.

- 8.** If you select Yes in Question 10, continue to Line 11. Use the information from Form 1095A to complete the annual totals in this section.
- 9.** When you complete the Column A – Annual Enrollment Premiums & B – Second Lowest Cost Silver Plan Premiums , the program automatically calculates the Annual Contribution, Annual Maximum Assistance, and calculates the Maximum Premium Tx Credit this taxpayer is eligible for.

**Annual Calculation**

Complete only line 11 or lines 12 through 23. If the taxpayer is a dependent of another who received PTC or line 5 is less than 100% and line 5 is answered "No", only complete column F. The taxpayer must repay all advance premium tax credit.

	<b>A</b> Annual enrollment premiums Form 1095-A line 33a	<b>B</b> Annual applicable SLCSP premium Form 1095-A line 33b	<b>C</b> Annual contribution amount Line 8a	<b>D</b> Annual maximum premium assistance	<b>E</b> Annual premium tax credit allowed	<b>F</b> Annual advance payment of PTC Form 1095-A line 33c
<b>11</b> Annual totals . . .	5,425.	5,000.	891.	4,109.	4,109.	0.

- 10.** If you answer No, then continue with Lines 12 – 23 .

Monthly Calculation						
	A Monthly enrollment premiums Form 1095-A lines 21 - 32 column a	B Monthly applicable SLSP premium Form 1095-A lines 21 - 32 column b	C Monthly contribution amount Line 8b or alternative marriage contribution	D Monthly maximum premium assistance	E Monthly premium tax credit allowed	F Monthly advance payment of PTC Form 1095-A lines 21 - 32 column c
12 January	0.	0.	0.	0.	0.	0.
13 February	0.	0.	0.	0.	0.	0.
14 March . .	0.	0.	0.	0.	0.	0.
15 April . . .	0.	0.	0.	0.	0.	0.
16 May . . .	0.	0.	0.	0.	0.	0.
17 June . . .	0.	0.	0.	0.	0.	0.
18 July . . .	0.	0.	0.	0.	0.	0.
19 August .	0.	0.	0.	0.	0.	0.
20 Sept . . .	0.	0.	0.	0.	0.	0.
21 October .	0.	0.	0.	0.	0.	0.
22 Nov . . . .	0.	0.	0.	0.	0.	0.
23 Dec . . .	0.	0.	0.	0.	0.	0.
Totals . .	0.	0.	0.	0.	0.	0.

11. The program will calculate on line 26, the Net Premium Tax Credit that the taxpayer will receive.

24	Total premium tax credit . . . . .	4,109.
25	Advance payment of PTC . . . . .	0.
26	Net premium tax credit . . . . .	4,109.

12. If the taxpayer received Advanced Premium Tax Credit, enter the corresponding amount(s) in column F.

	A Annual enrollment premiums Form 1095-A line 33a	B Annual applicable SLSP premium Form 1095-A line 33b	C Annual contribution amount Line 8a	D Annual maximum premium assistance	E Annual premium tax credit allowed	F Annual advance payment of PTC Form 1095-A line 33c
11 Annual totals . . .	5,425.	5,000.	891.	4,109.	4,109.	2,500.

13. In this example the taxpayer received less than they are entitled to according to column E. This adjusts the amount reported on Line 26 to reflect the amount they are still owed.

<b>24</b>	Total premium tax credit .....	4,109.
<b>25</b>	Advance payment of PTC .....	2,500.
<b>26</b>	Net premium tax credit .....	1,609.

14. If the taxpayer received more than they were entitled to according to column E. Then the program calculates the amount the taxpayers are expected to repay on Line 29.

<b>24</b>	Total premium tax credit .....	4,109.
<b>25</b>	Advance payment of PTC .....	4,900.
<b>26</b>	Net premium tax credit .....	0.
<b>Part III: Repayment of Advance Payment of the Premium Tax Credit</b>		
<b>27</b>	Excess advance payment of PTC .....	791.
<b>28</b>	Repayment limitation .....	1,600.
<b>29</b>	Excess advance payment premium tax credit repayment .....	791.

Once you have completed Form 8962, check the return for any errors, then recreate the e-file and resubmit it.