



Stay covered.



The *Health Coverage Tax Credit (HCTC)* pays 65% of qualified health insurance premiums — making health coverage more affordable for PBGC payees, TAA recipients, and their families.

Since 2002, the HCTC has helped thousands of Americans save money on health insurance, allowing them to *stay covered*. When people are unable to afford health coverage because of a job loss or pension bankruptcy, the HCTC team stands ready to help. We assist individuals in understanding their coverage options and make health insurance more affordable. Described by some participants as “a lifesaver,” the HCTC is a federally funded tax credit program that pays 65% of qualified health insurance premiums.

Nationwide, thousands of trade-affected workers and Pension Benefit Guaranty Corporation (PBGC) payees are candidates for the HCTC. Trade-affected individuals are certified by the U.S. Department of Labor and have registered at their local One-Stop or Career Center to receive benefits under one of the Trade Adjustment Assistance (TAA) for Workers Programs. PBGC payees receive pension payments from the PBGC and are 55 years old or older.

How to Receive the HCTC

Once an individual has been identified as a candidate for the HCTC by their state or the PBGC, they will receive an Eligibility Certificate in the mail. HCTC candidates must then certify that they meet a few general eligibility requirements (like not being enrolled in Medicare) and also provide documentation that they are enrolled in a qualified health insurance plan. The most common types of qualified health insurance for the HCTC are COBRA (health insurance provided by a former employer), coverage through a state-qualified health plan, and coverage offered through a spouse’s employer.

Candidates who meet all eligibility requirements and have a qualified health plan can receive the tax credit on a monthly or yearly basis. Those who enroll in the monthly HCTC program pay 35% of their health plan premium each month and the HCTC Program pays the remaining 65%, making monthly health insurance costs more affordable. With the Yearly HCTC, individuals pay their qualified health plan premiums in full throughout the year and then claim the 65% credit on their federal income tax return. The credit will be applied to their taxes due or, if it is more than the taxes owed, it will be issued as a refund.

Partnering to Help

The HCTC is an example of the positive effect that government can have when stakeholders at all levels work together toward a common goal. The HCTC is delivered through a collaborative partnership among state and local governments, federal agencies, and private industry. The shared objective among these parties is to make health insurance more affordable so that those who receive the HCTC and their families can *stay covered*.

Want More Information?

To learn more about who is eligible for the HCTC and the requirements to receive the HCTC, please visit www.irs.gov/hctc.