



STATE OF CALIFORNIA  
Franchise Tax Board

FTB Publication **3849A**

# 2021 Premium Assistance Subsidy (PAS)



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## ONLINE SERVICES

### Go to [ftb.ca.gov](http://ftb.ca.gov) for:

- **MyFTB** – view payments, balance due, and withholding information.
- **Web Pay** – pay income taxes. Choose your payment date up to one year in advance.
- **CalFile** – e-file your personal income tax return.
- **Refund Status** – find out when we authorized your refund.
- **Installment Agreement** – request to make monthly payments.
- **Subscription Services** – sign up to receive emails on a variety of tax topics.
- Tax forms and publications.
- FTB legal notices, rulings, and regulations.
- FTB’s analysis of pending legislation.
- Internal procedure manuals to learn how we administer law.

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## What's New

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**Federal Premium Tax Credit (PTC)** – The American Rescue Plan Act (ARPA) of 2021, expanded the amount of federal PTC available to improve health care coverage affordability. As a result of this federal expansion, for all months in taxable year 2021, applicable taxpayers are not eligible for advance payment of California premium assistance subsidy (APAS) or California premium assistance subsidy (PAS). Applicable taxpayers are required to reconcile and repay any APAS received during the 2021 taxable year, subject to the repayment limitations, and cannot claim PAS on form FTB 3849, Premium Assistance Subsidy.

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## Important Information

**Reporting changes in circumstances.** If advance payment of the premium assistance subsidy (APAS) is being paid for an individual in your applicable household (see Definitions) and you have had certain changes in circumstances (see the examples below), it is important that you report them to the Marketplace within 30 days of the change. Reporting changes in circumstances promptly will allow the Marketplace to recalculate your APAS for the remaining months of the current year to reflect the premium assistance subsidy (PAS) you are estimated to receive. Changes that you should report to the Marketplace include the following:

- Changes in household income.
- Moving to a different address.
- Gaining or losing eligibility for other health care coverage.
- Gaining, losing, or other changes to employment.
- Birth or adoption.
- Marriage or divorce.
- Other changes affecting the composition of your applicable household.

For more information on how to report a change in circumstances to the Marketplace, go to [coveredca.com/rac](https://coveredca.com/rac).

**Health insurance options.** If you need health coverage, go to [coveredca.com](https://coveredca.com) to learn about health insurance options that are available for you and your applicable household, how to purchase health insurance, and how you might qualify to get financial assistance with the cost of insurance.

For information about the Minimum Essential Coverage Individual Mandate, see Government Code (GC) Section 100700, et. seq., or go to [ftb.ca.gov/healthmandate](https://ftb.ca.gov/healthmandate).

For more information about PAS and APAS, see GC Section 100800, et. seq.

## General Information

### Minimum Essential Coverage Individual Mandate

For taxable years beginning on or after January 1, 2020, California law requires residents and their dependents to obtain and maintain minimum essential coverage (MEC), also referred to as qualifying health care coverage. Individuals who fail to maintain qualifying health care coverage for any month during the taxable year will be

subject to a penalty unless they qualify for an exemption. For more information, get the following health care forms, instructions, and publications:

- Form FTB 3849, Premium Assistance Subsidy
- Form FTB 3853, Health Coverage Exemptions and Individual Shared Responsibility Penalty
- Form FTB 3895, California Health Insurance Marketplace Statement
- Publication 3849A, Premium Assistance Subsidy (PAS)
- Publication 3895B, California Instructions for Filing Federal Forms 1094-B and 1095-B
- Publication 3895C, California Instructions for Filing Federal Forms 1094-C and 1095-C

## Purpose

This publication covers the following general topics, relating to the PAS, which are also covered in the form FTB 3849 instructions.

- What is the PAS?
- Who must file.
- Who can take the PAS. (See Figure A – Can You Take the PAS?)

This publication also provides additional instructions for taxpayers in the following special situations.

- Taxpayers who take the PAS and who are filing a separate return from their spouses because of domestic abuse or spousal abandonment.
- Taxpayers who need to calculate PAS and APAS for a policy that covered an individual not lawfully present in the United States.
- Taxpayers who need to determine the applicable second lowest cost silver plan (SLCSP) premium.
- Taxpayers who need to allocate policy amounts for individuals not included in their applicable household.
- Taxpayers who need to allocate policy amounts because one qualified health plan covers individuals from three or more applicable households in the same month.
- Taxpayers who married during the tax year and want to use an alternative PAS calculation that may lower their taxes.

This publication also provides additional information to help you determine if your health care coverage is Minimum Essential Coverage (MEC) (see Definitions).

## What is the Premium Assistance Subsidy (PAS)?

**Premium assistance subsidy (PAS).** The PAS is available for certain people who enroll, or whose applicable household member enrolls, in a qualified health plan. The subsidy provides financial assistance to pay the premiums for a qualified health plan through the California health insurance marketplace (Marketplace). The term "Marketplace" refers to the California state Marketplace, also known as Covered California. You must file form FTB 3849 to reconcile any PAS advanced to you with the actual PAS amount allowed based on your actual household income for the applicable taxable year, less federal Premium Tax Credit (PTC) amounts.

**Advance payment of the premium assistance subsidy (APAS).** APAS is a payment during the year to your insurance provider that pays for part of the premiums for a qualified health plan covering you or an individual in your applicable household (an applicable household may include the tax filer, the tax filer's spouse if the tax filer is filing a joint return with their spouse, and the tax filer's dependents). For more information, see Definitions, Applicable household. Your APAS amount is based on the Marketplace's estimate of the PAS you will be able to take on your tax return. If APAS was paid for you or an individual in your applicable household you must file form FTB 3849 to reconcile (compare) this APAS with your PAS. If the APAS is **more** than your PAS, you have excess APAS and you must repay the excess, subject to certain limitations. If the APAS is **less** than the PAS, you can get a PAS reconciliation refund for the difference, which reduces your tax payment or increases your refund.

**Nonresident of California.** If you or an applicable household member are not a California resident, you or your applicable household member are not eligible to purchase a qualified health plan through the Marketplace.

**Changes in circumstances.** The Marketplace determined your eligibility for and the amount of your 2021 APAS using projections of your household income and the number of individuals you certified to the Marketplace would be in your applicable household when you enrolled in a qualified health plan. If this information changed during 2021 and you did not promptly report it to the Marketplace, the amount of APAS paid may be substantially different from the amount of PAS you were eligible to receive. For changes that can affect the amount of your PAS, see Important Information, Reporting changes in circumstances.

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## Who Must File

You must file form FTB 3849 with your income tax return (Form 540, California Resident Income Tax Return or Form 540NR, California Nonresident or Part-Year Resident Income Tax Return) if any of the following apply to you:

- You are taking the PAS.
- APAS was paid for you or another individual in your applicable household.
- APAS was paid for an individual you told the Marketplace would be in your applicable household and neither you nor anyone else included that individual in an applicable household. See Specific Instructions, Line 11, or Lines 12 through 23, Individual you enrolled who is not included in an applicable household in the form FTB 3849 instructions.

If any of the circumstances above apply to you, you must file an income tax return and attach form FTB 3849 even if you are not otherwise required to file. You must use Form 540 or Form 540NR. For help determining which of these forms to file, see the instructions for Form 540 or Form 540NR.

If someone else enrolled an individual in your applicable household in coverage, and APAS was paid for that individual's coverage, you must file form FTB 3849 to reconcile the APAS. You need to obtain a copy of the form FTB 3895 from the person who enrolled the individual.

If you are claimed as a dependent on another person's tax return, the person who claims you will file form FTB 3849 to take the PAS and, if necessary, repay excess APAS for your coverage. You **do not** need to file form FTB 3849.

## Who Can Take the PAS

You can take the PAS for 2021 if you meet the conditions (1) and (2) below:

1. For at least one month of the year, all of the following were true:
  - a. An individual in your applicable household was enrolled in a qualified health plan through the Marketplace on the first day of the month.
  - b. That individual was not eligible for MEC for the month, other than coverage through the Marketplace. An individual is generally considered eligible for MEC for the month only if the individual was eligible for every day of the month (see Definitions, Minimum essential coverage (MEC) in the form FTB 3849 instructions).
  - c. The portion of the enrollment premiums (see Definitions) for the month for which you are responsible was paid by the due date of your tax return (not including extensions). However, if you became eligible for APAS because of a successful eligibility appeal and you retroactively enrolled in the plan, then the portion of the enrollment premium for which you are responsible must be paid on or before the premium payment due date.
2. You are an applicable taxpayer for 2021. To be an applicable taxpayer, you must meet all of the following requirements:
  - a. Your household income for 2021 is at or below 138%, or above 200% but no more than 600% of the federal poverty line for your household size (see Specific Instructions, Line 4 in the form FTB 3849 instructions).
  - b. No one can claim you as a dependent on a tax return for 2021.
  - c. You file a joint return if you were married at the end of 2021. However, filing a separate return from your spouse/Registered Domestic Partnership (RDP) will not disqualify you from being an applicable taxpayer if you meet certain exceptions described under Definitions, Married taxpayers.

You are not entitled to the PAS for health coverage for an individual for any period during which the individual is not lawfully present in California.

For additional requirements, see Definitions, Applicable taxpayer.

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## Definitions

The terms defined below are generally the same as those in the form FTB 3849 instructions. However, additional information is provided below on what documentation to keep if you are a victim of domestic abuse or spousal abandonment and on MEC.

**Applicable household.** For purposes of the PAS, your applicable household consists of the following individuals:

- You, if you file a tax return for the year and you cannot be claimed as a dependent on someone else's 2021 tax return.
- Your spouse, if filing jointly and your spouse cannot be claimed as a dependent on someone else's 2021 tax return.
- Your dependents whom you claim on your 2021 tax return. If you are filing Form 540NR, you should include your dependents in your applicable household only if you are a California Resident.

Your applicable household size equals the number of individuals in your applicable household (including yourself). Get form FTB 3849 instructions for more information.

**Note:** Listing your dependents by name and social security number (SSN) or individual taxpayer identification number (ITIN) on your tax return is the same as claiming them as a dependent. If you have more than three dependents, see the instructions for Form 540 or Form 540NR.

**Household income.** For purposes of the PAS, household income is the modified adjusted gross income (modified AGI) of you and your spouse (if filing a joint return) (see Specific Instructions, Line 2a in the form FTB 3849 instructions) plus the modified AGI of each individual whom you claim as a dependent and who is required to file an income tax return because their income meets the income tax return filing threshold (see Specific Instructions, Line 2b in the form FTB 3849 instructions). Household income does not include the modified AGI of those individuals whom you claim as dependents and who are filing a 2021 return only to claim a refund of withheld income tax or estimated tax.

**Modified AGI.** For purposes of the PAS, modified AGI is the federal AGI on your tax return plus certain income that is not subject to tax (foreign earned income, tax-exempt interest, and the portion of social security benefits that is not taxable). Use Worksheet 1-1 and Worksheet 1-2, under Specific Instructions, Line 2a and Line 2b, in the form FTB 3849 instructions, to determine your modified AGI.

**Taxpayer's tax return including income of a dependent child.** A taxpayer who includes the gross income of a dependent child on the taxpayer's tax return must include on Worksheet 1-2, in the form FTB 3849 instructions, the child's foreign income, the child's tax-exempt interest, and the portion of the child's social security benefits that is not taxable.

**Coverage family.** Your coverage family includes all individuals in your applicable household who are enrolled

in a qualified health plan and are not eligible for MEC (other than coverage in the individual market). The individuals included in your coverage family may change from month to month. If an individual in your applicable household is not enrolled in a qualified health plan, or is enrolled in a qualified health plan but is eligible for MEC (other than coverage in the individual market), that individual is not part of your coverage family. Your PAS is available to help you pay only for the coverage of the individuals included in your coverage family.

**Monthly assistance subsidy amount.** The monthly assistance subsidy amount is the amount of your assistance subsidy for a month. Your PAS for the year is the sum of all of your monthly assistance subsidy amounts. Your assistance subsidy amount for each month is the lesser of:

- The enrollment premiums (described below) for the month for one or more qualified health plans in which you or any individual in your applicable household enrolled, less your monthly federal PTC amount; or
- The amount of the monthly applicable SLCSPP premium (described below) less your monthly contribution amount (described below) less your monthly federal PTC amount.

To qualify for a monthly assistance subsidy amount, at least one individual in your applicable household must be enrolled in a qualified health plan on the 1st day of that month. Generally, if coverage in a qualified health plan began after the 1st day of the month, you are not allowed a monthly assistance subsidy amount for the coverage for that month. However, if an individual in your applicable household enrolled in a qualified health plan in 2021 and the enrollment was effective on the date of the individual's birth, adoption, or placement for adoption or in foster care, or on the effective date of a court order placing the individual with your applicable household, the individual is treated as enrolled as of the first day of that month. Therefore, the individual may be a member of your applicable household and coverage family for the entire month for purposes of computing your monthly assistance subsidy amount.

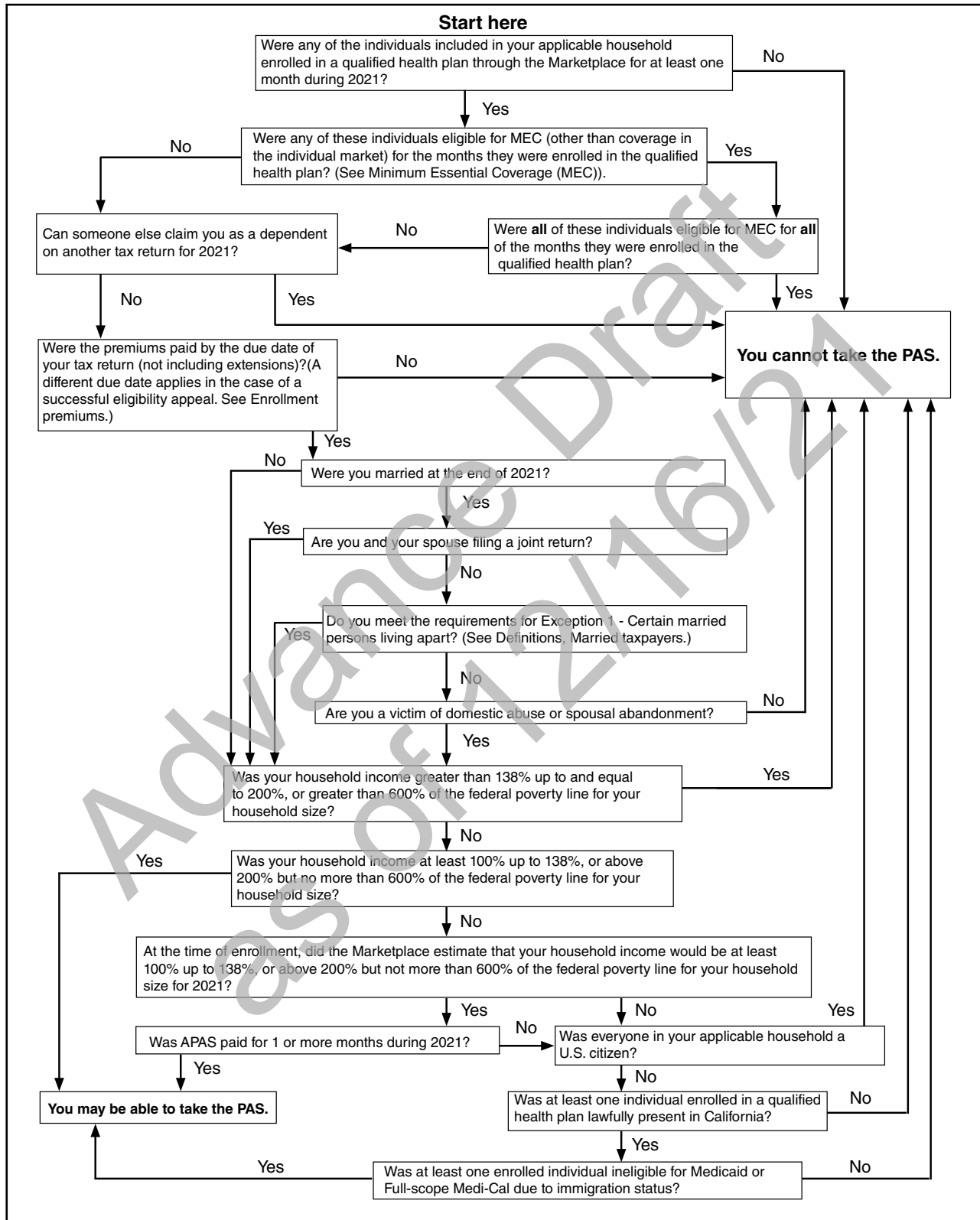
**Enrollment premiums.** The enrollment premiums are the total amount of the premiums for the month, reduced by any premium amounts for that month that were refunded, for one or more qualified health plans in which any individual in your applicable household enrolled. Form FTB 3895, Part II, column (a), reports the enrollment premiums.

You generally are not allowed a PAS amount for the month if any part of the enrollment premiums for which you are responsible that month has not been paid by the due date of your tax return (not including extensions). However, if you became eligible for APAS because of a successful eligibility appeal and you retroactively enrolled in the plan, the portion of the enrollment premium for which you are responsible must be paid on or before the premium payment due date. Premiums another person pays on your behalf are treated as paid by you.

If your share of the enrollment premiums is not paid, the issuer may terminate coverage. The termination is

## Figure A. Can You Take the PAS?

This flowchart can help you determine whether you can take the PAS. But do not rely on this flowchart alone. Be sure you read *Who Can Take the PAS*, discussed under General Information, or in the form FTB 3849 instructions.



generally effective no sooner than the second month of nonpayment. For any months you were covered but did not pay your share of the premiums, you are not allowed a PAS.

**Applicable SLCSP premium.** The applicable SLCSP premium is the second lowest cost silver plan premium offered through the Marketplace that applies to your coverage family. The SLCSP premium is not the same as your enrollment premium, unless you enroll in the SLCSP. Form FTB 3895, Part II, column (b), reports the SLCSP premium, and this is the applicable SLCSP premium for most taxpayers. In some circumstances, you may need to determine your applicable SLCSP premium. If no APAS was paid for your coverage, form FTB 3895, Part II, column (b), may be wrong or blank or may report your SLCSP premium as -0-. Also, if you had a change in circumstances during 2021 that you did not report to the Marketplace, the SLCSP premium reported on form FTB 3895 in Part II, column (b), may be wrong. In either case, you must determine your applicable SLCSP premium. You **do not** have to request a corrected form FTB 3895 from the Marketplace. See Specific Instructions, Line 10, Missing or incorrect SLCSP premium, on the form FTB 3895 in the form FTB 3849 instructions.

**Monthly contribution amount.** Your monthly contribution amount is used to calculate your monthly assistance subsidy amount. It is the amount of your household income you would be responsible for paying as your share of premiums each month based on your percentage of the federal poverty line. It is not based on the amount of premiums you paid out of pocket during the year. You will compute your monthly contribution amount in Part I of form FTB 3849.

**Qualified health plan.** For purposes of the PAS, a qualified health plan is a health insurance plan or policy purchased through the Marketplace at the bronze, silver, gold, or platinum level. Throughout this publication, a qualified health plan is also referred to as a policy. Catastrophic health plans and stand-alone dental plans purchased through the Marketplace, and all plans purchased through Covered California for Small Business, are not qualified health plans for purposes of the PAS. Therefore, they **do not** qualify a taxpayer to take the PAS.

**Applicable taxpayer.** You must be an applicable taxpayer to take the PAS. Generally, you are an applicable taxpayer if your household income for 2021 is at or below 138%, or above 200% but not more than 600% of the federal poverty line for your household size (provided in Table 1-1, Federal Poverty Line, in the form FTB 3849 instructions) and no one can claim you as a dependent for 2021. In addition, if you were married at the end of 2021, you must file a joint return to be an applicable taxpayer unless you meet one of the exceptions described under Married taxpayers.

For individuals with household income greater than 138% up to and equal to 200%, or greater than 600% of the federal poverty line, see Specific Instructions, Line 6 – PAS eligibility, Household income greater than 138% up to and equal to 200%, or greater than 600% of the federal poverty line, in the form FTB 3849 instructions. However,

the exception described under Household income greater than 138% up to and equal to 200%, or greater than 600% of the federal poverty line in the form FTB 3849 instructions does not apply if, with intentional or reckless disregard for the facts, you provide incorrect information to the Marketplace for the year of coverage. You provide information with intentional disregard for the facts if you know that the information provided is inaccurate. You provide information with a reckless disregard for the facts if you make little or no effort to determine whether the information provided is accurate and your lack of effort to provide accurate information is substantially different from what a reasonable person would do under the circumstances.

**Individuals who are incarcerated.** Individuals who are incarcerated (other than pending disposition of charges, for example, awaiting trial) are not eligible for coverage in a qualified health plan through the Marketplace. However, these individuals may be applicable taxpayers and take the PAS for the coverage of individuals in their applicable households who are eligible for coverage in a qualified health plan.

**Individuals who are not lawfully present.** Individuals who are not lawfully present in the United States are not eligible for coverage in a qualified health plan through the Marketplace. They cannot take the PAS for their own coverage and are not eligible for the repayment limitations in Table 6, Repayment Limitation, on form FTB 3849 instructions, for APAS paid for their own coverage. However, these individuals may be applicable taxpayers and take the PAS for the coverage of individuals in their applicable households, such as their children, who are lawfully present and eligible for coverage in a qualified health plan. Individuals who are not lawfully present but have dependents who are and who receive APAS will need to file a return to reconcile the PAS with APAS. For more information about who is treated as lawfully present for this purpose, go to [coveredca.com/lawfullypresent](https://www.coveredca.com/lawfullypresent). See Individuals Not Lawfully Present in the United States Enrolled in a Qualified Health Plan, for more information on reconciling APAS when an unlawfully present person is enrolled individually or with lawfully present applicable household members.

**Married taxpayers.** If you are considered married for California income tax purposes, you must file a joint return with your spouse to take the PAS unless one of the two exceptions below applies to you.

You are not considered married for California income tax purposes if you are divorced or legally separated according to California law under a decree of divorce or separate maintenance. In that case, you cannot file a joint return but may be able to take the PAS on your separate return.

If you are considered married for California income tax purposes, you may be eligible to take the PAS without filing a joint return if one of the two exceptions below applies to you. If Exception 1 applies, you can file a return using head of household or single filing status and take the PAS. If Exception 2 applies, you are treated as married but can take the PAS with the filing status of married filing separately.



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**Exception 1 – Certain married persons living apart.**

You may file your return as if you are unmarried and take the PAS if your filing status is single or head of household because you meet the requirements for those filing status. See the “Do I Have to File?” and the “Head of Household” sections within the Form 540, Personal Income Tax Booklet and Form 540NR, Nonresident or Part-Year Resident Booklet.

**Exception 2 – Victim of domestic abuse or spousal abandonment.** If you are a victim of domestic abuse or spousal abandonment, you can file a return as married filing separately and take the PAS for 2021 if all of the following apply to you:

- You are living apart from your spouse at the time you file your 2021 tax return.
- You are unable to file a joint return because you are a victim of domestic abuse (described below) or spousal abandonment (described below).
- You check the box on your form FTB 3849 to certify that you are a victim of domestic abuse or spousal abandonment.

**Domestic abuse.** Domestic abuse includes physical, psychological, sexual, or emotional abuse, including efforts to control, isolate, humiliate, and intimidate, or to undermine the victim’s ability to reason independently. All the facts and circumstances are considered in determining whether an individual is abused, including the effects of alcohol or drug abuse by the victim’s spouse. Depending on the facts and circumstances, abuse of an individual’s child or other applicable household member living in the household may constitute abuse of the individual.

**Spousal abandonment.** A taxpayer is a victim of spousal abandonment for a tax year if, taking into account all facts and circumstances, the taxpayer is unable to locate their spouse after reasonable diligence.

**Records of domestic abuse and spousal abandonment.** If you checked the box on your form FTB 3849 indicating that you are eligible for the PAS despite having a filing status of married filing separately, you should keep records relating to your situation. What you have available may depend on your circumstances. However, the following list provides some examples of records that may be useful. (**Do not** attach these records to your tax return.)

- Protective and/or restraining order.
- Police report.
- Doctor’s report or letter.
- A statement from someone who was aware of, or who witnessed, the abuse or the results of the abuse. The statement should be notarized if possible.
- A statement from someone who knows of the abandonment. The statement should be notarized if possible.

**Married filing separately.** If you file as married filing separately and are not a victim of domestic abuse or spousal abandonment (see Married taxpayers, Exception 2 – Victim of domestic abuse or spousal abandonment, above), then you are not an applicable taxpayer and you cannot take the PAS. You generally must repay all of the APAS paid for a qualified health

plan that covered only individuals in your applicable household. If the policy also covered at least one individual in your spouse’s applicable household, you generally must repay half of the APAS paid for the policy. See Specific Instructions, Line 9 in the form FTB 3849 instructions. However, the amount of APAS you have to repay may be limited. See Specific Instructions, Line 28 in the form FTB 3849 instructions.

## Minimum Essential Coverage (MEC)

**Minimum essential coverage (MEC).** An individual in your applicable household who is eligible for MEC (except coverage in the individual market) for a month is not in your coverage family for that month. Therefore, you cannot take the PAS for that individual’s coverage for the months that individual is eligible for MEC. In addition to qualified health plans and other coverage in the individual market, MEC includes:

- Most coverage through government-sponsored programs (including Medicaid coverage, Medicare parts A or C, most Medi-Cal coverage, the Children’s Health Insurance Program (CHIP), certain benefits for veterans and their families, TRICARE, health coverage for Peace Corps volunteers, Nonappropriated Fund Health Benefits Program of the Department of Defense), Refugee Medical Assistance);
- The University of California Student Health Insurance Plan and the University of California Voluntary Dependent Plan;
- Catastrophic plans;
- Most types of employer-sponsored coverage; and
- Other health coverage the California Department of Managed Health Care (DMHC) designates as MEC.

**Eligibility for MEC.** In most cases you are considered eligible for MEC if the coverage is available to you, whether or not you enroll in it. However, special rules apply to certain types of MEC as explained below.

**MEC eligibility when the Marketplace does not discontinue APAS.** If an individual in your applicable household is enrolled in a qualified health plan for which APAS was made and the individual is or will soon become eligible for other MEC, you must notify the Marketplace about the other MEC and that the APAS for the individual’s coverage should be discontinued. If the Marketplace does not discontinue APAS for the first calendar month beginning after the month you notify the Marketplace, the individual is treated as eligible for the other MEC no earlier than the first day of the second calendar month beginning after the first month the individual may enroll in the other MEC. A different rule applies to Full-scope Medi-Cal and CHIP eligibility, discussed under Government-Sponsored Programs.

## Expatriate Health Plans

In general, an expatriate health plan is certain health insurance coverage that is offered to foreign nationals who are temporarily assigned for work in the United States, U.S. residents who are temporarily working



outside of the United States, and certain nonemployees (such as students and missionaries) who are travelling internationally. To qualify, the health insurance coverage must generally offer a minimum level of benefits in the region in which the covered individual is temporarily located and be offered by a qualifying expatriate health insurance issuer. An expatriate health plan is considered employer-sponsored coverage for a primary insured who receives it through their employer (and for that employee's covered dependents). It is considered individual market coverage for any other primary insured.

## Individual Market Coverage

A health plan offered in the individual market is health insurance coverage provided to an individual by a health insurance issuer licensed by a state, including a qualified health plan offered through the Marketplace. Even though these plans are MEC, eligibility for individual market coverage does not prevent an individual from qualifying for the PAS for coverage in a qualified health plan purchased through the Marketplace.

Individual market coverage also includes coverage under certain expatriate health plans offered to students and religious missionaries travelling internationally. See Expatriate Health Plans.

## Government-Sponsored Programs

The following government-sponsored programs are MEC.

1. Medicare program under Part A or Part C of Title XVIII of the federal Social Security Act.
2. Full scope coverage under the Medi-Cal program, including the Medi-Cal Access Program and Medi-Cal for Pregnant Women, and other full scope health coverage programs administered and determined to be MEC by the California Department of Health Care Services (DHCS).
3. The Medicaid program under Title XIX of the federal Social Security Act.
4. The CHIP under Title XXI of the federal Social Security Act or under a qualified CHIP look-alike program, as defined in Section 2107(g) of the federal Social Security Act.
5. Medical coverage under Chapter 55 of Title 10 of the United States Code, including coverage under the TRICARE program.
6. A health care program under Chapter 17 or Chapter 18 of Title 38 of the United States Code.
7. A health plan under Section 2504(e) of Title 22 of the United States Code, relating to Peace Corps volunteers.
8. The Nonappropriated Fund Health Benefits Program of the Department of Defense, established under Section 349 of the National Defense Authorization Act for Fiscal Year 1995.
9. Refugee Medical Assistance, supported by the Administration for Children and Families, which is authorized under Section 412(e)(7)(A) of The Immigration and Nationality Act.
10. A successor program to one of the above programs, as determined by the DMHC or, in regards to program #2, by the DHCS.

In general, you cannot get the PAS for your coverage in a qualified health plan if you are eligible for government sponsored MEC. You are generally considered eligible for a government-sponsored program if you meet the criteria for coverage under the program, see Exceptions. However, you will not lose the PAS for your coverage until the first day of the first full month you can receive benefits under the government program. If you can be covered under a government-sponsored program, you must complete the requirements necessary to receive benefits (for example, submitting an application or providing required information) by the last day of the third full calendar month following the event that establishes eligibility (for example, becoming eligible for Medicare when you turn 65). If you do not complete the necessary requirements in this time, you will lose the PAS for your coverage in a qualified health plan beginning with the first day of the fourth calendar month following the event that makes you eligible for the government coverage.

**Example 1.** Emma was enrolled in a qualified health plan with APAS. She turned 65 on June 3 and became eligible for Medicare. Emma must apply to Medicare to receive benefits. She applied to Medicare in September and was eligible to receive Medicare benefits beginning on December 1. Emma completed the requirements necessary to receive Medicare benefits by September 30 (the last day of the third full calendar month after the event that established her eligibility, turning 65). She was eligible for Medicare coverage on December 1, the first day of the first full month that she could receive benefits. Thus, Emma can get the PAS for her coverage in the qualified health plan for January through November. Beginning in December, Emma cannot get the PAS for her coverage in the qualified health plan because she is eligible for Medicare.

**Example 2.** The facts are the same as Example 1, except that Emma did not apply for the Medicare coverage by September 30. Emma is considered eligible for government-sponsored coverage beginning on October 1. She can get the PAS for her coverage for January through September. She cannot get the PAS for her coverage in a qualified health plan as of October 1, the first day of the fourth month after she turned 65.

**Exceptions.** While you are generally considered eligible for government-sponsored MEC (and are ineligible for the PAS) if you are able to enroll in that coverage, you are considered eligible for government-sponsored coverage under the following programs only if you are **enrolled** in the program.

1. A veteran's health care program.
2. The following TRICARE programs:
  - a. The Continued Health Care Benefit Program.
  - b. Retired Reserve.
  - c. Young Adult.
  - d. Reserve Select.
3. Full-scope Medi-Cal coverage for comprehensive pregnancy-related services and CHIP coverage based on pregnancy, if the individual is enrolled in a qualified health plan at the time she becomes eligible for Full-scope Medi-Cal or CHIP.

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4. Coverage under Medicare Part A for which the individual must pay a premium.

In addition, an individual is considered eligible for MEC under a Full-scope Medi-Cal or Medicare program for which eligibility requires a determination of disability, blindness, or illness only when the responsible agency makes a favorable eligibility determination.

**Retroactive coverage.** If APAS is being paid for coverage in a qualified health plan and you become eligible for government coverage that is effective retroactively (such as Full-scope Medi-Cal or CHIP), you will not retroactively lose the PAS for your coverage. You can get the PAS for your coverage until the first day of the first calendar month after you are approved for the government coverage.

**Example.** In November, Hazel enrolled in a qualified health plan for the following year and got APAS for her coverage. Hazel lost her part-time job and on April 10 applied for coverage under the Full-scope Medi-Cal program. Hazel's application was approved on May 15, with Full-scope Medi-Cal coverage retroactively effective April 1. For purposes of the PAS, Hazel is considered eligible for government-sponsored coverage on **June 1**, the first day of the first calendar month after her application was approved. Hazel may be eligible for the PAS for January through May.

**Termination for nonpayment of premiums.** If Full-scope Medi-Cal or CHIP coverage for you or an applicable household member is terminated due to nonpayment of premiums, you cannot get the PAS for the coverage of that individual (for the remainder of the year of the termination).

**Determining eligibility for Full-scope Medi-Cal or CHIP at enrollment.** An individual is treated as ineligible for Full-scope Medi-Cal, CHIP, and similar programs (such as a Basic Health Program) for the period of coverage under a qualified health plan if, when the individual enrolled in the qualified health plan, the Marketplace determined that the individual was ineligible for Full-scope Medi-Cal or CHIP based on the applicable Full-scope Medi-Cal and CHIP income standards. However, this exception does not apply if you, or the individual you are including in your applicable household, with intentional or reckless disregard for the facts, provided incorrect information to the Marketplace for the year of coverage. You provide information with intentional disregard for the facts if you know that the information provided is inaccurate. You provide information with a reckless disregard for the facts if you make little or no effort to determine whether the information provided is accurate and your lack of effort to provide accurate information is substantially different from what a reasonable person would do under the circumstances.

**Example.** In November, Grace enrolled in a qualified health plan for the following year and got APAS for her coverage. The Marketplace determined that Grace was ineligible for Full-scope Medi-Cal and estimated that her household income will be 140% of the federal poverty line for her household size for purposes of determining APAS. During the year, Grace lost her job and her household income for 2021 is 130% of the federal poverty line

(within the Full-scope Medi-Cal income threshold). For purposes of the PAS, Grace is treated as ineligible for Full-scope Medi-Cal for 2021. Grace may be eligible for the PAS for the entire year.

**Full-scope Medi-Cal or CHIP eligibility when Marketplace does not discontinue APAS.** If a determination is made that an individual who is enrolled in a qualified health plan for which APAS is made is eligible for Full-scope Medi-Cal or CHIP but the Marketplace does not discontinue APAS for the first calendar month beginning after the eligibility determination, the individual is treated as eligible for Full-scope Medi-Cal or CHIP no earlier than the first day of the second calendar month beginning after the eligibility determination.

## Employer-Sponsored Plans

The following employer-sponsored plans are MEC.

1. A group health plan offered in connection with employment to an employee or related individuals, including a governmental plan within the meaning of Section 2791(d)(8) of the federal Public Health Service Act (42 U.S.C. Sec. 201 et seq.).
2. Any other plan, group health care service plan contract, or group health insurance policy offered in the small or large group market within the state.

Employer-sponsored plans that are MEC are also referred to as eligible employer-sponsored plans.

**Exceptions.** The following paragraphs discuss when employer-sponsored plans are not considered MEC and the circumstances in which you may be eligible for the PAS even if you have an offer of coverage under an employer-sponsored plan.

**Excepted benefits.** Employer-sponsored health coverage that is limited to excepted benefits is not MEC. Excepted benefits include stand-alone vision and dental plans, workers' compensation coverage, and coverage limited to a specified disease or illness.

**Affordability and minimum value.** Even if you had the opportunity to enroll in coverage offered by your employer that qualifies as MEC, you are considered eligible for an employer-sponsored plan (and cannot get the PAS for your coverage in a qualified health plan) only if the employer-sponsored coverage is affordable and the coverage provides minimum value. Your applicable household members also may be unable to get the PAS for coverage in a qualified health plan for months they were eligible to enroll in employer-sponsored coverage offered to them by your employer but only if the coverage qualifies as MEC and was affordable and provided minimum value for you. In addition, if you or your applicable household member enrolls in the employer coverage that qualifies as MEC, the individual enrolled cannot get the PAS for coverage in a qualified health plan, even if the employer coverage is not affordable or does not provide minimum value.

**Waiting periods and other periods without access to benefits.** You are not considered eligible for employer coverage, and can get the PAS for your coverage in a qualified health plan if you are otherwise eligible, for

a month when you cannot receive benefits under the employer coverage (for example, you are in a waiting period before the employer coverage becomes effective). However, if you could have enrolled in employer coverage that is MEC and is affordable and provides minimum value and you did not enroll during an enrollment period, you cannot get the PAS for your coverage in a qualified health plan for the remainder of the plan year to which the enrollment period related. If the enrollment period related to coverage for more than one plan year, and you do not have another opportunity to enroll in the employer coverage for plan years following the initial plan year, you can take the PAS for your coverage in a qualified health plan during those later plan years, if you are otherwise eligible.

**Coverage after employment ends.** If your employment with an employer ends and you are offered employer coverage by your former employer (for example, COBRA or retiree coverage), you are considered eligible for that employer coverage for PAS purposes only for the months that you are enrolled in the employer coverage. This same rule applies to an individual who may enroll in the coverage by reason of a relationship to a former employee.

**Individual not in your applicable household.** An individual who can enroll in your employer coverage who is not a member of your applicable household (for example, an adult non-dependent child under age 26) is considered eligible for the employer coverage for PAS purposes only for the months the individual is enrolled in the employer coverage.

**How to determine if the plan is affordable.** Your employer coverage is generally considered affordable for you and the members of your applicable household allowed to enroll in the coverage if your share of the annual cost for self-only coverage, which is sometimes referred to as the employee required contribution, is not more than 9.83% of your household income for 2021. Self-only coverage is used for this calculation even if you have a spouse or dependents and therefore would enroll in coverage that is not self-only coverage (for example, coverage for all applicable household members). However, employer-sponsored coverage is not considered affordable if, when you or an applicable household member enrolled in a qualified health plan, you gave accurate information about the availability of employer coverage to the Marketplace, and the Marketplace determined that you were eligible for APAS for the individual's coverage in the qualified health plan. See Determining affordability at the time of enrollment, for more information on this rule.

**Certain employer arrangements.** An employee's required contribution for employer-sponsored coverage may be affected by various arrangements offered by the employer.

**Wellness program incentives.** If the employer that offered you (or your spouse) employer-sponsored coverage for 2021 also offered a wellness incentive that potentially affected the amount that you had to pay toward coverage, the following rules apply: If the condition for satisfying the wellness incentive (in other words, the

condition the employee must meet to pay the smaller amount for coverage) relates exclusively to tobacco use, your required contribution is based on the amount you would have paid for coverage if you had satisfied the condition for the wellness incentive. Wellness incentives relating exclusively to tobacco use are treated as satisfied in determining your required contribution regardless of whether you would have actually earned the incentive had you enrolled in the coverage. If factors other than tobacco use are part of the condition for satisfying the wellness incentive, your required contribution is based on the amount you would have paid for coverage had you not satisfied the wellness incentive.

**Example.** Peter can enroll in employer coverage. Peter's monthly premiums for self-only coverage are \$450. If Peter, who is a smoker, attends a smoking cessation class, his monthly premiums will be reduced by \$100. If Peter completes a cholesterol screening, his monthly premiums will be reduced by \$50. Whether or not Peter actually completes either of these wellness program incentives, for purposes of determining whether the coverage is affordable for Peter, his required contribution will be considered to be the amount reduced by the \$100 incentive for attending a smoking cessation class but not reduced by the \$50 incentive for completing a cholesterol screening. Therefore, for purposes of determining whether his coverage is considered affordable, Peter's required contribution is \$350.

**Health reimbursement arrangements (HRAs).** If the employer that offered you employer-sponsored coverage for 2021 also contributed (or offered to contribute) to an HRA that may be used to pay premiums for the employer-sponsored coverage, your required contribution for the employer-sponsored coverage is reduced by the amount the employer contributed (or offered to contribute) to the HRA for 2021, as long as you were informed of the HRA contribution offer by a reasonable time before you had to decide whether to enroll in the coverage.

### **Individual Coverage Health**

#### **Reimbursement Arrangements (HRAs).**

Starting in 2020, employers can offer individual coverage HRAs to help employees and their families with their medical expenses. Under an individual coverage HRA, employers can reimburse eligible employees for medical expenses, including premiums for Marketplace health insurance.

If you are covered under an individual coverage HRA, you are not allowed PAS for your Marketplace health insurance. Also, if another member of your applicable household is covered under an individual coverage HRA, you are not allowed PAS for the applicable household member's Marketplace health insurance. If you or a member of your applicable household were offered an individual coverage HRA by an employer, but opted out, you may be allowed PAS for your, and your applicable household member's, Marketplace health insurance if the individual coverage HRA is considered unaffordable. For more information about individual coverage HRAs, and to determine if an employer-offered individual coverage HRA is considered unaffordable, go to [coveredca.com/hra](https://www.coveredca.com/hra).

**Health flex contributions.** If the employer that offered you (or your spouse) employer-sponsored coverage for 2021 also made (or offered to make) a health flex contribution for 2021, your required contribution for the employer-sponsored coverage is reduced by the amount of the health flex contribution (or offer). A health flex contribution is an employer contribution to a cafeteria plan that may be used only to pay for medical care (and not taken as cash or other taxable benefits) and is available for use toward the purchase of MEC. Cafeteria plan contributions that may be used for expenses other than medical care are not health flex contributions and so do not reduce your required contribution.

**Opt-out payments.** If the employer that offered you (or your spouse) employer-sponsored coverage for 2021 offered you an additional payment if you declined to enroll in the coverage (an "opt-out payment"), your required contribution for employer-sponsored coverage is increased by amounts that the employer offered to pay you for declining the coverage. In some cases, an employer may make this opt-out payment only if the employee both declines the coverage and also satisfies another condition (such as enrolling in coverage offered by the employee's spouse). If your employer imposed other conditions on receiving the opt-out payment (in addition to declining the employer's health coverage), you may treat the opt-out payment as increasing the employee's required contribution only if you can demonstrate that you met the conditions (such as enrolling in coverage offered by your spouse's employer).

**More information about employer arrangements.** You should contact your employer if you have questions about the effect of the employer arrangements described above on your required contribution.

If your employer or the employer of an applicable household member offered MEC providing minimum value and provided you a federal Form 1095-C, Employer-Provided Health Insurance Offer and Coverage, and the employer also offered a non-health flex contribution or an opt-out payment, the amount reported on Line 15 of federal Form 1095-C may not accurately reflect the amount of your required contribution for purposes of the PAS. If you have questions about the amount reported on Line 15, contact your employer using the contact number provided on the federal Form 1095-C.

**Determining affordability at the time of enrollment.** Your employer coverage is not considered affordable, if, when you enroll in a qualified health plan, the Marketplace determines that your required contribution for employer coverage will be more than 9.83% of what the Marketplace estimates will be your household income and therefore that you are eligible for APAS for coverage in the qualified health plan. Eligibility for employer coverage in this situation does not disqualify you from taking the PAS when you file your tax return, even if your required contribution for coverage was not more than 9.83% of the household income on your return. However, you will be treated as eligible for affordable employer coverage based on the household income on your tax return if:

- You did not provide current information to the Marketplace relating to your household income and the required contribution for your employer coverage during each annual re-enrollment period, or
- You provided incorrect information to the Marketplace about your required contribution with intentional or reckless disregard for the facts.

You provide information with intentional disregard for the facts if you know that the information provided is inaccurate. You provide information with a reckless disregard for the facts if you make little or no effort to determine whether the information provided is accurate and your lack of effort to provide accurate information is substantially different from what a reasonable person would do under the circumstances.

The employer coverage offered by the various employers in the following examples qualifies as MEC.

**Example 1.** Alice is single and has no dependents. Her household income for 2021 was \$47,000. Alice's employer offered its employees a health insurance plan that provided minimum value and for which the required contribution was \$3,450 for self-only coverage for 2021 (7.34% of Alice's household income). Because Alice's required contribution for self-only coverage did not exceed 9.83% of household income, her employer's plan is considered affordable for Alice, and Alice is considered eligible for the employer coverage for all months in 2021. Alice cannot get the PAS for coverage in a qualified health plan.

**Example 2.** The facts are the same as in Example 1, except that Alice is married to Leo and the employer's plan required Alice to contribute \$5,300 for coverage for Alice and Leo for 2021 (11.28% of Alice's household income). Because Alice's required contribution for self-only coverage (\$3,450) does not exceed 9.83% of household income, her employer's plan is considered affordable for Alice and Leo. Both Alice and Leo are considered eligible for the employer coverage for all months in 2021 and cannot get the PAS for coverage in a qualified health plan.

**Example 3.** Daniel was eligible to enroll in employer coverage in 2021. Daniel's required contribution for self-only coverage that provided minimum value was \$3,700. Daniel applied for coverage in a qualified health plan through the Marketplace. The Marketplace projected that Daniel's 2021 household income would be \$37,000 and determined that Daniel's employer coverage was unaffordable because Daniel's required contribution was more than 9.83% of Daniel's household income. Daniel enrolled in a qualified health plan through the Marketplace with APAS and not in the employer coverage. In December, Daniel received an unexpected \$2,500 bonus, which increased his 2021 household income to \$39,500. Although Daniel's required contribution for the employer coverage was not more than 9.83% of the household income on Daniel's tax return, Daniel is considered not eligible for the employer coverage for 2021 because the Marketplace estimated that the employer coverage would cost more than 9.83% of Daniel's household income. Daniel can get the PAS if he otherwise qualifies.

**Example 4.** Jack was eligible for employer coverage for 2021. His required contribution for self-only coverage was \$3,400, and Jack enrolled in the coverage. His household income for 2021 was \$33,000, which means that his required contribution was more than 9.83% of his household income. Even though the employer coverage was not affordable, Jack cannot get the PAS for coverage in a qualified health plan because he enrolled in the employer coverage.

**Example 5.** Daisy is married and has two dependent children. Her household income for 2021 was \$39,000. Daisy's employer offered only self-only coverage to employees. No coverage for all applicable household members was offered. The plan had a required contribution of \$3,000 for self-only coverage for 2021 (7.69% of Daisy's household income) and provided minimum value. Because Daisy's required contribution for self-only coverage was not more than 9.83% of household income, her employer's plan is considered affordable for Daisy. Thus, Daisy is considered eligible for the employer coverage for 2021 and cannot get the PAS for coverage in a qualified health plan. However, because Daisy's employer did not offer coverage to Daisy's spouse and children, Daisy could take the PAS for her spouse and two children if they enrolled in a qualified health plan and otherwise qualify.

**Example 6.** The facts are the same as in Example 5, except that Daisy's employer also offers coverage to Daisy's spouse and children. The premiums for coverage for all applicable household members cost \$6,900 (17.69% of Daisy's household income). Because the required contribution for self-only coverage was not more than 9.83% of Daisy's household income, the employer coverage is considered affordable for Daisy and her applicable household. Daisy could not take the PAS for anyone in her applicable household.

**Determining affordability for part-year period.** If you are employed for part of a year or employed by different employers during the year, you determine whether your coverage is affordable by looking separately at each coverage period that is less than a full calendar year. For each period, the coverage is affordable if your required contribution for the entire year would not be more than 9.83% of your household income for the year.

**Example.** Adam was enrolled in a qualified health plan without APAS beginning in January 2021. He began working for a new employer in May that offers health insurance coverage with a calendar year plan year. Adam's required contribution for the employer coverage for the remainder of the year was \$200/month, which would be \$2,400 for the full plan year. Adam does not enroll in the employer coverage or inform the Marketplace of the offer of employer coverage. Adam's household income for the year is \$20,000. Adam's employer coverage is considered unaffordable for the period May through December because his required contribution for the full plan year, \$2,400, is more than 9.83% of his household income. As a result, Adam could take the PAS for May through December if he otherwise qualifies.

**Coverage year not a calendar year.** If your employer's plan year is not the calendar year and you are a calendar year taxpayer, you determine whether your coverage is affordable by looking separately at the portion of the calendar year in each plan year. A coverage period in 2021 that falls in a plan year beginning in 2020 is considered affordable if your required contribution for the entire plan year is not more than 9.78% of your household income for 2021. A coverage period in 2021 that falls in a plan year beginning in 2021 is considered affordable if your required contribution for the entire plan year is not more than 9.83% of your household income for 2021.

The employer coverage offered by the various employers in the following examples qualifies as MEC.

**Example 1.** Ian's employer offers health insurance coverage with a plan year of July 1 through June 30. His required contribution for the plan year that began on July 1, 2020, was \$250 per month (\$3,000 for the entire plan year). Ian enrolled in a qualified health plan on January 1, 2021, and did not apply for APAS. Ian's household income for 2021 is \$30,000. Ian's required contribution for the plan year, \$3,000, is 10% of his household income for 2021. Because 10% is more than 9.78% (the required contribution percentage for the plan year beginning in 2020), Ian's employer coverage for January 1, 2021, through June 30, 2021, is not considered affordable, and Ian can take the PAS for those months if he is otherwise eligible.

For the plan year that began on July 1, 2021, Ian's required contribution was reduced to \$200 per month (or \$2,400 for the entire plan year). Ian's required contribution of \$2,400 is 8% of his 2021 household income. Because 8% is not more than 9.83% (the required contribution percentage for the plan year beginning in 2021), Ian's employer coverage for July 1, 2021, through December 31, 2021, is considered affordable and he is not eligible for the PAS for those months.

**Example 2.** Elaine's employer offers health insurance coverage with a plan year of September 1 through August 31. Elaine's required contribution for the employer coverage for the plan year September 1, 2021, through August 31, 2022, is \$3,700. Elaine's household income for 2021 is \$37,000. Elaine's employer coverage is considered unaffordable for the period September 1 through December 31, 2021, because her required contribution for the plan year, \$3,700, is more than 9.83% of her 2021 household income. If Elaine enrolls in a qualified health plan for 2022 and requests APAS, the Marketplace will determine whether the employer coverage is considered affordable for the period January 1, 2022, through August 31, 2022, by comparing Elaine's required contribution for the plan year beginning in 2021, \$3,700, to her estimated 2022 household income.

**How to determine if a plan provides minimum value.** An employer-sponsored plan provides minimum value only if the plan pays at least 60% of the total allowed costs of benefits for a standard population and provides substantial coverage of inpatient hospitalization services and physician services. A plan meets the 60% rule only

if an employee's expected cost-sharing (deductibles, co-pays, and co-insurance) under the plan is no more than 40% of the cost of the benefits. This percentage is based on actuarial principles using benefits provided to a standard population and is not based on what you actually pay for cost sharing.

Your employer must provide you with a summary of benefits and coverage (SBC) on or before the first day of the open enrollment period for the plan you are enrolled in for the current coverage period. The employer must also provide you with SBCs you request for other plans in which you can enroll. If you are not enrolled in a plan, the employer must provide you with the SBCs for all plans in which you can enroll. The SBC will tell you whether an employer-sponsored plan provides minimum value. If your employer sent you a federal Form 1095-C, line 14, of that form will include an indicator code telling you if your employer offered you a health plan in the previous year that provided minimum value.

### Grandfathered Health Plan

A grandfathered health plan means any group health plan, group health insurance coverage, or individual health insurance coverage to which section 1251 of the Affordable Care Act applies (in general, certain group health plans and health insurance coverage existing as of March 23, 2010, for as long as the coverage maintains that status under the applicable rules). Health plans must disclose if they are grandfathered. For more information about grandfathered health plans, go to [HealthCare.gov/Health-Care-Law-Protections/Grandfathered-Plans/](http://HealthCare.gov/Health-Care-Law-Protections/Grandfathered-Plans/).

### Coverage Designated as MEC

California has designated the following health benefit plans or arrangements as MEC.

1. The University of California Student Health Insurance Plan and the University of California Voluntary Dependent Plan.
2. Coverage under an eligible employer-sponsored plan, including grandfathered plans and policies.
3. Coverage under an individual health care service plan contract or individual health insurance policy, including grandfathered contracts and policies, catastrophic plans, or student health coverage that substantially meets all the requirements of Title I of the Affordable Care Act pertaining to nongrandfathered, individual health insurance coverage.
4. Any other health benefits coverage that is determined by the DMHC to constitute MEC.

Coverage that an individual purchases directly from a foreign health insurance issuer or that is provided by the government of a foreign country doesn't qualify as MEC unless it is recognized as MEC by the Department of Health and Human Services (HHS). To find out if HHS has recognized particular forms of foreign coverage as MEC, go to [www.cms.gov/CCIIO/Programs-and-Initiatives/Health-Insurance-Market-Reforms/Minimum-Essential-Coverage.html](http://www.cms.gov/CCIIO/Programs-and-Initiatives/Health-Insurance-Market-Reforms/Minimum-Essential-Coverage.html).

## Individuals Not Lawfully Present in the United States Enrolled in a Qualified Health Plan

The PAS is not allowed for the coverage of an individual who is not lawfully present in the United States. All APAS paid for an individual not lawfully present who enrolls in a qualified health plan must be repaid. If all applicable household members enrolled in a qualified health plan are not lawfully present, see the discussion immediately below. If you or a member of your applicable household is not lawfully present and was enrolled in a qualified health plan with applicable household members who are lawfully present for one or more months of the year, you must use the instructions under Lawfully Present and Not Lawfully Present Applicable Household Members Enrolled, to find out how much APAS, if any, you must repay.

For more information about who is treated as lawfully present for this purpose, go to [coveredca.com/lawfullypresent](http://coveredca.com/lawfullypresent).

### All Enrolled Applicable Household Members Not Lawfully Present

If all applicable household members enrolled in a qualified health plan are not lawfully present, no PAS is allowed and all APAS must be repaid. Complete lines on form FTB 3849 as explained below. **Leave all other lines blank.**

**Lines 1, 2a, 3, 4, and 5.** Enter -0-.

**Line 9.** Complete line 9 as provided in the form FTB 3849 instructions to determine whether you must complete Part IV for an allocation of policy amounts. Complete Part IV if instructed to do so by Table 3 of the form FTB 3849 instructions. Do not complete Part V.

**Line 11(g) (or lines 12 through 23, column (g), if you complete Part IV).** If you checked the "No" box on line 9, enter the total of your form FTB 3895, Part II, line 18, on line 11 (g). If you checked the "Yes" box on line 9, complete lines 12 through 23, column (g), as provided in the form FTB 3849 instructions.

**Line 24.** Enter -0-.

**Lines 25, 27, and 29.** Enter the amount from line 11(g) (or the total of lines 12 through 23, column (g)) on each line. Then, follow the instructions on line 29 about entering the amount from line 29 on your Form 540 or Form 540NR.

## Lawfully Present and Not Lawfully Present Applicable Household Members Enrolled

Before you read the following discussion, first familiarize yourself with the definitions of applicable household and coverage family discussed under Definitions.

If you or a member of your applicable household is not lawfully present and was enrolled in a qualified health plan with applicable household members who are lawfully present for one or more months of the year, you may take the PAS only for the coverage of the lawfully present applicable household members. You must determine how much APAS was paid for the coverage of a not lawfully present applicable household member and repay that amount. Complete form FTB 3849 using the following steps.

**Step 1.** Complete Part I according to the instructions. If you are instructed to repay the APAS paid for all individuals included in your applicable household, skip the rest of these steps, complete form FTB 3849 through line 27, and then see How To Determine the Excess APAS That Must Be Repaid.

**Step 2.** Determine your monthly enrollment premiums and applicable SLCSP premium using the instructions under How To Determine Your Monthly Enrollment Premiums and SLCSP Premium.

**Step 3.** Complete line 9, including Parts IV and V if instructed to do so.

**Step 4.** If Situation 1 applies to you, do one of the following.

- If the enrolled lawfully present applicable household members are enrolled for all 12 months of 2021, check the “Yes” box on line 10 and complete line 11, and lines 24 through 29 as appropriate.
- If the enrolled lawfully present applicable household members are enrolled for less than 12 months, check the “No” box on line 10, skip line 11, and complete lines 12 through 29 as appropriate.

If Situation 2 applies to you, check the “No” box on line 10, skip line 11, and complete lines 12 through 25. Then, do one of the following.

- If line 24 is less than line 25, you have excess APAS. See How To Determine the Excess APAS That Must Be Repaid.
- If line 24 is equal to or greater than line 25, complete line 26 as instructed. (Do not follow the instructions under How To Determine the Excess APAS That Must Be Repaid).

### How To Determine Your Monthly Enrollment Premiums and Applicable SLCSP Premium

See Situation 1 or Situation 2 below for how to determine your monthly enrollment premium and applicable SLCSP premium.

**Situation 1 –** Not lawfully present applicable household members enrolled and no other changes in enrollment or coverage family. Situation 1 applies if you have applicable household members who are not lawfully present that are enrolled for all or a part of the year, there are no changes in your coverage family during the year (counting only lawfully present applicable household members), and there are no enrollment changes involving your lawfully present applicable household members enrolled in the coverage during the year. If Situation 1 applies, you should enter on form FTB 3849, for every month of the

year the enrollment premiums and applicable SLCSP premium the Marketplace reports on form FTB 3895 for the months when only lawfully present individuals were enrolled in the coverage. If a not lawfully present applicable household member was enrolled for the entire year, see No reference month.

**Example 1.** Alex enrolls himself and his three dependents, Tom, Jonah, and Rose in a qualified health plan. Rose is not lawfully present in the United States. The monthly enrollment premiums for the plan are \$1,000. No one in Alex’s applicable household is eligible for MEC (other than Marketplace coverage) and the applicable SLCSP premium that would apply to all four members of Alex’s applicable household is \$1,200. There are no changes involving the lawfully present members of the coverage family during the year. Rose is disenrolled from coverage as of April 1. The monthly enrollment premiums for Alex and his other two dependents are \$800 and the applicable SLCSP premium that applies to Alex’s coverage family of three is \$900. The Marketplace reports the following amounts on form FTB 3895, Part II.

| Months                   | Column (a) | Column (b) |
|--------------------------|------------|------------|
| January, February, March | \$1,000    | \$1,200    |
| April through December   | \$800      | \$900      |

When completing form FTB 3849, Alex enters \$9,600 (\$800 x 12) as the enrollment premiums on line 11, column (a), and \$10,800 (\$900 x 12) as the premium for the applicable SLCSP on line 11, column (b).

**Situation 2 –** Changes in enrollment or coverage family involving a lawfully present applicable household member. Situation 2 applies if you have applicable household members who are not lawfully present that are enrolled for all or part of the year, and there are either changes in your coverage family during the year (counting only lawfully present applicable household members) or enrollment changes involving your lawfully present applicable household members enrolled in the coverage during the year. If Situation 2 applies, use these rules to determine the enrollment premiums and the applicable SLCSP premium for the months any not lawfully present applicable household members are enrolled. First, use Worksheet A to determine if you have a reference month for enrollment premiums or for the applicable SLCSP premium. You may have a reference month for enrollment premiums (discussed below) or a reference month for the applicable SLCSP premium (discussed below), or for both.

**Reference month for enrollment premiums.** A reference month for enrollment premiums is a month in which the not lawfully present applicable household member is not enrolled in coverage and there are no other changes in the members of your applicable household who are enrolled in the coverage. In other words, your enrolled applicable household members are the same during the reference month as for a month the not lawfully present member was enrolled, except that the not lawfully present applicable household member is not enrolled. Enter on form FTB 3849, Part II, column (a), the enrollment premiums for the reference month as

the enrollment premiums for the months the not lawfully present applicable household member was enrolled.

**Reference month for SLCSF premium.** A reference month for the applicable SLCSF premium is a month in which the not lawfully present applicable household member is not enrolled in coverage and there are no other changes in your coverage family. In other words, your coverage family is the same during the reference month as for a month the not lawfully present applicable household member was enrolled, except the not lawfully present applicable household member is not included in your coverage family. Enter on form FTB 3849, Part II, column (b), the applicable SLCSF premium for the reference month as the applicable SLCSF premium for the months the not lawfully present applicable household member was enrolled.

**No reference month.** If you do not have a reference month for enrollment premiums, you may have to contact your insurance company to find out what the amount of the enrollment premiums would have been if the policy had covered only lawfully present applicable household members. If you do not have a reference month for the applicable SLCSF premium, you must look up the SLCSF premium that applies to your coverage family (without any not lawfully present applicable household members). See Determining the Premium for the Applicable Second Lowest Cost Silver Plan (SLCSF). You may use Worksheet A to determine whether you have any reference months.

**Example 2.** The facts are the same as in Example 1, except that Alex becomes eligible for employer-sponsored coverage on September 1, notifies the Marketplace, but remains enrolled in the qualified health plan (although he cannot take the PAS for his coverage for the months after August). The applicable SLCSF premium that applies to Tom and Jonah is only \$400. The Marketplace reports the following amounts on form FTB 3895, Part II.

| Months                     | Column (a) | Column (b) |
|----------------------------|------------|------------|
| January, February, March   | \$1,000    | \$1,200    |
| April through August       | \$800      | \$900      |
| September through December | \$800      | \$400      |

Alex must complete lines 12 through 23 on form FTB 3849. April through August are reference months for both enrollment premiums and the applicable SLCSF premium for January through March (the months Rose was enrolled in coverage) because Alex's coverage family and enrolled applicable household members for April through August (Alex, Jonah, and Tom) are the same as for January through March except for Rose who is not lawfully present. (September through December are also reference months for enrollment premiums.) The enrollment premiums and SLCSF premium for April through August are the same amounts they would have been for January through March without Rose. Therefore, for the months January through March, Alex enters on form FTB 3849, lines 12 through 23, \$800 (the enrollment premiums for April through August) in column (a) and

\$900 (the SLCSF premium that applies to the coverage family for April through August) in column (b).

**Example 3.** The facts are the same as in Example 1, except that Alex becomes eligible for employer-sponsored coverage on April 1, notifies the Marketplace, but remains enrolled in the qualified health plan. The Marketplace reports the following amounts on form FTB 3895, Part II.

| Months                   | Column (a) | Column (b) |
|--------------------------|------------|------------|
| January, February, March | \$1,000    | \$1,200    |
| April through December   | \$800      | \$400      |

Alex does not have a reference month for the applicable SLCSF premium for the months Rose was enrolled in the qualified health plan because there is another change in his coverage family for the months April through December (Alex is not in the coverage family because he is eligible for employer-sponsored coverage). Thus, there are no months when Alex's coverage family is the same (except for Rose) before and after Rose is disenrolled from coverage. Alex must look up the SLCSF premium that applies to his coverage family without Rose. Alex determines that the applicable SLCSF premium to enter on form FTB 3849 for the months January through March for a coverage family consisting of Alex, Tom, and Jonah is \$900.

April through December are reference months for Alex for enrollment premiums because the applicable household members who are enrolled for those months are the same applicable household members who were enrolled in January through March, except for Rose.

Therefore, for the months January through March, Alex enters on form FTB 3849, lines 12 through 23, \$800 (the enrollment premiums for April through December) in column (a) and \$900 (the SLCSF premium that would apply to the coverage family of Alex, Tom, and Jonah) in column (b).

## How To Determine the Excess APAS That Must Be Repaid

The excess APAS repayment limitation (see the instructions for form FTB 3849, line 28) applies only to excess APAS for coverage of lawfully present individuals. Excess APAS that relates to the coverage of individuals who are not lawfully present must be repaid without limitation. Use Worksheet B to determine the amount of excess APAS that you must repay if all of the following apply.

- You or a member of your applicable household is not lawfully present and is enrolled in a qualified health plan with applicable household members who are lawfully present for one or more months of the year.
- You have excess APAS on line 27 of form FTB 3849.
- Your excess APAS on line 27 of form FTB 3849 is more than your repayment limitation amount from Table 6 in the form FTB 3849 instructions.



**Worksheet A. Do You Have Any Reference Months?**

**Keep for Your Records**

Use this worksheet to determine whether you have any reference months.

| Months in 2021   | Jan.                     | Feb.                     | Mar.                     | Apr.                     | May                      | Jun.                     | Jul.                     | Aug.                     | Sep.                     | Oct.                     | Nov.                     | Dec.                     |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <p><b>1.</b> Check a box for each month in which any applicable household members not lawfully present were enrolled in coverage.</p>  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <p><b>2.</b> Check a box for each month in which:</p> <ul style="list-style-type: none"> <li>Only lawfully present applicable household members were enrolled in coverage, and</li> <li>There were no other changes in members of your applicable household* who are enrolled in coverage, as compared to a month for which you checked a box on line 1 . . . . .</li> </ul> <p>The months for which you checked boxes on line 2 are your <b>reference months</b> for enrollment premiums. Use the enrollment premium reported on form FTB 3895, Part II, column (a), for the reference month as your enrollment premium on form FTB 3849 for the month(s) you checked on line 1.</p> <p><b>Note.</b> If you did not check any boxes on this line, see No reference month.</p> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <p><b>3.</b> Check a box for each month in which:</p> <ul style="list-style-type: none"> <li>Only lawfully present applicable household members were enrolled in coverage, and</li> <li>There were no other changes in your coverage family*, as compared to a month for which you checked a box on line 1 . . . . .</li> </ul> <p>The months for which you checked boxes on line 3 are your <b>reference months</b> for the applicable SLCSP premium. Use the applicable SLCSP premium reported on form FTB 3895, Part II, column (b), for the reference month as your applicable SLCSP premium on form FTB 3849 for the month(s) you checked on line 1.</p> <p><b>Note.</b> If you did not check any boxes on this line, see No reference month.</p>                         | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <p>*See Definitions, for the Applicable household and Coverage family.</p>   |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          |

If line 27 of form FTB 3849 is not more than your repayment limitation amount from Table 6 in the form FTB 3849 instructions, do not complete Worksheet B. Leave line 28 of form FTB 3849 blank, enter the amount from line 27 on line 29 of form FTB 3849, and follow the instructions on line 29. If you must complete Worksheet B, see the illustrated example.

## Illustrated Example of Determining the Excess APAS That Must Be Repaid

Alex enrolls himself and his three dependents, Tom, Jonah, and Rose in a qualified health plan. Rose is not lawfully present in the United States and is disenrolled from the coverage as of April 1. Alex becomes eligible for employer-sponsored coverage on September 1, notifies the Marketplace, but remains enrolled in the qualified health plan. The Marketplace reports the following amounts on form FTB 3895, Part II.

| Months                     | Column (a) | Column (b) | Column (c) |
|----------------------------|------------|------------|------------|
| January, February, March   | \$1,000    | \$1,200    | \$953      |
| April through August       | \$800      | \$900      | \$653      |
| September through December | \$800      | \$400      | \$153      |

**Step 1.** Alex completes Part I of form FTB 3849 (not illustrated). His household income for the year on his form FTB 3849, line 3, is \$65,500, which is 250% of the federal poverty line. The annual contribution amount Alex enters on line 8a is \$5,109 and the monthly contribution amount he enters on line 8b is \$426.

**Step 2.** Alex determines his monthly enrollment premiums and applicable SLCSP premium using the instructions under How To Determine Your Monthly Premium and Applicable SLCSP Premium. Situation 2 in that discussion applies to Alex because he has a lawfully present applicable household member enrolled in coverage and there are changes in his coverage family in 2021, counting only lawfully present applicable household members: beginning in September, only Jonah and Tom are in the coverage family. Alex is no longer in the coverage family because he becomes eligible for employer-sponsored coverage.

Alex completes Worksheet A as explained below to determine his reference months for the enrollment premiums and the applicable SLCSP premium for the months Rose was enrolled. (See Alex's Worksheet A.)

**Line 1.** He checks the boxes for January, February, and March because those are the months in which Rose is enrolled in Marketplace coverage.

**Line 2.** He checks the boxes for April through December. Those months are reference months for enrollment premiums (\$800) for January through March because his applicable household for these months (Alex, Jonah, and Tom) is the same as for January through March except for Rose.

**Line 3.** He checks the boxes for April through August. These months are reference months for the applicable SLCSP premium (\$900) for January through March because Alex's coverage family for these months (Alex, Jonah, and Tom) is the same as for January through March except for Rose. September through December are not reference months for the applicable SLCSP premium (and Alex doesn't check these boxes) because, as explained above, there was another change in his coverage family beginning in September.

**Step 3.** Alex checks the "No" box on line 9 because he is neither allocating policy amounts with another taxpayer nor using the alternative calculation for year of marriage.

**Step 4.** Because Situation 2, applies to Alex, he checks the "No" box on line 10, skips line 11, and completes lines 12 through 25. On lines 12 through 14, column (a), he enters \$800 as determined in Worksheet A, line 2. On lines 12 through 14, column (b), he enters \$900 as determined in Worksheet A, line 3.

Alex's PAS on line 24 (\$0) is less than his APAS on line 25 (\$6,736), and his excess APAS on line 27 (\$6,736) is greater than his Table 6 repayment limitation amount (\$1,550) in the form FTB 3849 instructions. According to the instructions under How To Determine the Excess APAS That Must Be Repaid, Alex must complete Worksheet B to figure the amount of excess APAS he must repay.

Alex completes Worksheet B as follows.

**Line 1.** Alex enters \$953. This is the monthly APAS shown on form FTB 3895, Part II, column (c), for January, February, and March (the months that Rose was enrolled in coverage).

**Line 2.** Alex enters \$0. This is the amount from form FTB 3849, Part II, column (f), for January through March and represents the applicable monthly SLCSP premium for April through August (reference months for the applicable SLCSP premium) for Alex, Tom, and Jonah of \$900 less the monthly contribution amount of \$426 less the allowed monthly PTC of \$682 (see the instructions in the form FTB 3849, column (f)).

**Line 4.** Alex enters \$1,000. This is the monthly premium for January through March shown on form FTB 3895, Part II, column (a).

**Line 5.** Alex enters \$1,200. This is the applicable SLCSP premium shown on form FTB 3895, Part II, column (b).

**Line 6.** Alex enters \$426. This is the monthly contribution amount from form FTB 3849, line 8b.

**Lines 7 through 14.** Alex completes these lines as instructed on Worksheet B.

**Line 15.** Line 14 is more than line 13. Accordingly, Alex enters the amount from line 13 (\$3,872) on form FTB 3849, lines 28 and 29.

**Worksheet B. Excess APAS That Must Be Repaid**

**Keep for Your Records**

Complete columns **only** for the months a not lawfully present applicable household member was enrolled in coverage. (If you completed Worksheet A, these are the months for which you checked a box on line 1 of the worksheet.)

| Months in 2021   | Jan. | Feb. | Mar. | Apr. | May | Jun. | Jul. | Aug. | Sep. | Oct. | Nov. | Dec.       |
|--|------|------|------|------|-----|------|------|------|------|------|------|------------|
| 1. Enter APAS from form FTB 3895, Part II, column (c) . . . . .  |      |      |      |      |     |      |      |      |      |      |      |            |
| 2. Enter the monthly PAS amount from form FTB 3849, Part II, column (f) . . . . .  |      |      |      |      |     |      |      |      |      |      |      |            |
| 3. Subtract line 2 from line 1. If zero or less, leave this line blank and skip lines 4 through 10 for the month. . . . .  |      |      |      |      |     |      |      |      |      |      |      |            |
| 4. Enter the monthly premium amount from form FTB 3895, Part II, column (a) . . . . .  |      |      |      |      |     |      |      |      |      |      |      |            |
| 5. Enter the SLCSP premium from form FTB 3895, Part II, column (b) . . . . .   |      |      |      |      |     |      |      |      |      |      |      |            |
| 6. Enter the monthly contribution amount from form FTB 3849, line 8b . . . . .   |      |      |      |      |     |      |      |      |      |      |      |            |
| 7. Subtract line 6 from line 5 . . . . .   |      |      |      |      |     |      |      |      |      |      |      |            |
| 8. Enter the smaller of line 4 or line 7 . . . . .   |      |      |      |      |     |      |      |      |      |      |      |            |
| 9. Subtract line 8 from line 1. If zero or less, enter -0- . . . . .   |      |      |      |      |     |      |      |      |      |      |      |            |
| 10. Subtract line 9 from line 3 . . . . .  |      |      |      |      |     |      |      |      |      |      |      |            |
| 11. Add the amounts on line 10. If all of your line 3 results were zero or less, <b>stop here</b> . None of your excess APAS was from individuals who were not lawfully present. Enter the repayment limitation from Table 6 in the form FTB 3849 instructions on form FTB 3849, line 28, and continue to line 29 . . . . .  |      |      |      |      |     |      |      |      |      |      |      | <b>11.</b> |
| 12. Enter the repayment limitation from Table 6 in the form FTB 3849 instructions. . . . .   |      |      |      |      |     |      |      |      |      |      |      | <b>12.</b> |
| 13. Add lines 11 and 12 . . . . .  |      |      |      |      |     |      |      |      |      |      |      | <b>13.</b> |
| 14. Enter the amount from form FTB 3849, line 27 . . . . .   |      |      |      |      |     |      |      |      |      |      |      | <b>14.</b> |
| 15. Compare lines 13 and 14. <ul style="list-style-type: none"> <li>• If line 14 is more than line 13, enter the amount from line 13 on form FTB 3849, lines 28 and 29, and follow the instructions on line 29.</li> <li>• If line 14 is less than or equal to line 13, leave form FTB 3849, line 28, blank and enter the amount from line 27 on line 29.</li> </ul> |      |      |      |      |     |      |      |      |      |      |      |            |

## Alex's Worksheet A. Do You Have Any Reference Months?

Use this worksheet to determine whether you have any reference months.

| Months in 2021  | Jan.                                | Feb.                                | Mar.                                | Apr.                                | May                                 | Jun.                                | Jul.                                | Aug.                                | Sep.                                | Oct.                                | Nov.                                | Dec.                                |
|---|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| <p>1. Check a box for each month in which any applicable household members not lawfully present were enrolled in coverage.</p>  | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            |
| <p>2. Check a box for each month in which:</p> <ul style="list-style-type: none"> <li>Only lawfully present applicable household members were enrolled in coverage, and</li> <li>There were no other changes in members of your applicable household* who are enrolled in coverage, as compared to a month for which you checked a box on line 1 . . . . .</li> </ul> <p>The months for which you checked boxes on line 2 are your <b>reference months</b> for enrollment premiums. Use the enrollment premium reported on form FTB 3895, Part II, column (a), for the reference month as your enrollment premium on form FTB 3849 for the month(s) you checked on line 1.</p> <p><b>Note.</b> If you did not check any boxes on this line, see No reference month.</p> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <p>3. Check a box for each month in which:</p> <ul style="list-style-type: none"> <li>Only lawfully present applicable household members were enrolled in coverage, and</li> <li>There were no other changes in your coverage family*, as compared to a month for which you checked a box on line 1 . . . . .</li> </ul> <p>The months for which you checked boxes on line 3 are your <b>reference months</b> for the applicable SLCSP premium. Use the applicable SLCSP premium reported on form FTB 3895, Part II, column (b), for the reference month as your applicable SLCSP premium on form FTB 3849 for the month(s) you checked on line 1.</p> <p><b>Note.</b> If you did not check any boxes on this line, see No reference month.</p>                         | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            |
| <p>*See Definitions, for the Applicable household and Coverage family.</p>  |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |

## Alex's Worksheet B. Excess APAS That Must Be Repaid

Complete columns **only** for the months a not lawfully present applicable household member was enrolled in coverage. (If you completed Worksheet A, these are the months for which you checked a box on line 1 of the worksheet.)

| Months in 2021   | Jan.  | Feb.  | Mar.  | Apr. | May | Jun. | Jul. | Aug. | Sep. | Oct. | Nov.       | Dec.  |
|--|-------|-------|-------|------|-----|------|------|------|------|------|------------|-------|
| 1. Enter APAS from form FTB 3895, Part II, column (c) . . . . .  | \$953 | \$953 | \$953 |      |     |      |      |      |      |      |            |       |
| 2. Enter the monthly PAS amount from form FTB 3849, Part II, column (f) . . . . .  | 0     | 0     | 0     |      |     |      |      |      |      |      |            |       |
| 3. Subtract line 2 from line 1. If zero or less, leave this line blank and skip lines 4 through 10 for the month. . . . .  | 953   | 953   | 953   |      |     |      |      |      |      |      |            |       |
| 4. Enter the monthly premium amount from form FTB 3895, Part II, column (a) . . . . .  | 1,000 | 1,000 | 1,000 |      |     |      |      |      |      |      |            |       |
| 5. Enter the SLCSP premium from form FTB 3895, Part II, column (b) . . . . .   | 1,200 | 1,200 | 1,200 |      |     |      |      |      |      |      |            |       |
| 6. Enter the monthly contribution amount from form FTB 3849, line 8b . . . . .   | 426   | 426   | 426   |      |     |      |      |      |      |      |            |       |
| 7. Subtract line 6 from line 5 . . . . .   | 774   | 774   | 774   |      |     |      |      |      |      |      |            |       |
| 8. Enter the smaller of line 4 or line 7 . . . . .   | 774   | 774   | 774   |      |     |      |      |      |      |      |            |       |
| 9. Subtract line 8 from line 1. If zero or less, enter -0-. . . . .  | 179   | 179   | 179   |      |     |      |      |      |      |      |            |       |
| 10. Subtract line 9 from line 3 . . . . .  | 774   | 774   | 774   |      |     |      |      |      |      |      |            |       |
| 11. Add the amounts on line 10. If all of your line 3 results were zero or less, <b>stop here</b> . None of your excess APAS was from individuals who were not lawfully present. Enter the repayment limitation from Table 6 in the form FTB 3849 instructions on form FTB 3849, line 28, and continue to line 29. . . . .                                       |       |       |       |      |     |      |      |      |      |      | <b>11.</b> | 2,322 |
| 12. Enter the repayment limitation from Table 6 in the form FTB 3849 instructions. . . . .   |       |       |       |      |     |      |      |      |      |      | <b>12.</b> | 1,550 |
| 13. Add lines 11 and 12 . . . . .  |       |       |       |      |     |      |      |      |      |      | <b>13.</b> | 3,872 |
| 14. Enter the amount from form FTB 3849, line 27 . . . . .   |       |       |       |      |     |      |      |      |      |      | <b>14.</b> | 6,736 |
| 15. Compare lines 13 and 14. <ul style="list-style-type: none"> <li>If line 14 is more than line 13, enter the amount from line 13 on form FTB 3849, lines 28 and 29, and follow the instructions on line 29.</li> <li>If line 14 is less than or equal to line 13, leave form FTB 3849, line 28, blank and enter the amount from line 27 on line 29.</li> </ul> |       |       |       |      |     |      |      |      |      |      |            |       |

## Determining the Premium for the Applicable Second Lowest Cost Silver Plan (SLCSP)

If you or a member of your applicable household enrolls in a qualified health plan and APAS is paid for the coverage, the Marketplace will generally identify the applicable SLCSP premium and report it on form FTB 3895. The Marketplace determines the applicable SLCSP premium based on your address and the members of your coverage family. Providing correct information on your application for financial assistance and notifying the Marketplace if you move or the members of your coverage family change is necessary for the Marketplace to report your SLCSP premium. If the Marketplace does not have accurate and updated information, the SLCSP premium the Marketplace reports on form FTB 3895 may not be accurate for all months and you will need to determine the applicable SLCSP premium for those months. See Applicable SLCSP premium tools, below.

If you did not request financial assistance (APAS), the Marketplace will not report a SLCSP premium (Part II, column (b), will report -0- or be blank). If you take the PAS on your tax return, you will need to determine the applicable SLCSP premium that applies to your coverage family for each month of coverage.

**Applicable SLCSP premium tools.** Only the Marketplace is able to provide applicable SLCSP premiums. The Marketplace has provided tools that, as you prepare your tax return, you may use to look up the applicable SLCSP premium that applies to your coverage family for each month. If you enrolled through the Marketplace, you will find the tool at [coveredca.com/taxes](https://www.coveredca.com/taxes) or you may contact the Marketplace directly for the applicable SLCSP premium.

## Allocating Policy Amounts for Individuals With No One in Their Applicable Household

If an individual you enrolled in coverage is not included in any applicable household, you must reconcile the APAS paid for the individual's coverage, even if you are claimed as a dependent by another taxpayer. If you are enrolled in the same policy as the individual not included in any applicable household, you have to allocate policy amounts even though the conditions in the form FTB 3849 instructions for line 9 are not met. Use the example below to complete form FTB 3849 if your household size is zero but you have to allocate policy amounts.

**Example.** Gabe enrolls himself and his child, Liz, in a qualified health plan with coverage effective for all of 2021. The form FTB 3895 he received from the Marketplace shows that \$6,000 of APAS was paid for their coverage (\$500 is entered in Part II, column (c), for each of lines 6 through 17). Gabe files an income tax return for 2021 on

Form 540 and does not include anyone in his applicable household. Gabe's parents, Simmon and Samantha, include Gabe in their applicable household. No one includes Liz in their applicable household. Because Gabe enrolled Liz in coverage and no one includes Liz in their applicable household, Gabe must reconcile the APAS paid for Liz's coverage. Simmon and Samantha must reconcile the APAS paid for Gabe's coverage. Because Simmon and Samantha must reconcile the APAS paid for Gabe's coverage and Gabe must reconcile the APAS paid for Liz's coverage, Gabe must complete Part IV of form FTB 3849 to allocate policy amounts with Simmon and Samantha. Gabe, Samantha, and Simmon do not agree on an allocation percentage. Gabe completes form FTB 3849 as follows.

**Lines 1, 2a, 3, 4, and 5.** Gabe enters -0-.

**Line 9.** Gabe reads Allocating policy amounts under Line 9 in the form FTB 3849 instructions. Although the first condition in that discussion is not met, the allocation rules still apply because the APAS must be reported on two separate returns (Gabe's for Liz; Simmon and Samantha's for Gabe). He checks "Yes" on line 9. Then, he reads Table 3 in the form FTB 3849 instructions. According to Step 3 in Table 3, he must allocate in Part IV using the rules under Allocation Situation 4 — Other situations where a policy is shared between two applicable households, in the form FTB 3849 instructions.

**Line 30 (Part IV).** Gabe enters the Marketplace assigned policy number in column (a), Simmon's SSN in column (b), "01" in column (c), and "12" in column (d). He leaves columns (e) and (f) blank because he is not an applicable taxpayer. He enters "0.50" in column (g). This is the allocation percentage based on the rules under Allocation Situation 4 — Other situations where a policy is shared between two applicable households, in the form FTB 3849 instructions.

**Lines 12 through 23, column (g).** Gabe enters \$250 on each line (0.50 x the \$500 APAS shown on his form FTB 3895).

**Lines 25, 27, and 29.** Gabe enters \$3,000 APAS, which is the total of lines 12 through 23, column (g), on these lines and on his Form 540, line 64.

## Allocation of Policy Amounts Among Three or More Taxpayers

This section covers allocations of policy amounts (enrollment premiums, applicable SLCSP premiums, and APAS) among three or more taxpayers.

Before you read this section, first read Part IV – Allocation of Policy Amounts in the form FTB 3849 instructions. Then, use the following instructions to complete Part IV of form FTB 3849 if one qualified health plan covers individuals from three or more applicable households in the same month. Specifically, these instructions apply to:

- Taxpayers who must allocate policy amounts because of a divorce or legal separation in 2021 and must

also allocate policy amounts with another taxpayer (for example, a grandparent who includes in their applicable household a child enrolled with the former spouses).

- Taxpayers who must allocate policy amounts because they are legally married but are not filing a joint return (for example, filing their returns as married filing separately), and must also allocate policy amounts with another taxpayer (for example, a grandparent who includes in their applicable household a child enrolled with the spouses).
- Other taxpayers who are including an individual in their applicable household who is enrolled in a qualified health plan together with members of two or more other applicable households.

**No APAS.** If you or a member of your applicable household is enrolled in a qualified health plan with members of two or more other applicable households and no APAS is paid for coverage under the plan, use the instructions for form FTB 3849 under Allocation Situation 3 — No APAS, to allocate the enrollment premiums from the qualified health plan among the applicable households. You allocate the enrollment premiums in proportion to the SLCSP premium that applies to each taxpayer who has a coverage family member enrolled in the plan. For purposes of this enrollment premium allocation, only coverage family members enrolled in the plan are considered in determining the SLCSP premium that applies to each taxpayer. You and the other taxpayers must complete column (e) on the appropriate line in Part IV to allocate the enrollment premiums to each applicable household. Leave columns (f) and (g) blank. See Specific Instructions, Line 10, Missing or incorrect SLCSP premium on the form FTB 3895 in the form FTB 3849 instructions, to determine your applicable SLCSP premium to use for the allocation.

## Allocation Among Two Taxpayers Who Divorced or Legally Separated in 2021 and One or More Other Taxpayers

Use this section to allocate policy amounts from a qualified health plan if you meet either of the following conditions and no other allocations for the policy are necessary.

- You are allocating enrollment premiums, applicable SLCSP premiums, and APAS with a former spouse as a result of your divorce or legal separation in 2021 and are also allocating amounts with another taxpayer who is including an individual in their applicable household who, when you were married to the former spouse, was enrolled in a qualified health plan with members of your and your former spouse's applicable households; or
- You are the taxpayer who is including in your applicable household an individual enrolled in the plan with applicable household members of taxpayers

who must also allocate policy amounts as a result of divorce or separation in 2021.

**Example.** Emily and Matt and their two children, Olivia and Brian, enroll in a qualified health plan for 2021. Emily and Matt were married at the beginning of 2021 and divorce in 2021. Olivia and Brian move in with their grandmother, Lucy, in May of 2021. Lucy claims Olivia and Brian as dependents on her 2021 income tax return. Emily, Matt, and Lucy use this section to allocate policy amounts to compute their respective PAS and reconcile PAS with the APAS paid.

Emily and Matt use the allocation method under Rules for the Taxpayers Who Divorced or Legally Separated in 2021 and Are Also Allocating With Another Taxpayer.

Lucy uses the allocation method under Rules for the Taxpayer(s) Allocating With Taxpayers Who Divorced or Legally Separated in 2021.

### Rules for the Taxpayers Who Divorced or Legally Separated in 2021 and Are Also Allocating With Another Taxpayer

Use this allocation method if you divorced or legally separated during the year and you must allocate policy amounts (enrollment premiums, applicable SLCSP premiums, and APAS) with your former spouse as well as with another taxpayer who is including in their applicable household an individual enrolled in a qualified health plan with members of your and your former spouse's applicable households.

**Step 1.** Determine an allocation percentage with your former spouse. You use this percentage to allocate the total enrollment premiums, the applicable SLCSP premiums, and APAS for coverage under the plan during the months you were married. You will find these amounts on your form(s) FTB 3895, Part II, columns (a), (b), and (c), respectively. You and your former spouse can allocate these amounts using any percentage you agree on from -0- to 100, but you must allocate all amounts using the same percentage. If you do not agree on a percentage, you and your former spouse must allocate 50% of each of these amounts to each of you.

**Step 2.** Separately from the first allocation, determine an allocation percentage with the taxpayer(s) who included in their applicable household the individual(s) enrolled in the plan with a member of your applicable household or a member of your former spouse's applicable household. You may agree on any allocation percentage from -0- to 100. You may use the percentage you agreed on for every month that this allocation rule applies, or you may agree on different percentages for different months. However, you must use the same allocation percentage for all policy amounts (enrollment premiums, applicable SLCSP premiums, and APAS) in a month. If you cannot agree on an allocation percentage, the allocation percentage is equal to the number of individuals the other taxpayer includes in their applicable household for the tax year who were enrolled in the plan for which you are allocating policy amounts, divided by the total number of individuals enrolled in the qualified health plan. The allocation percentage is the percentage that applies to the amounts

the other taxpayer must use to compute PAS and reconcile it with APAS. You and your former spouse must compute PAS and reconcile APAS using the remaining amounts.

**Step 3.** Complete Worksheet C below.  
Worksheet C.

### Allocations for the Divorced or Legally Separated Taxpayers

|  |              |
|--|--------------|
| 1. Enter as a decimal your percentage from Step 1 above . . . . .  | 1. _____     |
| 2. Enter 1.0 . . . . .   | 2. _____ 1.0 |
| 3. Enter as a decimal the total of the percentage(s) from Step 2 above allocated to the other taxpayer(s).<br><b>Note.</b> See Example 2, for details on adding the percentages for multiple taxpayers . . . . . | 3. _____     |
| 4. Subtract line 3 from line 2 . . . . .   | 4. _____     |
| 5. Multiply line 1 by line 4. Enter the result as a decimal. This is your allocation percentage.<br>Go to Step 4 below . . . . .   | 5. _____     |

**Step 4.** If you use the same percentage in Step 2 above for every month to which this allocation method applies, use only one of lines 30 through 33 in Part IV to report the allocation. If you use different percentages for different months under Step 2, use a separate line in Part IV for each allocation percentage. Complete the line as explained below.

**Column (a).** Enter the Marketplace-assigned policy number from form FTB 3895. Enter the full policy number.

**Column (b).** Enter the SSN or ITIN of your former spouse.

**Column (c).** Enter the first month you are allocating policy amounts. For example, if you are allocating a percentage from January through June, enter "01" in column (c).

**Column (d).** Enter the last month you are allocating policy amounts. For example, if you are allocating a percentage from January through June, enter "06" in column (d).

**Column (e).** Enter the decimal from Worksheet C, line 5.

**Column (f).** Enter the decimal from Worksheet C, line 5.

**Column (g).** Enter the decimal from Worksheet C, line 5.

### Rules for the Taxpayer(s) Allocating With Taxpayers Who Divorced or Legally Separated in 2021

Use this allocation method if you are including in your applicable household one or more individuals who were enrolled in a qualified health plan with members of the applicable household of other taxpayers who must also allocate policy amounts as a result of divorce or legal separation in 2021.

**Step 1.** Determine an allocation percentage with one of the former spouses. You may agree on any allocation percentage from -0- to 100. You may use the percentage you agreed on for every month during which this allocation rule applies, or you may agree on different percentages for different months. However, you must use the same allocation percentage for all policy amounts (enrollment premiums, applicable SLCSF premiums, and APAS) in a month. If you cannot agree on an allocation percentage, the allocation percentage is equal to the number of individuals you include in your applicable household for the tax year who were enrolled in the qualified health plan for which you are allocating policy amounts, divided by the total number of individuals enrolled in the plan. The allocation percentage is the percentage that applies to the amounts you must use to compute PAS and reconcile it with APAS. The former spouse must compute PAS and reconcile APAS using the remaining amounts.

**Step 2.** Allocate the policy amounts with the second former spouse using the same rules as Step 1 above. Enter the percentage on line 4 of Worksheet D.

**Step 3.** Complete Worksheet D below.  
Worksheet D.

### Taxpayer Allocating With Divorced or Separated Taxpayers

|  |          |
|--|----------|
| 1. Enter the decimal from line 1 of the Worksheet C completed by one of the former spouses from Step 1 above . . . . . | 1. _____ |
| 2. Enter as a decimal the percentage from Step 1 above . . . . .   | 2. _____ |
| 3. Multiply line 1 by line 2 . . . . .   | 3. _____ |
| 4. Enter the decimal from line 1 of the Worksheet C completed by the other former spouse from Step 2 above . . . . .   | 4. _____ |
| 5. Enter as a decimal the percentage from Step 2 above . . . . .   | 5. _____ |
| 6. Multiply line 4 by line 5 . . . . .   | 6. _____ |
| 7. Add line 3 and line 6. This is the allocation percentage. Go to Step 4 below . . . . .                              | 7. _____ |

**Step 4.** If you use the same percentages in Steps 1 and 2 above for every month to which this allocation method applies, use only one of lines 30 through 33 in Part IV to report the allocation. If you use different percentages for different months in Step 1 or Step 2, use a separate line in Part IV for each allocation percentage. Complete the line as explained below.

**Column (a).** Enter the Marketplace-assigned policy number from form FTB 3895. Enter the full policy number.

**Column (b).** Enter the SSN or ITIN of the former spouse whose percentage you entered in Worksheet D, line 1.



**Column (c).** Enter the first month you are allocating policy amounts. For example, if you are allocating a percentage from January through June, enter "01" in column (c).

**Column (d).** Enter the last month you are allocating policy amounts. For example, if you are allocating a percentage from January through June, enter "06" in column (d).

**Column (e).** Enter the decimal from Worksheet D, line 7.

**Columns (f) and (g).** Enter the decimal from Worksheet D, line 7.

**Example 1.** Emily and Matt were married at the beginning of 2021 and have two children, Olivia and Brian. Emily enrolled herself, Matt, Olivia, and Brian in a qualified health plan with coverage effective January 1. For each month of coverage the enrollment premiums were \$700, the applicable SLCSF premium for a coverage family of four was \$650, and the APAS was \$425.

Olivia and Brian moved in with their grandmother, Lucy, in May. Emily and Matt divorced in September. Emily enrolled in a new qualified health plan for self-only coverage. Matt became eligible for and enrolled in employer-sponsored self-only coverage. Olivia and Brian became eligible for and enrolled in government-sponsored coverage. All of the new plans have coverage effective October 1. Lucy is enrolled in employer-sponsored coverage.

On their respective tax returns, Emily files as single and includes only herself in her applicable household; Matt files as single and includes only himself in his applicable household; and Lucy files as head of household and includes Olivia and Brian in her applicable household.

Under Step 1 of Rules for the Taxpayers Who Divorced or Legally Separated in 2021 and Are Also Allocating With Another Taxpayer, Emily and Matt agree to allocate the policy amounts 30% to Emily and 70% to Matt. Under Step 2 of that method (Emily, Matt) and under Rules for the Taxpayer(s) Allocating With Taxpayers Who Divorced or Legally Separated in 2021 (Lucy), Emily and Lucy agree to allocate 80% of the policy amounts to Lucy, and Matt and Lucy agree to allocate 50% of the policy amounts to Lucy. Each of them completes a worksheet as shown below and uses it to complete Part IV.

Emily completes Worksheet C as follows.

**Emily's Worksheet C. Allocations for Divorced or Legally Separated Taxpayers**

|   |                |
|---|----------------|
| 1. Enter as a decimal your percentage from Step 1 above . . . . .   | 1. <u>0.30</u> |
| 2. Enter 1.0 . . . . .  | 2. <u>1.0</u>  |
| 3. Enter as a decimal the total of the percentages from Step 2 above allocated to the other taxpayer(s) . . . . .           | 3. <u>0.80</u> |
| 4. Subtract line 3 from line 2. . . . .   | 4. <u>0.20</u> |
| 5. Multiply line 1 by line 4. Enter the result as a decimal. This is the allocation percentage. Go to Step 4 below. . . . . | 5. <u>0.06</u> |

After completing Worksheet C, Emily completes form FTB 3849, Part IV, line 30, as follows.

**Column (a).** Emily enters the Marketplace-assigned policy number from form FTB 3895.

**Column (b).** Emily enters Matt's SSN or ITIN.

**Column (c).** Emily enters "01."

**Column (d).** Emily enters "09."

**Columns (e), (f), and (g).** Emily enters "0.06."

After completing Part IV, Emily multiplies the amounts from form FTB 3895, Part II, by the corresponding percentages in Part IV, and enters these allocated amounts on form FTB 3849, lines 12 through 20, columns (a), (b), and (g). On each of those lines, she will enter \$42 in column (a) (enrollment premiums of \$700 x 0.06), \$39 in column (b) (applicable SLCSF premium of \$650 x 0.06), and \$26 in column (g) (APAS of \$425 x 0.06). She completes her form FTB 3849, lines 21 through 23, columns (a), (b), and (g), by entering the monthly amounts from her separate form FTB 3895 for her self-only coverage from October through December. She does not allocate those amounts.

Matt completes Worksheet C as follows.

**Matt's Worksheet C. Allocations for Divorced or Legally Separated Taxpayer**

|  |                |
|--|----------------|
| 1. Enter as a decimal your percentage from Step 1 above . . . . .  | 1. <u>0.70</u> |
| 2. Enter 1.0 . . . . .   | 2. <u>1.0</u>  |
| 3. Enter as a decimal the total of the percentages from Step 2 above allocated to the other taxpayer(s) . . . . .            | 3. <u>0.50</u> |
| 4. Subtract line 3 from line 2. . . . .  | 4. <u>0.50</u> |
| 5. Multiply line 1 by line 4. Enter the result as a decimal. This is your allocation percentage. Go to Step 4 below. . . . . | 5. <u>0.35</u> |

After completing Worksheet C, Matt completes form FTB 3849, Part IV, line 30, as follows.

**Column (a).** Matt enters the Marketplace-assigned policy number from form FTB 3895.

**Column (b).** Matt enters Emily's SSN or ITIN.

**Column (c).** Matt enters "01."

**Column (d).** Matt enters "09."

**Columns (e), (f), and (g).** Matt enters "0.35."

After completing Part IV, Matt multiplies the amounts from form FTB 3895, Part II, by the corresponding percentages in Part IV, and enters these allocated amounts on form FTB 3849, lines 12 through 20, columns (a), (b), and (g). On each of those lines, he will enter \$245 in column (a) (enrollment premiums of \$700 x 0.35), \$228 in column (b) (applicable SLCSP premium of \$650 x 0.35), and \$149 in column (g) (APAS of \$425 x 0.35). Matt leaves form FTB 3849, lines 21 through 23, blank because he was not enrolled in a qualified health plan during October through December.

Lucy completes Worksheet D as follows.

**Lucy's Worksheet D. Taxpayer Allocating With Divorced or Legally Separated Taxpayers**

|  |    |      |
|--|----|------|
| 1. Enter the decimal from line 1 of the Worksheet C completed by one of the former spouses from Step 1 above . . . . . | 1. | 0.30 |
| 2. Enter as a decimal the percentage from Step 1 above . . . . .   | 2. | 0.80 |
| 3. Multiply line 1 by line 2. . . . .  | 3. | 0.24 |
| 4. Enter the decimal from line 1 of the Worksheet C completed by the other former spouse from Step 2 above . . . . .   | 4. | 0.70 |
| 5. Enter as a decimal the percentage from Step 2 above . . . . .   | 5. | 0.50 |
| 6. Multiply line 4 by line 5. . . . .  | 6. | 0.35 |
| 7. Add line 3 and line 6. This is the allocation percentage. Go to Step 4 below . . . . .                              | 7. | 0.59 |

After completing Worksheet D, Lucy completes form FTB 3849, Part IV, line 30, as follows.

**Column (a).** Lucy enters the Marketplace-assigned policy number from form FTB 3895.

**Column (b).** Lucy enters Emily's SSN or ITIN.

**Column (c).** Lucy enters "01."

**Column (d).** Lucy enters "09."

**Columns (e), (f), and (g).** Lucy enters "0.59."

After completing Part IV, Lucy multiplies the amounts from form FTB 3895, Part II, by the corresponding percentages in Part IV, and enters these allocated amounts on form FTB 3849, lines 12 through 20, columns (a), (b), and (g). On each of those lines, she will enter \$413 in column (a) (enrollment premiums of \$700 x 0.59), \$384 in column (b) (applicable SLCSP premium of \$650 x 0.59), and \$251 in column (g) (APAS of \$425 x 0.59). Lucy leaves form FTB 3849, lines 21 through 23, blank because she, Olivia, and Brian were not enrolled in a qualified health plan during October through December.

**Example 2.** The facts are the same as Example 1 except that in May, Olivia moved in with her grandmother, Lucy, and Brian moved in with his aunt, Phoebe.

On their respective tax returns, Emily files as single and includes only herself in her applicable household; Matt files as single and includes only himself in his applicable household; Lucy files as head of household and includes Olivia in her applicable household; and Phoebe files as head of household and includes Brian in her applicable household. Phoebe is enrolled in employer-sponsored coverage.

Under Step 1 of Rules for the Taxpayers Who Divorced or Legally Separated in 2021 and Are Also Allocating With Another Taxpayer, Emily and Matt agree to allocate the policy amounts 40% to Emily and 60% to Matt. Under Step 2 of that method (Emily, Matt) and under Rules for the Taxpayer(s) Allocating With Taxpayers Who Divorced or Legally Separated in 2021 (Lucy, Phoebe), Emily and Lucy agree to allocate 50% of the policy amounts to Lucy, and Emily and Phoebe agree to allocate 25% of the policy amounts to Phoebe. Matt and Lucy agree to allocate 20% of the policy amounts to Lucy, and Matt and Phoebe agree to allocate 25% of the policy amounts to Phoebe. Each of them completes a worksheet as shown below and uses it to complete Part IV.

Emily completes Worksheet C as follows.

**Emily's Worksheet C. Allocations for Divorced or Legally Separated Taxpayer**

|  |    |       |
|--|----|-------|
| 1. Enter as a decimal your percentage from Step 1 above . . . . .  | 1. | 0.40  |
| 2. Enter 1.0 . . . . .   | 2. | 1.0   |
| 3. Enter as a decimal the total of the percentages from Step 2 above allocated to the other taxpayer(s) . . . . .            | 3. | 0.75* |
| 4. Subtract line 3 from line 2. . . . .  | 4. | 0.25  |
| 5. Multiply line 1 by line 4. Enter the result as a decimal. This is the allocation percentage. Go to Step 4 below . . . . . | 5. | 0.10  |

\*This is the total of Emily's agreed percentages with Lucy and Phoebe (0.50 + 0.25).

After completing Worksheet C, Emily completes form FTB 3849, Part IV, line 30, as follows.

**Column (a).** Emily enters the Marketplace-assigned policy number from form FTB 3895.

**Column (b).** Emily enters Matt's SSN or ITIN.

**Column (c).** Emily enters "01."

**Column (d).** Emily enters "09."

**Columns (e), (f), and (g).** Emily enters "0.10."

After completing Part IV, Emily completes her form FTB 3849 in the same manner described in Example 1 above, but applies the different allocation percentage.

Matt completes Worksheet C as follows.

**Matt’s Worksheet C. Allocations for Divorced or Legally Separated Taxpayer**

|  |    |       |
|--|----|-------|
| 1. Enter as a decimal your percentage from Step 1 above . . . . .  | 1. | 0.60  |
| 2. Enter 1.0 . . . . .   | 2. | 1.0   |
| 3. Enter as a decimal the total of the percentages from Step 2 above allocated to the other taxpayer(s) . . . . .            | 3. | 0.45* |
| 4. Subtract line 3 from line 2. . . . .  | 4. | 0.55  |
| 5. Multiply line 1 by line 4. Enter the result as a decimal. This is the allocation percentage. Go to Step 4 below . . . . . | 5. | 0.33  |

\*This is the total of Matt’s agreed percentages with Lucy and Phoebe (0.20 + 0.25).

After completing Worksheet C, Matt completes form FTB 3849, Part IV, line 30, as follows.

- Column (a).** Matt enters the Marketplace-assigned policy number from form FTB 3895.
- Column (b).** Matt enters Emily’s SSN or ITIN.
- Column (c).** Matt enters “01.”
- Column (d).** Matt enters “09.”
- Columns (e), (f), and (g).** Matt enters “0.33.”

After completing Part IV, Matt completes his form FTB 3849 in the same manner described in Example 1 above, but applies the different allocation percentage. Lucy completes Worksheet D as follows.

**Lucy’s Worksheet D. Taxpayer Allocating With Divorced or Legally Separated Taxpayers**

|  |    |      |
|--|----|------|
| 1. Enter the decimal from line 1 of the Worksheet C completed by one of the former spouses from Step 1 above . . . . . | 1. | 0.40 |
| 2. Enter as a decimal the percentage from Step 1 above . . . . .   | 2. | 0.50 |
| 3. Multiply line 1 by line 2 . . . . .   | 3. | 0.20 |
| 4. Enter the decimal from line 1 of the Worksheet C completed by the other former spouse from Step 2 above . . . . .   | 4. | 0.60 |
| 5. Enter as a decimal the percentage from Step 2 above . . . . .   | 5. | 0.20 |
| 6. Multiply line 4 by line 5 . . . . .   | 6. | 0.12 |
| 7. Add line 3 and line 6. This is the allocation percentage. Go to Step 4 below . . . . .                              | 7. | 0.32 |

After completing Worksheet D, Lucy completes form FTB 3849, Part IV, line 30, as follows.

- Column (a).** Lucy enters the Marketplace-assigned policy number from form FTB 3895.
  - Column (b).** Lucy enters Emily’s SSN or ITIN.
  - Column (c).** Lucy enters “01.”
  - Column (d).** Lucy enters “09.”
  - Columns (e), (f), and (g).** Lucy enters “0.32.”
- After completing Part IV, Lucy completes her form FTB 3849 in the same manner as in Example 1 above, but applies the different allocation percentage. Phoebe completes Worksheet D as follows.

**Phoebe’s Worksheet D. Taxpayer Allocating With Divorced or Legally Separated Taxpayers**

|  |    |      |
|--|----|------|
| 1. Enter the decimal from line 1 of the Worksheet C completed by one of the former spouses from Step 1 above . . . . . | 1. | 0.40 |
| 2. Enter as a decimal the percentage from Step 1 above . . . . .   | 2. | 0.25 |
| 3. Multiply line 1 by line 2 . . . . .   | 3. | 0.10 |
| 4. Enter the decimal from line 1 of the Worksheet C completed by the other former spouse from Step 2 above . . . . .   | 4. | 0.60 |
| 5. Enter as a decimal the percentage from Step 2 above . . . . .   | 5. | 0.25 |
| 6. Multiply line 4 by line 5 . . . . .   | 6. | 0.15 |
| 7. Add line 3 and line 6. This is the allocation percentage. Go to Step 4 below . . . . .                              | 7. | 0.25 |

After completing Worksheet D, Phoebe completes form FTB 3849, Part IV, line 30, as follows.

- Column (a).** Phoebe enters the Marketplace-assigned policy number from form FTB 3895.
- Column (b).** Phoebe enters Emily’s SSN or ITIN.
- Column (c).** Phoebe enters “01.”
- Column (d).** Phoebe enters “09.”
- Columns (e), (f), and (g).** Phoebe enters “0.25.”

After completing Part IV, Phoebe completes her form FTB 3849 in the same manner described for Lucy in Example 1 above, but applies the different allocation percentage.

# Allocation Among Taxpayers Who Are Married But Not Filing a Joint Return and One or More Other Taxpayers

Use this section if you meet either of the following conditions and no other allocations for the policy are necessary.

- You are allocating enrollment premiums and APAS with a spouse to whom you are legally married but not filing a joint return in 2021 and you also are allocating enrollment premiums, applicable SLCSP premiums, and APAS with another taxpayer who is including in their applicable household an individual who was enrolled in a qualified health plan with members of your and your spouse's applicable households.
- You are the taxpayer who is including in your applicable household an individual who was enrolled in the plan with applicable household members of taxpayers who must also allocate policy amounts because the taxpayers are legally married but not filing a joint return in 2021.

**Example.** Ryan and Jessica were married for all of 2021 and have three children, Chris, Chloe, and Levi. All five individuals enrolled in a qualified health plan and were covered for all of 2021. At enrollment, Ryan and Jessica expected to file a joint return and include the children in their applicable household for the year of coverage. However, Ryan and Jessica change their minds and file as married filing separately and each include only themselves in their respective applicable household. Neither checks the box in the top left-hand corner of form FTB 3849. Chris, Chloe, and Levi moved in with their uncle, Tony, in April. Tony files as head of household and includes Chris, Chloe, and Levi in his applicable household.

Ryan and Jessica use the allocation method under Rules for the Married Taxpayers Not Filing a Joint Return and Also Allocating With Another Taxpayer.

Tony uses the allocation method under Rules for the Taxpayer(s) Allocating With Married Taxpayers Not Filing a Joint Return.

## Rules for the Married Taxpayers Not Filing a Joint Return and Also Allocating With Another Taxpayer

Use this allocation method if you are married but not filing a joint return and you must allocate policy amounts with your spouse and with a taxpayer who is including in their applicable household an individual enrolled in a qualified health plan with members of your and your spouse's applicable households. Under this method, you must first allocate 50% each of enrollment premiums and APAS to yourself and your spouse. Line 4 of Worksheet E accomplishes this 50% allocation. Complete the steps

below to determine the amounts to enter on your form FTB 3849, Part IV.

**Step 1.** Determine the applicable SLCSP for your coverage family. See Determining the Premium for the Applicable Second Lowest Cost Silver Plan (SLCSP). For this purpose, your coverage family or your spouse's coverage family (but not both) should include the individuals the other taxpayer is including in their applicable household and who was enrolled in a qualified health plan with your and your spouse's applicable household members. Enter the applicable SLCSP premium you determined on line 5 of Worksheet E.

**Step 2.** Separately from the first allocation (the 50% spousal allocation), determine an allocation percentage with the taxpayer(s) including in their applicable household the individual(s) enrolled in the plan. You may agree on any allocation percentage from 0- to 100. You may use the percentage you agreed on for every month in which this allocation rule applies, or you may agree on different percentages for different months. However, you must use the same allocation percentage for all policy amounts (enrollment premiums, applicable SLCSP premiums, and APAS) in a month. If you cannot agree on an allocation percentage, the allocation percentage is equal to the number of individuals the other taxpayer includes in their applicable household for the tax year who were enrolled in the qualified health plan for which you are allocating amounts, divided by the total number of individuals enrolled in the plan. The allocation percentage is the percentage that applies to the amounts the other taxpayer must use to compute PAS and reconcile it with APAS. You must compute PAS and reconcile APAS using the remaining amounts.

**Step 3.** Complete Worksheet E below.

## Worksheet E. Allocations for Married Taxpayers Not Filing a Joint Return

|  |               |
|--|---------------|
| 1. Enter 1.0 .....   | 1. <u>1.0</u> |
| 2. Enter as a decimal the total of the percentage(s) from Step 2 above allocated to the other taxpayer(s) .....  | 2. _____      |
| 3. Subtract line 2 from line 1. ....   | 3. _____      |
| 4. Divide line 3 by 2.0. Enter the result as a decimal .....   | 4. _____      |
| 5. Enter the applicable SLCSP premium as determined in Step 1 above. Then go to line 6 if you checked the box in the top left-hand corner of form FTB 3849, or Exception 1 - Certain married persons living apart under Married taxpayers (discussed under Definitions) applies to you. Otherwise, stop here ..... | 5. _____      |
| 6. Multiply line 5 by line 3. Complete form FTB 3849, Part IV, as instructed in Step 4 below. ....   | 6. _____      |

**Step 4.** If you use the same percentage for every month during which this allocation method applies, use only **one** of lines 30 through 33 in Part IV to report the allocation. If you use different percentages for different months under Step 2, use a separate line in Part IV for each allocation percentage. Complete the line as explained below.

**Column (a).** Enter the Marketplace-assigned policy number from form FTB 3895. Enter the full policy number.

**Column (b).** Enter the SSN or ITIN of your spouse.

**Column (c).** Enter the first month you are allocating policy amounts. For example, if you are allocating a percentage from January through June, enter "01" in column (c).

**Column (d).** Enter the last month you are allocating policy amounts. For example, if you are allocating a percentage from January through June, enter "06" in column (d).

**Column (e).** If your filing status is married filing separately and you did **not** check the box in the top left-hand corner of form FTB 3849, leave column (e) blank. If you checked the box, or Exception 1 – Certain married persons living apart under Married taxpayers (discussed under Definitions) applies to you, enter the decimal from line 4 of Worksheet E in column (e).

**Column (f).** If your filing status is married filing separately and you did not check the box in the top left-hand corner of form FTB 3849, leave column (f) blank. If you checked the box, or Exception 1–Certain married persons living apart under Married taxpayers (discussed under Definitions) applies to you, enter the decimal from line 3 of Worksheet E in column (f) and include the amount from line 6 of Worksheet E in the totals on the appropriate lines of form FTB 3849, column (b), for the months allocated.

**Column (g).** Enter the decimal from line 4 of Worksheet E.

## Rules for the Taxpayer(s) Allocating With Married Taxpayers Not Filing a Joint Return

Use this allocation method if you are including in your applicable household an individual who was enrolled in a qualified health plan with applicable household members of taxpayers who must also allocate policy amounts because the taxpayers are legally married but not filing a joint return in 2021.

**Step 1.** Determine an allocation percentage with one of the spouses. You may agree on any allocation percentage from -0- to 100. You may use the percentage you agreed on for every month in which this allocation rule applies, or you may agree on different percentages for different months. However, you must use the same allocation percentage for all policy amounts (enrollment premiums, applicable SLCSP premiums, and APAS) in a month. If you cannot agree on an allocation percentage,

the allocation percentage is equal to the number of individuals you will include in your applicable household for the tax year who were enrolled in the qualified health plan for which you are allocating policy amounts divided by the total number of individuals enrolled in the plan. The allocation percentage is the percentage that applies to the amounts you must use to compute PAS and reconcile it with APAS. The spouses must compute PAS and reconcile APAS using the remaining amounts. Enter the percentage as a decimal on line 1 of Worksheet F.

**Step 2.** Allocate the policy amounts with the second spouse using the same rules as Step 1 above. Enter the percentage as a decimal on line 3 of Worksheet F.

**Step 3.** Complete Worksheet F below.

### Worksheet F. Taxpayer Allocating With Married Taxpayers Not Filing a Joint Return

| Part I: Allocation Percentage for Enrollment Premiums and APAS Paid   |           |
|---|-----------|
| 1. Enter as a decimal the percentage from Step 1 above . . . . .  | 1. _____  |
| 2. Divide line 1 by 2.0. Enter the result as a decimal . . . . .  | 2. _____  |
| 3. Enter as a decimal the percentage from Step 2 above . . . . .  | 3. _____  |
| 4. Divide line 3 by 2.0. Enter the result as a decimal . . . . .  | 4. _____  |
| 5. Add lines 2 and 4. Enter the result as a decimal. This is your allocation percentage for enrollment premiums and APAS paid . . . . .   | 5. _____  |
| Part II: Allocation of the Applicable SLCSP Premium   |           |
| 6. Enter the amount of the applicable SLCSP premium from line 5 of Worksheet E completed by the spouse in Step 1 above . . . . .  | 6. _____  |
| 7. Enter the decimal from line 1 of this worksheet . . . . .  | 7. _____  |
| 8. Multiply line 6 by line 7 . . . . .  | 8. _____  |
| 9. Enter the amount of the applicable SLCSP premium from line 5 of Worksheet E completed by the spouse in Step 2 above . . . . .  | 9. _____  |
| 10. Enter the decimal from line 3 of this worksheet . . . . .   | 10. _____ |
| 11. Multiply line 9 by line 10 . . . . .  | 11. _____ |
| 12. Add lines 8 and 11. This is the applicable SLCSP premium allocated to you that you must include on lines 12 through 23, column (b), for the months in which this allocation applies . . . . . | 12. _____ |

**Step 4.** If you use the same percentage for every month during which this allocation method applies, use only one of lines 30 through 33 in Part IV to report the allocation. If you use different percentages for different months, use a separate line in Part IV for each allocation percentage. Complete the line as explained below.

**Column (a).** Enter the Marketplace-assigned policy number from FTB 3895. Enter the full policy number.

**Column (b).** Enter the SSN or ITIN of the spouse whose percentage you entered in Worksheet F, line 1.

**Column (c).** Enter the first month you are allocating policy amounts. For example, if you are allocating a percentage from January through June, enter "01" in column (c).

**Column (d).** Enter the last month you are allocating policy amounts. For example, if you are allocating a percentage from January through June, enter "06" in column (d).

**Column (e).** Enter the decimal from Worksheet F, line 5.

**Column (f).** Leave column (f) blank.

**Column (g).** Enter the decimal from Worksheet F, line 5.

**Example.** Ryan and Jessica were married for all of 2021 and have three children, Chris, Chloe, and Levi. All five individuals enrolled in a qualified health plan and were covered for all of 2021. For each month of coverage, the enrollment premiums were \$1,000, the premium for the applicable SLCSP for a coverage family of five was \$800, and the APAS was \$200. At enrollment, Ryan and Jessica expected to file a joint return and include the children in their applicable household.

Chris, Chloe, and Levi moved in with their uncle, Tony, in April. On their respective tax returns, Ryan and Jessica file as married filing separately and each include only themselves in their respective applicable household. Neither checks the box in the top left-hand corner of form FTB 3849. Tony files as head of household and includes Chris, Chloe, and Levi in his applicable household.

Ryan and Jessica allocate the enrollment premiums and the APAS 50% to Ryan and 50% to Jessica. Under Step 1 of Rules for the Married Taxpayers Not Filing a Joint Return and Also Allocating With Another Taxpayer, Ryan and Jessica determine that Ryan's coverage family will include Ryan, Chris, and Chloe and that Jessica's coverage family will include Jessica and Levi. Ryan and Jessica each look up their applicable SLCSP premiums. The applicable SLCSP premium for Ryan's coverage family of three is \$450 and the applicable SLCSP premium for Jessica's coverage family of two is \$400.

Under Step 2 of Rules for the Married Taxpayers Not Filing a Joint Return and Also Allocating With Another Taxpayer (Ryan, Jessica) and under Rules for the Taxpayer(s) Allocating With Married Taxpayers Not Filing a Joint Return (Tony), Ryan and Tony agree to allocate 67% of the policy amounts to Tony, and Jessica and Tony agree to allocate 50% of the policy amounts to Tony. Ryan, Jessica, and Tony each complete a worksheet as shown below and use it to complete Part IV.

Ryan completes Worksheet E as follows.

### Ryan's Worksheet E. Allocations for Married Taxpayers Not Filing a Joint Return

|  |                |
|--|----------------|
| 1. Enter 1.0 . . . . .   | 1. <u>1.0</u>  |
| 2. Enter as a decimal the total of the percentage(s) from Step 2 above allocated to the other taxpayer(s) . . . . .  | 2. <u>0.67</u> |
| 3. Subtract line 2 from line 1. . . . .  | 3. <u>0.33</u> |
| 4. Divide line 3 by 2.0. Enter the result as a decimal . . . . .   | 4. <u>0.17</u> |
| 5. Enter the applicable SLCSP premium as determined in Step 1 above. Then go to line 6 if you checked the box in the top left-hand corner of form FTB 3849, or Exception 1 - Certain married persons living apart under Married taxpayers (discussed under Definitions) applies to you. Otherwise, stop here . . . . . | 5. <u>450</u>  |
| 6. Multiply line 5 by line 3. Complete form FTB 3849, Part IV, as instructed in Step 4 below. . . . .  | 6. _____       |

After completing Worksheet E, Ryan completes form FTB 3849, Part IV, line 30, as follows.

**Column (a).** Ryan enters the Marketplace-assigned policy number from form FTB 3895.

**Column (b).** Ryan enters Jessica's SSN or ITIN.

**Column (c).** Ryan enters "01."

**Column (d).** Ryan enters "12."

**Column (e).** Ryan leaves this column blank.

**Column (f).** Ryan leaves this column blank.

**Column (g).** Ryan enters "0.17."

After completing Part IV, Ryan multiplies the APAS from form FTB 3895, Part II, column (c), by the percentage in Part IV, column (g), and enters \$34 (APAS of \$200 x 0.17) on form FTB 3849, lines 12 through 23, column (g). Ryan leaves lines 12 through 23, columns (a) through (f), blank because he is not eligible to take the PAS.

Jessica completes Worksheet E as follows.

**Jessica’s Worksheet E. Allocations for Married Taxpayers Not Filing a Joint Return**

|   |    |      |
|---|----|------|
| 1. Enter 1.0 . . . . .  | 1. | 1.0  |
| 2. Enter as a decimal the total of the percentage(s) from Step 2 above allocated to the other taxpayer(s) . . . . .   | 2. | 0.50 |
| 3. Subtract line 2 from line 1. . . . .   | 3. | 0.50 |
| 4. Divide line 3 by 2.0. Enter the result as a decimal . . . . .  | 4. | 0.25 |
| 5. Enter the applicable SLCP premium as determined in Step 1 above. Then go to line 6 if you checked the box in the top left-hand corner of form FTB 3849, or Exception 1 - Certain married persons living apart under Married taxpayers (discussed under Definitions) applies to you. Otherwise, stop here . . . . . | 5. | 400  |
| 6. Multiply line 5 by line 3. Complete form FTB 3849, Part IV, as instructed in Step 4 below. . . . .   | 6. |      |

After completing Worksheet E, Jessica completes form FTB 3849, Part IV, line 30, as follows.

**Column (a).** Jessica enters the Marketplace-assigned policy number from form FTB 3895.

**Column (b).** Jessica enters Ryan’s SSN or ITIN.

**Column (c).** Jessica enters “01.”

**Column (d).** Jessica enters “12.”

**Column (e).** Jessica leaves this column blank.

**Column (f).** Jessica leaves this column blank.

**Column (g).** Jessica enters “0.25.”

After completing Part IV, Jessica multiplies the APAS from form FTB 3895, Part II, column (c), by the percentage in Part IV, column (g), and enters \$50 (APAS of \$200 x 0.25) on form FTB 3849, lines 12 through 23, column (g). Jessica leaves lines 12 through 23, columns (a) through (f), blank because she is not eligible to take the PAS.

Tony completes Worksheet F as follows.

**Tony’s Worksheet F. Taxpayer Allocating With Married Taxpayers Not Filing a Joint Return**

| Part I: Allocation Percentage for Enrollment Premiums and APAS Paid   |     |      |
|---|-----|------|
| 1. Enter as a decimal the percentage from Step 1 above . . . . .  | 1.  | 0.67 |
| 2. Divide line 1 by 2.0. Enter the result as a decimal . . . . .  | 2.  | 0.34 |
| 3. Enter as a decimal the percentage from Step 2 above . . . . .  | 3.  | 0.50 |
| 4. Divide line 3 by 2.0. Enter the result as a decimal . . . . .  | 4.  | 0.25 |
| 5. Add lines 2 and 4. Enter the result as a decimal. This is your allocation percentage for enrollment premiums and APAS paid . . . . .   | 5.  | 0.59 |
| Part II: Allocation of the Applicable SLCSP Premium   |     |      |
| 6. Enter the amount of the applicable SLCSP premium from line 5 of Worksheet E completed by the spouse in Step 1 above . . . . .  | 6.  | 450  |
| 7. Enter the decimal from line 1 of this worksheet . . . . .  | 7.  | 0.67 |
| 8. Multiply line 6 by line 7 . . . . .  | 8.  | 302  |
| 9. Enter the amount of the applicable SLCSP premium from line 5 of Worksheet E completed by the spouse in Step 2 above . . . . .  | 9.  | 400  |
| 10. Enter the decimal from line 3 of this worksheet . . . . .   | 10. | 0.50 |
| 11. Multiply line 9 by line 10 . . . . .  | 11. | 200  |
| 12. Add lines 8 and 11. This is the applicable SLCSP premium allocated to you that you must include on lines 12 through 23, column (b), for the months in which this allocation applies . . . . . | 12. | 502  |

After completing Worksheet F, Tony completes form FTB 3849, Part IV, line 30, as follows.

**Column (a).** Tony enters the Marketplace-assigned policy number from form FTB 3895.

**Column (b).** Tony enters Ryan’s SSN or ITIN.

**Column (c).** Tony enters “01.”

**Column (d).** Tony enters “12.”

**Column (e).** Tony enters “0.59.”

**Column (f).** Tony leaves this column blank.

**Column (g).** Tony enters “0.59.”

After completing Part IV, Tony multiplies the amounts from form FTB 3895, Part II, by the corresponding percentages in Part IV, and enters these allocated amounts on form FTB 3849, lines 12 through 23, columns (a), (b), and (g). On each of those lines, he will enter \$590 in column (a) (enrollment premiums of \$1,000 x 0.59), \$502 in column (b) (applicable SLCSP premium allocated to him on Worksheet F, line 12), and \$118 in column (g) (APAS of \$200 x 0.59).

### Other Taxpayers Allocating Policy Amounts With Two or More Other Taxpayers

If you or another person in your applicable household was enrolled in a qualified health plan with individuals in at least two other applicable households, APAS was paid for coverage under the policy, and you don't meet the rules for divorce or for married individuals filing separate returns, you and the taxpayers who are including in their applicable household the individuals not in your applicable household should use the instructions for form FTB 3849 under Allocation Situation 4 — Other situations where a policy is shared between two applicable households, to allocate amounts from the qualified health plan. There must be an allocation percentage for each taxpayer who is including in their applicable household an individual who is enrolled in a qualified health plan with a member of your applicable household. If you cannot agree on an allocation percentage with **all** taxpayers who are including enrolled individuals in an applicable household, the allocation percentage for a particular taxpayer is equal to the number of individuals the taxpayer will include in their applicable household for the tax year who were enrolled in the qualified health plan for which you are allocating policy amounts, divided by the total number of individuals enrolled in the plan.

**Example 1.** Adrian enrolled himself and his sons, Charlie and Jayden, in a qualified health plan with coverage effective for all of 2021. For the year, the enrollment premiums were \$8,000; the premium for the applicable SLCSP for a coverage family consisting of Adrian, Charlie, and Jayden was \$9,000; and the APAS paid for their coverage was \$4,500. In March, Charlie dropped out of school to work full time and moved permanently into his own apartment. In May, Jayden moved in with his mother Monica, where he lived until the end of 2021. On their respective tax returns, Adrian files as single and includes only himself in his applicable household, Charlie files as single and includes only himself in his applicable household, and Monica files as head of household and includes herself and Jayden in her applicable household.

Adrian and Charlie agree to allocate 25% of the policy amounts to Charlie. Adrian and Monica agree to allocate 40% of the policy amounts to Monica. Adrian allocates the remaining 35% of the policy amounts to himself.

Charlie completes form FTB 3849, Part IV, line 30, as follows.

**Column (a).** Charlie enters the Marketplace-assigned policy number from form FTB 3895.

**Column (b).** Charlie enters Adrian's SSN or ITIN.

**Column (c).** Charlie enters "01."

**Column (d).** Charlie enters "12."

**Columns (e), (f), and (g).** Charlie enters an allocation percentage of "0.25" in columns (e), (f), and (g).

After completing Part IV, Charlie multiplies the amounts from form FTB 3895, Part II, by the corresponding percentages in Part IV, and enters these allocated amounts on his form FTB 3849, lines 12 through 23, columns (a), (b), and (g). The sum of his monthly entries will be \$2,000 in column (a) (enrollment premiums of \$8,000 x 0.25), \$2,250 in column (b) (applicable SLCSP premium of \$9,000 x 0.25), and \$1,125 in column (g) (APAS of \$4,500 x 0.25).

Monica completes form FTB 3849, Part IV, line 30, as follows.

**Column (a).** Monica enters the Marketplace-assigned policy number from form FTB 3895.

**Column (b).** Monica enters Adrian's SSN or ITIN.

**Column (c).** Monica enters "01."

**Column (d).** Monica enters "12."

**Columns (e), (f), and (g).** Monica enters an allocation percentage of "0.40" in columns (e), (f), and (g).

After completing Part IV, Monica multiplies the amounts from form FTB 3895, Part II, by the corresponding percentages in Part IV, and enters these allocated amounts on form FTB 3849, lines 12 through 23, columns (a), (b), and (g). The sum of her monthly entries will be \$3,200 in column (a) (enrollment premiums of \$8,000 x 0.40), \$3,600 in column (b) (applicable SLCSP premium of \$9,000 x 0.40), and \$1,800 in column (g) (APAS of \$4,500 x 0.40).

Adrian completes form FTB 3849, Part IV, line 30, as follows.

**Column (a).** Adrian enters the Marketplace-assigned policy number from form FTB 3895.

**Column (b).** Adrian enters either Charlie's SSN or ITIN or Monica's SSN or ITIN.

**Column (c).** Adrian enters "01."

**Column (d).** Adrian enters "12."

**Columns (e), (f), and (g).** Adrian enters an allocation percentage of "0.35" in columns (e), (f), and (g), which is the percentage of policy amounts not allocated to Charlie or Monica.

After completing Part IV, Adrian multiplies the amounts from form FTB 3895, Part II, by the corresponding percentages in Part IV, and enters these allocated amounts on his form FTB 3849, lines 12 through 23, columns (a), (b), and (g). The sum of his monthly entries will be \$2,800 in column (a) (enrollment premiums of \$8,000 x 0.35), \$3,150 in column (b) (applicable SLCSP of \$9,000 x 0.35), and \$1,575 in column (g) (APAS of \$4,500 x 0.35).

**Example 2.** The facts are the same as Example 1 except Adrian and Charlie cannot agree on an allocation percentage. Because Adrian did not agree on an allocation percentage with **all** taxpayers who are including individuals in an applicable household, Charlie and Monica determine their allocation percentages of 33%



by dividing the number of enrolled individuals each will include in their applicable household (1 each for Charlie and Monica) by the number of individuals enrolled in the plan (3, Adrian, Charlie, and Jayden). Adrian's allocation percentage is 34%, which is the percentage of policy amounts not allocated to Charlie and Monica. Each taxpayer completes Part IV as explained in Example 1 using these percentages.

## Alternative Calculation for Year of Marriage

If you got married during 2021 and APAS was paid for an individual in your applicable household, you may want to use the alternative calculation for year of marriage, an optional calculation that may reduce the amount of excess APAS you would have to repay under the general rules. Before you read this section, first read the instructions for line 9 in the instructions for form FTB 3849. Complete Table 4 and, if required, Worksheet 3 in those instructions. Then, continue reading this section if you meet either of the following conditions.

- You checked the **"Yes"** box on form FTB 3849, line 6, **and** you answered **"Yes"** to all 5 questions in Table 4.
- You checked the **"No"** box on form FTB 3849, line 6, **and** the **"Yes"** box on line 14 of Worksheet 3.

If you do not meet either of the above conditions, you are **not** eligible to elect the alternative calculation. Leave form FTB 3849, Part V, blank.

If you are eligible, electing the alternative calculation may reduce the amount of excess APAS you have to repay. Electing the alternative calculation is optional. Worksheet V will tell you whether the alternative calculation will benefit you.

Before you begin the steps, determine your alternative household size and your spouse's alternative household size using the instructions under Alternative Household Size. Then, read Table A to determine which steps to complete.

### Alternative Household Size

Alternative household size is used to determine an alternative monthly contribution amount (see Monthly contribution amount under Definitions) on Worksheets I and III, which may reduce the amount of excess APAS for the pre-marriage months that you must re-pay.

When determining your alternative household size, include yourself and any individual in the applicable household who qualifies as your dependent for the year under the rules explained in the instructions for Form 540 or the instructions for Form 540NR. Do not include any individual who does not qualify as your dependent under those rules or who is included in your spouse's alternative household size.

When determining your spouse's alternative household size, include your spouse and any individual in the applicable household who qualifies as your spouse's dependent for the year under the rules explained in the instructions for Form 540 or the instructions for Form 540NR.

Do not include any individual who does not qualify as your spouse's dependent under those rules or who is included in your alternative household size.

**Note.** You may include an individual who qualifies as the dependent of both you and your spouse in either alternative household size.

**Example 1.** Robert, Natalie, and their son Isaac have lived together since July 2020. Robert and Natalie got married in August 2021. Each of them had coverage under a qualified health plan for the months before September. Isaac qualifies as Robert's dependent under the rules explained in the instructions for Form 540. Isaac also qualifies as Natalie's dependent under those rules. Robert and Natalie can include Isaac in either alternative household size.

**Example 2.** Angel and his son Jax lived together from January through May 2021. On June 10, 2021, Angel married Lily. She moved in with Angel and Jax on June 11. Each of them had coverage under a qualified health plan for the months before July. Jax qualifies as Angel's dependent under the rules explained in the instructions for Form 540. Jax also qualifies as Lily's dependent under those rules. (Jax is Lily's stepchild and lived with Lily for more than half of 2021.) Angel and Lily can include Jax in either alternative household size.

**Example 3.** Violet and her daughter Zoe lived together from January through July 2021. Violet married Dylan in August 2021 and Dylan moved in with Violet and Zoe. Each of them had coverage under a qualified health plan for the months before September. Zoe qualifies as Violet's dependent under the rules explained in the instructions for Form 540. Zoe does not qualify as Dylan's dependent under those rules because Zoe did not live with Dylan for more than half of 2021. Violet must include Zoe in her alternative household size. Dylan cannot include Zoe in his alternative household size.

## Table A. Which Steps To Complete

Answer the following questions to determine which steps to complete.

|  |
|--|
| <p><b>1.</b> Have you determined your and your spouse's alternative household size as explained under Alternative Household Size?</p> <p><input type="checkbox"/> <b>Yes.</b> Go to question 2.</p> <p><input type="checkbox"/> <b>No.</b> Read Alternative Household Size. Then, go to question 2.</p>  |
| <p><b>2.</b> Is there an individual in your alternative household size (including yourself) who was enrolled in a qualified health plan for one or more of your pre-marriage months*?</p> <p><input type="checkbox"/> <b>Yes.</b> Complete Steps 1, 2, and 5. Go to question 3.</p> <p><input type="checkbox"/> <b>No.</b> Go to question 3.</p>             |
| <p><b>3.</b> Is there an individual in your spouse's alternative household size (including your spouse) who was enrolled in a qualified health plan for one or more of your pre-marriage months*?</p> <p><input type="checkbox"/> <b>Yes.</b> Complete Steps 3, 4, and 5. Go to question 4.</p> <p><input type="checkbox"/> <b>No.</b> Go to question 4.</p> |
| <p><b>4.</b> The instructions for Step 5 will prompt you to complete Worksheet V. If you check the "Yes" box on Worksheet V, line 14, complete Steps 6, 7, and 8.</p>  |
| <p><i>*Your pre-marriage months include the month you got married.</i></p>   |

If you completed Part IV of form FTB 3849, do not include any amounts from form(s) FTB 3895 that were allocated to another taxpayer when completing the steps for your and your spouse's alternative calculation.

## Table B. Alternative Household Income as a Percentage of the Federal Poverty Line

Use Table B. to complete the Worksheet for Line 4 of Worksheet I (see Step 1) and/or Worksheet for Line 4 of Worksheet III (see Step 3).

Table B.

| IF the result of the computation on Worksheet for Line 4 of Worksheet I, line 3 and/or Worksheet for Line 4 of Worksheet III, line 3 is: | THEN on Worksheet for Line 4 of Worksheet I, line 4 and/or Worksheet for Line 4 of Worksheet III, line 4:                                    | AND on Worksheet for Line 4 of Worksheet I, line 5 and/or Worksheet for Line 4 of Worksheet III, line 5: |
|--|--|--|
| Up to exactly 138  | Drop any number after the decimal point <sup>1</sup> , enter the result on Worksheet for Line 4 of Worksheet I and/or Worksheet III, line 4. | Check the "No" box. Proceed as directed.   |
| Above 138 and less than 139  | Enter 138 on Worksheet for Line 4 of Worksheet I and/or Worksheet III, line 4.   | Check the "Yes" box. Proceed as directed.  |
| At least 139 to exactly 200  | Drop any number after the decimal point <sup>1</sup> , enter the result on Worksheet for Line 4 of Worksheet I and/or Worksheet III, line 4. | Check the "Yes" box. Proceed as directed.  |
| Above 200 and less than 201  | Enter 200 on Worksheet for Line 4 of Worksheet I and/or Worksheet III, line 4.   | Check the "No" box. Proceed as directed.   |
| At least 201 to exactly 600  | Drop any number after the decimal point <sup>1</sup> , enter the result on Worksheet for Line 4 of Worksheet I and/or Worksheet III, line 4. | Check the "No" box. Proceed as directed.   |
| Above 600 and less than 601  | Enter 600 on Worksheet for Line 4 of Worksheet I and/or Worksheet III, line 4.   | Check the "Yes" box. Proceed as directed.  |
| 601 or greater   | Drop any number after the decimal point <sup>1</sup> , enter the result on Worksheet for Line 4 of Worksheet I and/or Worksheet III, line 4. | Check the "Yes" box. Proceed as directed.  |

<sup>1</sup> For example, for 99.84, enter the result as 99; for 185.65, enter the result as 185; and for 399.7, enter the result as 399.

## Step 1

Complete Worksheet I if there is an individual included in your alternative household size who was enrolled in a qualified health plan for one or more of your pre-marriage months.

### Worksheet for Line 4 of Worksheet I

Use this worksheet to figure the amount to enter on line 4 of Worksheet I.

|  |          |
|--|----------|
| 1. Enter the amount from line 2 of Worksheet I . . . . .   | 1. _____ |
| 2. Enter the amount from line 3 of Worksheet I . . . . .   | 2. _____ |
| 3. Divide the amount on line 1 above by the amount on line 2 above. Do not round; instead multiply this number by 100 (to express it as a percentage). Enter the entire result here, including any number after the decimal point. . . . . | 3. _____ |
| 4. Follow the instructions provided in Table B. Enter the result here . . . . .  | 4. _____ |
| 5. Check the applicable box following the instructions provided in Table B. Proceed as directed.   |          |
| <input type="checkbox"/> <b>Yes.</b> You are not eligible to take the PAS. See line 4 of Worksheet I for additional instructions.  |          |
| <input type="checkbox"/> <b>No.</b> Enter the result from line 4 above on line 4 of Worksheet I.   |          |

## Step 2

Complete Worksheet II to determine your alternative monthly PAS amounts to include on form FTB 3849, lines 12 through 23, column (f), for your pre-marriage months. Enter in columns (a) and (b) on Worksheet II the amounts from columns (a) and (b) in Part II of the form(s) FTB 3895 that reports coverage for all individuals in your applicable household enrolled in a qualified health plan for one or more pre-marriage months, including yourself, who are (1) included in Part I of a form FTB 3895 sent to you for the pre-marriage months, or (2) not included in Part I of a form FTB 3895 sent to you or to your spouse, but who are included in your alternative household size.

**Missing or incorrect SLCSP premium.** For your pre-marriage months, if there were changes in your coverage family that you did not report to the Marketplace or APAS was not paid for the coverage, or there is an individual in your coverage family not included in Part I of the form FTB 3895 sent to you who is included in your alternative household size, you may have to determine your applicable SLCSP premium for those months. See Determining the Premium for the Applicable Second Lowest Cost Silver Plan (SLCSP).

**Column (d).** Monthly Federal PTC Amount. If you entered -0- in Worksheet II, applicable lines 1 through 12, column (a), enter -0- in Worksheet II, applicable lines 1 through 12, column (d). Otherwise, use the Worksheet for Column (d) of Worksheet II- Monthly Federal PTC Amount. **Note:** If you checked the box on line A, above Part I of federal Form 8962, Premium Tax Credit (PTC), enter -0- on Worksheet for Column (d) of Worksheet II -

Monthly Federal PTC Amount, line 1, and follow the rest of the instructions to complete this worksheet.

The worksheet needs to be completed for each month in the applicable lines 1 through 12, column (d) of Worksheet II.

### Worksheet for Column (d) of Worksheet II – Monthly Federal PTC Amount

Use this worksheet to figure the amount to enter on Worksheet II, column (d).

|  |          |
|--|----------|
| 1. Enter your federal applicable figure from Table 5, in the form FTB 3849 instructions, using the percentage from Worksheet I, line 4, to locate the figure on the table . . . . .  | 1. _____ |
| 2. Enter the amount from Worksheet I, line 2 . . . . .   | 2. _____ |
| 3. Multiply line 1 above by line 2 above. Round to nearest whole dollar amount. This is your federal annual contribution amount. . . . .   | 3. _____ |
| 4. Divide the amount from line 3 above by 12. Round to the nearest whole dollar amount. This is your monthly federal contribution amount . . . . .                                   | 4. _____ |
| 5. Enter the amount from Worksheet II, applicable line 1 through 12, column (b). . . . .   | 5. _____ |
| 6. Subtract line 4 above from line 5 above. This is your maximum monthly federal PTC amount. If zero or less, enter -0- . . . . .  | 6. _____ |
| 7. Enter the value from Worksheet II, applicable line 1 through 12, column (a). . . . .  | 7. _____ |
| 8. Enter the smaller of line 7 above and line 6 above. This is your monthly federal PTC amount. Enter this amount on Worksheet II, applicable line 1 through 12, column (d). . . . . | 8. _____ |

**Column (f).** Monthly PAS amount allowed. If the amount in Worksheet II, applicable lines 1 through 12 column (a) is -0-, enter -0- in Worksheet II, applicable lines 1 through 12 column (f).

If the amount in Worksheet II, applicable lines 1 through 12 column (e) is -0-, enter -0- in Worksheet II, applicable lines 1 through 12, column (f).

If in the Worksheet for column (d) of Worksheet II, you entered the value from line 7 as the smaller value in line 8, enter -0- in Worksheet II, applicable lines 1 through 12, column (f).

If in the Worksheet for column (d) of Worksheet II, you entered the value from line 6 as the smaller value in line 8, then use the Worksheet for column (f) of Worksheet II below to determine the value of applicable lines 1 through 12, column (f) of Worksheet II.

For all other situations, use the Worksheet for Column (f) of Worksheet II - Monthly PAS Amount, to compute the amount for applicable lines 1 through 12, column (f) of Worksheet II.

The worksheet needs to be completed for each month in the applicable lines 1 through 12, column (f) of Worksheet II.

**Worksheet I. Your Alternative Monthly Contribution Amount**

**Keep for Your Records**

1. Alternative household size: Enter the total number of individuals in your alternative household size (See Alternative Household Size) ..... 1. \_\_\_\_\_

2. One-half of household income: Divide form FTB 3849, line 3, by 2. Round to the nearest whole dollar amount ..... 2. \_\_\_\_\_

3. Alternative federal poverty line: Enter the federal poverty line amount as determined by your alternative household size on line 1 above and the federal poverty table (Table 1-1) you used on form FTB 3849, line 4 ..... 3. \_\_\_\_\_

4. Alternative household income as a percentage of federal poverty line: Enter the amount from the worksheet under Step 1.  
If you checked the "Yes" box in the worksheet for Step 1, **stop**. Do not complete the rest of this worksheet or Step 2. Continue to Step 3 if you checked the "Yes" box in question 3 in Table A. Otherwise, if you did not complete Part IV of form FTB 3849, check the "No" box on line 9 of form FTB 3849 and continue to line 10. If you completed Part IV of form FTB 3849, check the "No" box on line 10, and see Lines 12 through 23 – Monthly Calculation in the instructions for form FTB 3849 ..... 4. \_\_\_\_\_

5. Alternative California applicable figure: Using your line 4 percentage, locate your California applicable figure on Table 2 in the instructions for form FTB 3849 ..... 5. \_\_\_\_\_

6. Multiply line 2 by line 5 and enter the result rounded to the nearest whole dollar amount ..... 6. \_\_\_\_\_

7. Alternative monthly contribution amount: Divide line 6 by 12 and enter the result rounded to the nearest whole dollar amount ..... 7. \_\_\_\_\_

8. Alternative start month: Enter the first full month you or any individual included in your alternative household size on line 1 had coverage under a qualified health plan. For example, enter "02" if you were enrolled in a qualified health plan with coverage effective on February 1 ..... 8. \_\_\_\_\_

9. Alternative stop month: Enter the last month you or any individual included in your alternative household size on line 1 had coverage under a qualified health plan **or** the month in which you got married, whichever is **earlier**. For example, enter "09" if you had coverage under a qualified health plan for all of 2021 and you got married on September 5 ..... 9. \_\_\_\_\_

**Worksheet II. Your Alternative Monthly PAS Amounts for Pre-Marriage Months**

**Keep for Your Records**

Complete this worksheet only for months beginning with the month on line 8 of Worksheet I and ending with the month on line 9 of Worksheet I. For example, if you entered "02" on Worksheet I, line 8, and "10" on Worksheet I, line 9, complete only lines 2 through 10 of this worksheet.

| Monthly Calculation | (a)<br>Monthly enrollment premiums (Form(s) FTB 3895, lines 6 through 17, column a)* | (b)<br>Monthly applicable SLCSP premium (Form(s) FTB 3895, lines 6 through 17, column b)* | (c)<br>Alternative monthly contribution amount (Worksheet I, Line 7). | (d)<br>Monthly federal PTC amount. See instructions.* | (e)<br>Monthly maximum PAS amount (subtract (c) and (d) from (b), if zero or less, enter -0-) | (f)<br>Monthly PAS amount allowed. See instructions.* |
|---------------------|--|---|---|---|---|---|
| 1. January          |  |   |   |   |   |   |
| 2. February         |  |   |   |   |   |   |
| 3. March            |  |   |   |   |   |   |
| 4. April            |  |   |   |   |   |   |
| 5. May              |  |   |   |   |   |   |
| 6. June             |  |   |   |   |   |   |
| 7. July             |  |   |   |   |   |   |
| 8. August           |  |   |   |   |   |   |
| 9. September        |  |   |   |   |   |   |
| 10. October         |  |   |   |   |   |   |
| 11. November        |  |   |   |   |   |   |
| 12. December        |  |   |   |   |   |   |

\*See Step 2, for instructions on the form FTB 3895 amounts to report on this worksheet. Also, see Step 2, for instructions for lines 1 through 12, column (d) and lines 1 through 12, column (f) for amounts to report on this worksheet.

**After completing this worksheet:** Continue to Step 3 if you checked the "Yes" box in question 3 in Table A. Otherwise, go to Step 5.

**Worksheet III. Your Spouse's Alternative Monthly Contribution Amount**

**Keep for Your Records**

1. Alternative household size: Enter the total number of individuals in your spouse's alternative household size (See Alternative Household Size) ..... 1. \_\_\_\_\_
2. One-half of household income: Divide form FTB 3849, line 3, by 2. Round to the nearest whole dollar amount ..... 2. \_\_\_\_\_
3. Alternative federal poverty line: Enter the federal poverty line amount as determined by your spouse's alternative household size on line 1 above and the federal poverty table (Table 1-1) you used on form FTB 3849, line 4 ..... 3. \_\_\_\_\_
4. Alternative household income as a percentage of federal poverty line: Enter the amount from the worksheet under Step 3.  
If you checked the "Yes" box in the worksheet for Step 3, **stop**. Do not complete the rest of this worksheet or Step 4. If you completed Step 2, continue to Step 5. If you did not complete Step 2 and you did not complete Part IV of form FTB 3849, check the "No" box on line 9 of form FTB 3849 and continue to line 10. If you did not complete Step 2 and you completed Part IV of form FTB 3849, check the "No" box on line 10, and see Lines 12 through 23 – Monthly Calculation in the instructions for form FTB 3849 ..... 4. \_\_\_\_\_
5. Alternative California applicable figure: Using your line 4 percentage, locate your California applicable figure on Table 2 in the instructions for form FTB 3849 ..... 5. \_\_\_\_\_
6. Multiply line 2 by line 5 and enter the result rounded to the nearest whole dollar amount ..... 6. \_\_\_\_\_
7. Alternative monthly contribution amount: Divide line 6 by 12 and enter the result rounded to the nearest whole dollar amount ..... 7. \_\_\_\_\_
8. Alternative start month: Enter the first full month your spouse or any individual included in your spouse's alternative household size on line 1 had coverage under a qualified health plan. For example, enter "05" if your spouse was enrolled in a qualified health plan with coverage effective on May 1 ..... 8. \_\_\_\_\_
9. Alternative stop month: Enter the last month your spouse or any individual included in your spouse's alternative household size on line 1 had coverage under a qualified health plan **or** the month in which you got married, whichever is **earlier**. For example, enter "07" if your spouse's coverage under a qualified health plan (and the coverage of all individuals included in your spouse's alternative household size) terminated July 31 and you got married on September 5 ..... 9. \_\_\_\_\_

**Worksheet IV. Your Spouse's Alternative Monthly PAS Amounts for Pre-Marriage Months**

**Keep for Your Records**

Complete this worksheet only for months beginning with the month on line 8 of Worksheet III and ending with the month on line 9 of Worksheet III. For example, if you entered "05" on Worksheet III, line 8, and "10" on Worksheet III, line 9, complete only lines 5 through 10 of this worksheet.

| Monthly Calculation | (a)<br>Monthly enrollment premiums (Form(s) FTB 3895, lines 6 through 17, column a)* | (b)<br>Monthly applicable SLCSP premium (Form(s) FTB 3895, lines 6 through 17, column b)* | (c)<br>Alternative monthly contribution amount (Worksheet III, Line 7). | (d)<br>Monthly federal PTC amount. See instructions.* | (e)<br>Monthly maximum PAS amount (subtract (c) and (d) from (b), if zero or less, enter -0-) | (f)<br>Monthly PAS amount allowed. See instructions.* |
|---------------------|--|---|---|---|---|---|
| 1. January          |  |   |   |   |   |   |
| 2. February         |  |   |   |   |   |   |
| 3. March            |  |   |   |   |   |   |
| 4. April            |  |   |   |   |   |   |
| 5. May              |  |   |   |   |   |   |
| 6. June             |  |   |   |   |   |   |
| 7. July             |  |   |   |   |   |   |
| 8. August           |  |   |   |   |   |   |
| 9. September        |  |   |   |   |   |   |
| 10. October         |  |   |   |   |   |   |
| 11. November        |  |   |   |   |   |   |
| 12. December        |  |   |   |   |   |   |

\*See Step 4, for instructions on the form FTB 3895 amounts to report on this worksheet. Also, see Step 4, for instructions for lines 1 through 12, column (d) and lines 1 through 12, column (f) for amounts to report on this worksheet.

**After completing this worksheet:** Continue to Step 5.

**Worksheet V. Alternative Calculation for Year of Marriage  
Totals Worksheet**

**Keep for Your Records**

**Column (a).** Complete column (a) below only for the months you have entries in column (f) of Worksheet II and/or Worksheet IV. Leave column (a) blank for all other months. Add the amounts in column (f) of Worksheets II and IV separately for each month and enter the total in column (a) below on the line for the same month.

**Column (b).** Complete column (b) below for any month you have an entry in column (a). For each month, enter the corresponding amount from lines 1 through 12, column (f), of Worksheet 3 under line 9 in the instructions for form FTB 3849. If you did not complete Worksheet 3 because you were not eligible to take the PAS, leave column (b), lines 1 through 12, blank and enter -0- on line 13.

| Monthly Calculation   |     | (a)<br>Total alternative<br>PAS amounts | (b)<br>PAS amounts<br>(regular calculation) |
|---|-----|---|---|
| 1. January .....  | 1.  |   |   |
| 2. February .....   | 2.  |   |   |
| 3. March .....  | 3.  |   |   |
| 4. April .....  | 4.  |   |   |
| 5. May .....  | 5.  |   |   |
| 6. June .....   | 6.  |   |   |
| 7. July .....   | 7.  |   |   |
| 8. August .....   | 8.  |   |   |
| 9. September .....  | 9.  |   |   |
| 10. October .....   | 10. |   |   |
| 11. November .....  | 11. |   |   |
| 12. December .....  | 12. |   |   |
| 13. Totals .....  | 13. |   |   |
| <p>14. Is line 13, column (a), more than line 13, column (b)?</p> <p><input type="checkbox"/> <b>Yes.</b> Your alternative calculation reduces your excess APAS. If you did not complete Part IV of form FTB 3849, check the “<b>Yes</b>” box on line 9. Also check the “<b>No</b>” box on line 10. Continue to Steps 6, 7, and 8.</p> <p><input type="checkbox"/> <b>No.</b> The alternative calculation does not reduce your excess APAS. Leave form FTB 3849, Part V, blank.</p> <ul style="list-style-type: none"> <li>• If you did not complete Part IV of form FTB 3849, check the “<b>No</b>” box on line 9 and continue to form FTB 3849, line 10. If you are required to use lines 12 through 23 of form FTB 3849, enter the amounts from lines 1 through 12 of Worksheet 3 in the form FTB 3849 instructions on the lines for the corresponding months and columns on form FTB 3849.</li> <li>• If you completed Part IV of form FTB 3849, check the “<b>No</b>” box on line 10. Enter the amounts from lines 1 through 12 of Worksheet 3 in the form FTB 3849 instructions on the lines for the corresponding months and columns on form FTB 3849, lines 12 through 23.</li> </ul> |     |   |   |

## Worksheet for Column (f) of Worksheet II – Monthly PAS Amount

Use this worksheet to figure the amount to enter on Worksheet II, column (f).

1. Enter the value from Worksheet II, applicable line 1 through 12, column (a) . . 1. \_\_\_\_\_
2. Enter the value from Worksheet II, applicable line 1 through 12, column (d) . 2. \_\_\_\_\_
3. Subtract the value in line 2 above from the value in line 1 above. If zero or less, enter -0-. . . . . 3. \_\_\_\_\_
4. Enter the value from Worksheet II, applicable line 1 through 12, column (e). . 4. \_\_\_\_\_
5. Enter the smaller of line 4 above and line 3 above. This is your PAS for the month. Enter this amount on Worksheet II, applicable line 1 through 12, column (f) . . . . . 5. \_\_\_\_\_

### Step 3

Complete Worksheet III if there is an individual included in your spouse's alternative household size who was enrolled in a qualified health plan for one or more of your pre-marriage months.

## Worksheet for Line 4 of Worksheet III

Use this worksheet to figure the amount to enter on line 4 of Worksheet III.

1. Enter the amount from line 2 of Worksheet III. . . . . 1. \_\_\_\_\_
2. Enter the amount from line 3 of Worksheet III. . . . . 2. \_\_\_\_\_
3. Divide the amount on line 1 above by the amount on line 2 above. Do not round; instead multiply this number by 100 (to express it as a percentage). Enter the entire result here, including any number after the decimal point. . . . . 3. \_\_\_\_\_
4. Follow the instructions provided in Table B. Enter the result here . . . . . 4. \_\_\_\_\_
5. Check the applicable box following the instructions provided in Table B. Proceed as directed.
  - Yes.** You are not eligible to take the PAS. See line 4 of Worksheet III for additional instructions.
  - No.** Enter the result from line 4 above on line 4 of Worksheet III.

### Step 4

Complete Worksheet IV to determine your spouse's alternative monthly PAS amounts to include on form FTB 3849, lines 12 through 23, column (f), for your pre-marriage months. Enter in columns (a) and (b) on Worksheet IV the amounts from columns (a) and (b) in Part II of the form(s) FTB 3895 that reports coverage for all individuals in your applicable household enrolled in a qualified health plan for one or more pre-marriage

months, including your spouse, who are (1) included in Part I of a form FTB 3895 sent to your spouse for the pre-marriage months, or (2) not included in Part I of the form FTB 3895 sent to you or to your spouse, but who are included in your spouse's alternative household size.

**Missing or incorrect SLCSF premium.** For your pre-marriage months, if there were changes in your spouse's coverage family that your spouse did not report to the Marketplace or APAS was not paid for the coverage, or there is an individual in your spouse's coverage family not included in Part I of the form FTB 3895 sent to your spouse who is included in your spouse's alternative household size, your spouse may have to determine the applicable SLCSF premium for those months. See Determining the Premium for the Applicable Second Lowest Cost Silver Plan (SLCSF).

**Column (d).** Monthly Federal PTC Amount. If you entered -0- in Worksheet IV, applicable lines 1 through 12, column (a), enter -0- in Worksheet IV, applicable lines 1 through 12, column (d). Otherwise, use the Worksheet for Column (d) of Worksheet IV- Monthly Federal PTC Amount. **Note.** If you checked the box on line A, above Part I of federal Form 8962, enter -0- on Worksheet for Column (d) of Worksheet IV - Monthly Federal PTC Amount, line 1, and follow the rest of the instructions to complete this worksheet.

The worksheet needs to be completed for each month in the applicable lines 1 through 12 column (d) of Worksheet IV.

## Worksheet for Column (d) of Worksheet IV – Monthly Federal PTC Amount

Use this worksheet to figure the amount to enter on Worksheet IV, column (d).

|   |          |
|---|----------|
| 1. Enter your federal applicable figure from Table 5, in the form FTB 3849 instructions, using the percentage from Worksheet III, line 4, to locate the figure on the table . . . . . | 1. _____ |
| 2. Enter the amount from Worksheet III, line 2 . . . . .  | 2. _____ |
| 3. Multiply line 1 above by line 2 above. Round to nearest whole dollar amount. This is your federal annual contribution amount . . . . .   | 3. _____ |
| 4. Divide the amount from line 3 above by 12. Round to the nearest whole dollar amount. This is your monthly federal contribution amount . . . . .                                    | 4. _____ |
| 5. Enter the amount from Worksheet IV, applicable line 1 through 12, column (b) . . . . .   | 5. _____ |
| 6. Subtract line 4 above from line 5 above. This is your maximum monthly federal PTC amount. If zero or less, enter -0- . . . . .   | 6. _____ |
| 7. Enter the value from Worksheet IV, applicable line 1 through 12, column (a) . . . . .  | 7. _____ |
| 8. Enter the smaller of line 7 above and line 6 above. This is your monthly federal PTC amount. Enter this amount on Worksheet IV, applicable line 1 through 12, column (d) . . . . . | 8. _____ |

**Column (f).** Monthly PAS amount allowed. If the amount in Worksheet IV, applicable lines 1 through 12, column (a) is -0-, enter -0- in Worksheet IV, applicable lines 1 through 12, column (f).

If the amount in Worksheet IV, applicable lines 1 through 12, column (e) is -0-, enter -0- in Worksheet IV, applicable lines 1 through 12, column (f).

If in the Worksheet for column (d) of Worksheet IV, you entered the value from line 7 as the smaller value in line 8, enter -0- in Worksheet IV, applicable lines 1 through 12, column (f).

If in the Worksheet for column (d) of Worksheet IV, you entered the value from line 6 as the smaller value in line 8, then use the Worksheet for column (f) of Worksheet IV below to determine the value of applicable lines 1 through 12, column (f) of Worksheet IV.

For all other situations, use the Worksheet for Column (f) of Worksheet IV - Monthly PAS Amount, to compute the amount for applicable lines 1 through 12, column (f) of Worksheet IV.

The worksheet needs to be completed for each month in the applicable lines 1 through 12, column (f) of Worksheet IV.

## Worksheet for Column (f) of Worksheet IV – Monthly PAS Amount

Use this worksheet to figure the amount to enter on Worksheet IV, column (f).

|  |          |
|--|----------|
| 1. Enter the value from Worksheet IV, applicable line 1 through 12, column (a) . . . . .   | 1. _____ |
| 2. Enter the value from Worksheet IV, applicable line 1 through 12, column (d) . . . . .   | 2. _____ |
| 3. Subtract the value in line 2 above from the value in line 1 above. If zero or less, enter -0- . . . . .   | 3. _____ |
| 4. Enter the value from Worksheet IV, applicable line 1 through 12, column (e) . . . . .   | 4. _____ |
| 5. Enter the smaller of line 4 above and line 3 above. This is your PAS for the month. Enter this amount on Worksheet IV, applicable line 1 through 12, column (f) . . . . . | 5. _____ |

### Step 5

After you have completed Steps 1 and 2 (Worksheet I and Worksheet II) and/or Steps 3 and 4 (Worksheet III and Worksheet IV), complete Worksheet V to determine what entries you must make on form FTB 3849, lines 12 through 23, for your pre-marriage months.

### Step 6

Complete form FTB 3849, lines 35 and 36, using the following instructions. Follow these instructions only if you checked the "Yes" box on Worksheet V, line 14.

#### Line 35.

- **Column (a):** Enter the household size from Worksheet I, line 1.
- **Column (b):** Enter the amount from Worksheet I, line 7.
- **Column (c):** Enter the month from Worksheet I, line 8.
- **Column (d):** Enter the month from Worksheet I, line 9.

#### Line 36.

- **Column (a):** Enter the household size from Worksheet III, line 1.
- **Column (b):** Enter the amount from Worksheet III, line 7.
- **Column (c):** Enter the month from Worksheet III, line 8.
- **Column (d):** Enter the month from Worksheet III, line 9.



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## Step 7

Complete form FTB 3849, lines 12 through 23, columns (a) through (g), using the following instructions. Follow these instructions only if you checked the “Yes” box on Worksheet V, line 14.

**Column (a).** Enter the amounts from column (a) of Worksheet 3 in the form FTB 3849 instructions.

**Column (b).** Enter the amounts from column (b) of Worksheet 3 in the form FTB 3849 instructions.

**Column (c).** For pre-marriage months, enter the totals of Worksheet II, column (c), and Worksheet IV, column (c). For example, if you entered \$200 on Worksheet II, column (c), lines 1 through 5, and you entered \$250 on Worksheet IV, column (c), lines 3 through 5, enter \$200 on lines 12 and 13, and \$450 on lines 14 through 16 of form FTB 3849, column (c).

For the months you were married for the entire month, enter the amount from form FTB 3849, line 8b.

**Column (d).** For pre-marriage months, enter the monthly totals of Worksheet II, column (d), and Worksheet IV, column (d).

For the months you were married for the entire month, enter the amounts from column (d) of Worksheet 3 in the form FTB 3849 instructions.

**Column (e).** Subtract the amount in column (c) and column (d) from the amount in column (b) and enter the result. If zero or less, enter -0-.

**Column (f).** For your pre-marriage months, enter the amounts from lines 1 through 12, column (a), of Worksheet V in the boxes for the corresponding months in column (f).

For the months you were married for the entire month, enter the amounts from column (f) of Worksheet 3 in the form FTB 3849 instructions.

**Column (g).** Enter the amounts from column (g) of Worksheet 3 in the form FTB 3849 instructions.

## Step 8

Continue to form FTB 3849, line 24, and complete the rest of the form.

**Line 26.** Enter -0-.

**Lines 27 through 29.** If line 24 is less than line 25, complete these lines. Otherwise, leave these lines blank.

## Additional Information

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### How to Get California Tax Information

**By internet** – You can download, view, and print California tax forms and publications at [ftb.ca.gov/forms](http://ftb.ca.gov/forms).

**By phone** – To order California tax forms, call our automated phone service at 800.338.0505.

**In person** – Many libraries and post offices provide free California tax booklets during the filing season.

Employees at libraries and post offices cannot provide tax information or assistance.

**By mail** – We will send you two copies of each tax form and one copy of each set of instructions. Allow two weeks to receive your order. If you live outside California allow three weeks to receive your order. Write to:

TAX FORMS REQUEST UNIT MS D120  
FRANCHISE TAX BOARD  
PO BOX 307  
RANCHO CORDOVA CA 95741-0307

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### Letters

If you write to us, be sure your letter includes your social security number (SSN) or Individual Taxpayer Identification Number (ITIN), and your daytime and evening telephone numbers. Send your letter to:

FRANCHISE TAX BOARD  
PO BOX 942840  
SACRAMENTO CA 94240-0040

We will respond to your letter within ten weeks. In some cases, we may need to call you for additional information.

### Franchise Tax Board Privacy Notice on Collection

Our privacy notice can be found in annual tax booklets or online. Go to [ftb.ca.gov/privacy](http://ftb.ca.gov/privacy) to learn about our privacy policy statement, or go to [ftb.ca.gov/forms](http://ftb.ca.gov/forms) and search for **1131** to locate FTB 1131 EN-SP, Franchise Tax Board Privacy Notice on Collection. To request this notice by mail, call 800.338.0505 and enter form code **948** when instructed.

### General Phone Service

Telephone assistance is available year-round from 7 a.m. until 5 p.m. Monday through Friday, except holidays. Hours are subject to change.

Telephone: 800.852.5711 from within the United States  
916.845.6500 from outside the United States

California

Relay

Service: 711 or 800.735.2929 for persons with hearing or speaking limitations

IRS: 800.829.1040 for federal tax questions

### Asistencia En Español

Asistencia telefónica está disponible durante todo el año desde las 7 a.m. hasta las 5 p.m. de lunes a viernes, excepto días feriados. Las horas están sujetas a cambios.

Teléfono: 800.852.5711 dentro de los Estados Unidos  
916.845.6500 fuera de los Estados Unidos

Servicio de Retransmisión

de California: 711 o 800.735.2929 para personas con limitaciones auditivas o del habla

IRS: 800.829.1040 para preguntas sobre impuestos federales