

## **An IRA Distribution May Disqualify a Person For the Premium Tax Credit.**

The premium tax credit (PTC) is a refundable tax credit authorized under the Affordable Care Act. It assists individuals and families with low or moderate income to afford health insurance purchased through a health insurance marketplace. A person is ineligible for this credit if the health insurance coverage is purchased outside the marketplace. A person who is eligible to enroll in certain employer-sponsored coverage or government programs such as Medicare, Medicaid or TRICARE is ineligible. To be eligible and to obtain this credit a person must meet certain requirements and must file a federal income tax return. One of the requirements is that a person's household income must fall within a certain range.

If a person is receiving this credit, before taking any IRA distribution he or she will want to determine that such an IRA distribution will not make him or her ineligible to receive this credit. A person becomes ineligible for this credit if his or her household income exceeds more than 400% of the Federal poverty line for his or her family size. A person will be required to repay any advance payment he or she receives for which he or she later becomes ineligible. For 2015, the limit is \$45,960 for an individual, \$62,040 for a family of two and \$94,200 for a family of four. A person will want to review Publication 974 and other IRS guidance.