

## The Health Coverage Tax Credit (HCTC)

is a federal tax credit that pays 65% of the qualified health plan premiums paid by eligible individuals. **Effective August 1, 2003**, eligible individuals can claim it in advance to help pay for health plan premiums as they become due.

Eligible individuals may choose to receive the credit as an advance payment on a monthly basis, or claim the HCTC when they file their federal tax return.

### To be eligible for the HCTC, you must meet one of the following:

- Receiving a Trade Readjustment Allowance (TRA)
- Eligible for TRA under the Trade Adjustment Assistance (TAA) program but still receiving unemployment insurance (UI) benefits because you have not yet exhausted these benefits
- Receiving a benefit under the Alternative Trade Adjustment Assistance (ATAA) program
- Receiving a Pension Benefit Guaranty Corporation (PBGC) benefit payment, and are 55 years or older, and are not eligible for Medicare

## Contact Information

If you would like more details about the tax credit, please...

Visit [www.irs.gov](http://www.irs.gov)  
(IRS keyword: HCTC)

Or call toll-free  
**1-866-628-HCTC**  
(1-866-628-4282)

TDD/TYY  
**1-866-626-4282**

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CONNECTICUT  
DEPARTMENT  
OF LABOR

*This information published in partnership with the federal government; private industry; Connecticut Departments of Labor and Insurance; the Office of Health Care Access; the Office of Policy and Management; and the Office of the State Comptroller.*

# Health Coverage Tax Credit (HCTC)

for Trade-Impacted Workers

**A new program** that can pay nearly two thirds of your health plan premiums

**HCTC** | Health Coverage Tax Credit  
FEDERAL • STATE • PRIVATE INDUSTRY

# Health Coverage Tax Credit (HCTC)

## Automatically Qualified Health Plans include:

- Cobra continuation coverage
- Spousal coverage plans\* where the spouse's employer pays for less than 50% of the premium
- Individual (non-group) health coverage that began **at least 30 days prior to separation** from employment

\* *You can only claim the HCTC with this type of coverage on your annual federal tax return and not in advance.*

## State Qualified Coverage

States may also qualify other health plans as long as the plans meet certain conditions. The toll-free HCTC Customer Contact Center will be able to tell you about all of the qualified health plan options available in your state. State qualified coverage includes:

- Health Reinsurance Association of Connecticut – call (800) 842-0004
- State – Based Cobra Continuation Coverage – contact your current health plan administrator or your former employer for information

## Individuals are not eligible for the HCTC for any month if on the first day of such month any of the following conditions apply:

- Entitlement to Medicare Part A or enrollment in Medicare Part B
- Enrollment in a state's Medicaid program or State Children's Health Insurance Program (SCHIP)
- Enrollment in any health plan maintained by an employer, former employer, or spouse's employer that pays at least 50% of the cost of the coverage
- Enrollment in a plan in the Federal Employees Health Benefit Program (FEHBP)
- Entitlement to a Department of Defense health plan (TRICARE/CHAMPUS)
- Imprisonment by a federal, state, or local authority
- Claimed as a dependent on someone else's federal income tax return

You will receive a determination of TRA eligibility in the mail from the Connecticut Department of Labor. If you are eligible, you will also receive detailed information on the HCTC.



*If you have questions about benefits under the TAA or ATAA programs, you can call the U.S. Employment and Training toll-free help line at 1-877-872-5627 (TTY: 1-889-872-5627) for more information.*

*If you are eligible and enrolled in a qualified health plan, you can use the HCTC to help pay for health coverage for yourself and qualified family members.*