

Health Coverage Tax Credit (HCTC)

Department of Labor and Workforce Development: <http://www.tn.gov/labor-wfd/taa.html>

Health Coverage Tax Credit (HCTC): A benefit available to workers who have lost their jobs due to foreign trade and individuals whose pensions are taken over by the PBGC. The HCTC is a federally funded program administered by the IRS that pays 80% of qualified health insurance premiums for eligible individuals and their families. To learn more about the HCTC, who qualifies, and how to enroll, [visit the website](#) or call the Customer Contact Center at 1-866-628-4282.

HCTC Fact Sheet: <http://www.tn.gov/labor-wfd/news/HCTC%20Explanation%20Letter.pdf>

The Health Coverage Tax Credit (HCTC) is a federally funded program administered by the IRS that pays 80% of qualified health insurance premiums for eligible individuals and their families.

To qualify for the HCTC, individuals must be:

- Receiving Trade Adjustment Assistance (TAA) benefits (including Reemployment and Alternative TAA) or
- Receiving pension payments from the Pension Benefit Guaranty Corporation (PBGC) and be 55 years old or older
- Enrolled in a qualified health plan. The types of qualifying health plans are COBRA, a state-qualified health plan, and spousal coverage.

Additionally, individuals must meet a set of general requirements, such as not being enrolled in Medicare.

Individuals can receive the HCTC each month as their health premiums become due or at the end of the year when filing for their annual tax return.

The Tennessee Department of Labor and Workforce Development will notify the HCTC Program of all eligible TAA benefit recipients. The HCTC will send eligible individuals a Program Kit and Registration Form. Individuals interested in receiving the monthly HCTC should complete the registration form and return it with all required documentation. Individuals who prefer to claim the HCTC at the end of the year should continue to make full payments throughout the year to their health plans, and then complete and return IRS Form 8885 with their annual tax return and required supporting documentation.

More information is available at your [local Career Center](#) or unemployment claims office. Additional information may also be obtained by calling the HCTC office at 1-866-628-4282 or visiting the [HCTC website](#)