

# Reporting Income: Resolving an Income Data Issue

Microlearning Transcript



## Resolving an Income Data Matching Issue

### Let's Get Started

#### Reporting Income: Resolving an Income Data Matching Issue

What happens if my actual income is higher than I estimated when I submitted my Marketplace application during Open Enrollment?

Can I submit last year's pay stubs to verify my income?

What exactly *is* a DMI?

#### DMI

A DMI is a data matching issue. Consumers may encounter a DMI when there's a difference between certain information they entered on a Marketplace application and information the Marketplace receives from other trusted data sources.

As an assister, you should be able to help consumers identify the types of documents the Marketplace will accept for purposes of verifying a DMI and explain how to submit these documents.

### What You Need to Know

#### Income DMIs

What triggers an income DMI?

If a consumer reports an estimated annual income amount that varies significantly from the amount of income reported to the Marketplace from trusted data sources, the consumer will experience an income DMI.

Consumers whose estimated annual income is not within +/- 50 percent or \$12,000 of their previously earned income as reported by the Marketplace's data sources may encounter an income DMI.

For more information on resolving DMIs, refer to:

- [How to Resolve Income Data Matching Issues \(DMIs\)](#)
- [When the Marketplace needs more information](#)

For more information on triggering an income DMI, visit [HealthCare.gov/verify-information](https://www.healthcare.gov/verify-information).

You can also review the resources provided throughout this module to learn more about actions consumers can take to resolve a DMI.

### What You Need to Do

Meet Dan and Carla Howard. Dan is a self-employed commercial plumber who earned \$42,000 last year. Carla is a full-time dog walker who earned \$25,000 last year.

During the Open Enrollment Period, the Howards enrolled in a Marketplace plan with advance payments of the premium tax credit (APTC).

Dan's biggest client just went out of business, so he estimates that he'll earn \$28,000 during the upcoming year. Carla expects that her income will not change during the upcoming year.

After submitting their application, their "Eligibility results" screen states that their eligibility is temporary until they submit documents to confirm some of their application information. Dan's estimated income for the upcoming year caused an income DMI because Dan's estimated annual income for the upcoming year is more than \$12,000 less than his income from the previous year. To resolve the income DMI, he must submit documents to verify his estimated annual income for the upcoming year.

Let's help Dan resolve this income DMI.

The Howards forgot to bring a copy of their eligibility determination notice (EDN) to the appointment, but you can help them review their eligibility results online and review the steps to upload the necessary documents to resolve the DMI.

First, let's help Dan locate a copy of his and Carla's EDN online.

After logging in and selecting their current application, which option from the menu on the left should Dan select to find their eligibility results?

They should select "Eligibility & appeals".

Could Dan and Carla lose their financial assistance if they don't submit additional income information to the Marketplace?

Yes! If the Marketplace can't verify a consumer's estimated annual household income, they may lose some or all of their financial assistance. The Marketplace will make multiple attempts to reach consumers through notices, phone calls, emails, and text messages, depending on their communication preferences. For more information on how the Marketplace confirms household income information, visit <https://Marketplace.cms.gov/outreach-and-education/household-income-data-matching-issues.pdf>.

Let's review Dan and Carla's EDN for more information on resolving Dan's income DMI. Select the View Eligibility Notice (PDF) button.

Where in the Howards' eligibility determination notice will they find whether they have a DMI and need to submit documents?

The Howards' eligibility notice "Results" section will indicate whether they need to submit documents to receive a final eligibility determination.

The "Action: Next Steps" section states that Dan and Carla have until February 28, 2023, to send documents to confirm their household income.

Consumers have 90 days from their application submission date to submit documentation verifying their household income. Their EDN will also provide a list of documents they can send to the Marketplace to resolve their income DMI.

Note: Consumers with a citizenship/immigration DMI have 95 days to submit documents.

Let's review the EDN pages on how to confirm household income.

The page "More About Submitting Documents" includes instructions on submitting documents.

The "Documents to Confirm Household Income" page lists the documents consumers can upload or mail to the Marketplace to confirm their estimated yearly income.

The document you send should reflect the income amount shown on your Marketplace application.

Examples of documents you can send include:

- 1040 tax return (federal or state versions), including Schedule 1 if you file one with your taxes – Must contain first name, last name, income amount and tax year.
- W2s and/or 1099s (includes 1099 MISC, 1099G, 1099R, 1099SSA, 1099DIV, 1099 S, 1099INT) – Must contain first name, last name, income amount, year, and employer name.
- Pay stub – Must contain first name, last name, income amount, and pay period or frequency of pay with date of payment. If a pay stub includes overtime, indicate average overtime amount per paycheck.
- Self-employment documentation containing first name, last name, company name, and income amount. This can be 1040 Schedule C, F, or E; Schedule K-1 (Form 1120-S); Schedule K1 (Form 1065); personal tax return.
- Social Security Administration statements (Social Security Benefits Letter) – Must contain first name, last name, benefit amount, and frequency of pay.
- Unemployment letter or Trade Readjustment benefits letter – Must contain first name, last name, source/agency, benefit amount, and duration (start and end date, if applicable).

What are some types of documents Dan can send to the Marketplace to confirm his self-employment income?

- A. An IRS Form 1040 SE Schedule C
- B. Most recent quarterly or year-to-date profit and loss statement
- C. Self-employment ledger
- D. All of the above

Correct answer is D. Dan could submit any of these three documents to confirm his self-employment income: An IRS Form 1040 SE Schedule C, his most recent quarterly or year-to-date profit and loss statement, or a self-employment ledger.

Since Dan lost one of his clients very recently, none of his self-employment income documentation reflects the loss of the client, so he won't be able to resolve his income DMI with his current documentation. He asks you how he can confirm the client loss to the Marketplace to resolve his income DMI.

How would you advise Dan to confirm a recent change to his income that isn't reflected in any of his current documents to confirm his self-employment income?

- A. You can't resolve the DMI without supporting documents, and you may lose financial assistance.

- B. You should report a change in income and update your projected income to match last year's income, even if that is not an accurate estimate.
- C. You can send the Marketplace a letter explaining why your household income is different from the information in the Marketplace's data sources.
- D. You should attach a written explanation to your tax return when you file federal income taxes.

Correct answer is C.

If consumers experience a recent change in income that isn't reflected in their current income documentation, they can send the Marketplace a letter explaining why their annual household income is different from the information in the Marketplace's data sources.

For more guidance on confirming income information, visit [Marketplace.cms.gov/outreach-and-education/household-income-data-matching-issues.pdf](https://www.marketplace.cms.gov/outreach-and-education/household-income-data-matching-issues.pdf).

Dan didn't bring a letter explaining why the annual household income he reported on his Marketplace application is different from the information in the Marketplace's data sources, so he plans to upload it at home. However, he would like to review the steps with you to make sure he's able to do it on his own.

The "Application details" screen shows all the DMIs that apply to a household. Select the button that will allow Dan to upload his income information.

Correct action: select the Upload Documents button next to Dan.

Help Dan select the correct Document Type from the dropdown menu. Correct action: Select Other.

Dan can submit his written explanation of his anticipated income change to verify his income. Since this option is not in the dropdown list, he selects Other. For a full list of documents consumers can submit to resolve a DMI, visit [HealthCare.gov/help/how-do-i-resolve-an-inconsistency/#household-income](https://www.healthcare.gov/help/how-do-i-resolve-an-inconsistency/#household-income).

#### Assister Tip

Remember, the documents a consumer submits to the Marketplace to resolve their income DMI must show a yearly income amount that closely matches the reported yearly income that triggered the income DMI. Consumers can use [the Guide to Confirming Your Information](#) to find out which documents they can submit.

Dan can now choose the Select File to Upload button. He will need to locate and select the document on his computer.

Select the Select File to Upload button.

Once Dan selects the file, a table will appear under the Select File to Upload button with the document name, document type, and actions. Dan should select the green Upload button to submit his letter to the Marketplace.

A green checkmark will appear next to the document name to indicate the upload was successful.

Dan asks what will happen if he forgets to submit supporting documents by the deadline.

What do you tell him?

- A. He should still submit his documents.
- B. If he made a good faith effort to get the required documents but needs more time beyond the 90 days for income DMIs, he may call the Marketplace Call Center to request more time to submit them.
- C. If the document he uploads isn't sufficient or if more information is required, he will receive a notice that will include details for the next steps.
- D. All of the above.

Correct answer is D.

Consumers generally have 90 days from their eligibility decision to resolve an income DMI. The Marketplace will send a notice after it reviews consumers' document(s). If the documents verify their income information, the notice will tell them that nothing further is needed. If the documents aren't sufficient, or if more information is required, the notice will include details.

If consumers made a good faith effort to get the required documents but need more time beyond the normal 90 days, they may call the Marketplace Call Center to request more time to submit them.

Finally, consumers should still submit their documents if they miss the deadline since their Marketplace coverage and savings may depend on it.

What about Carla? Does she need to submit documents to verify her income as well? What should you tell Dan?

Yes or No?

Yes. The Marketplace needs to verify consumers' total annual household income when they encounter an income DMI. Both Dan and Carla need to submit documents to verify their annual household income. Even if a member of a consumer's tax household isn't applying for coverage, and even if their income hasn't changed from one year to the next, they may also need to submit their income information so the Marketplace can verify the total annual household income.

What if Dan and Carla want to mail their documents to the Marketplace? What should they do?

Assister Tip

Consumers *should not* send original documents. Instead, they should mail photocopies of each document to the Marketplace and include the printed bar code page of their EDN.

If consumers don't have the bar code page, they should print their full name and the Application ID at the top of each document copy.

Mail documents to:

Health Insurance Marketplace<sup>®1</sup>

Attn: Supporting Documentation

465 Industrial Blvd.

London, KY 40750-0001

<sup>1</sup> Health Insurance Marketplace<sup>®</sup> is a registered trademark of the U.S. Department of Health and Human Services.

For more information on how to submit documents to the Marketplace, visit [HealthCare.gov/verify-information/send-more-info](https://www.healthcare.gov/verify-information/send-more-info).

Great job! You've successfully guided Dan and Carla through the process of resolving an income DMI.

Good job on those scenarios!

### Wrap Up

Congratulations! You have completed Resolving an Income Data Matching Issue.

This concludes the modules, Resolving an Income Data Matching Issue. Great job on those scenarios!

Consumers may encounter an income DMI if their estimated income is not within +/- 50 percent or \$12,000 of their previously earned income as reported by the Marketplace's data sources. As an assister, you should be able to help consumers identify the types of documents the Marketplace will accept and explain how to submit those documents.

Here are a few tips for helping consumers confirm their household income information:

- When working with consumers who are self-employed, encourage them to track their income in a detailed self-employment ledger.
- Act quickly – consumers usually have 90 days to resolve an income DMI. If they do not do so, their financial assistance could change or end.

Remind consumers that the Marketplace will send them a notice (usually around one month after the Marketplace receives their documents) to let them know whether their income DMI was resolved or if more information is needed.

You can refer to the [CMS Guide to Confirming Your Income Information](#) for background information and resources to use when assisting consumers in resolving income DMIs.

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