



TAX ASSISTANCE PROGRAM VOLUNTEER MINI MANUAL

2026 TAX SEASON | TAX YEAR 2025



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TRAINING ACCOUNTS

All volunteers must complete annual IRS certification.

Training Resources: <https://www.ladderup.org/volunteer-resources-and-training/>

You will need **3 accounts**:

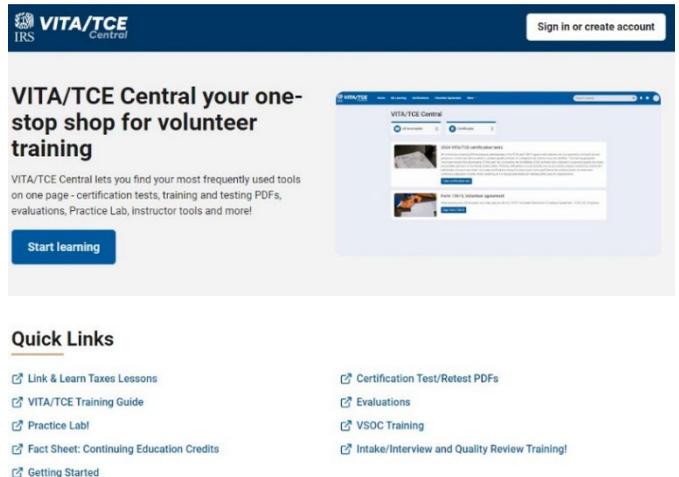
1. VITA CENTRAL – CERTIFICATION TESTS

Link: <https://www.linklearncertification.com>

Username: _____ Password: _____

Creating/Accessing Your Account

- Returning volunteers: enter your email -> click **“Forgot Password.”** (Note: password cannot include special symbols.)
- **SEID**: leave blank (IRS employees only)
- **Professional Status**: ONLY select CPA, Attorney, or Enrolled Agent.
- **PTIN**: enter if you have one; otherwise leave blank



2. PRACTICE LAB – TAXSLAYER PRACTICE

Link: <https://vita.taxslayerpro.com/IRStraining>

Universal Access password: **TRAINPROWEB**

Username: _____ Password: _____

1. Enter TRAINPROWEB (you'll enter this every time you log in).
2. Select **Create Account**

- a. Program Type: **VITA**
- b. SIDN: **leave blank**

Use this site to complete the practice returns for your certification tests.

3. VOLUNTEERHUB – UPLOADING REQUIRED DOCUMENTS

Link: <https://goladderup.volunteerhub.com>

Username: _____ Password: _____

After Completing Your Tests

1. Log into VITA Central
2. Sign **Form 13615 (Volunteer Agreement)**.



Form 13615, Volunteer agreement

After passing any of the exams, you may sign your Form

[Sign Form 13615](#)

3. Download the signed form (or regenerate + sign again if needed).
4. Save the agreement showing test completion.

Volunteer Certification Levels <small>(Add the letter "P" for all passing test scores)</small>										
Volunteer Standards of Conduct <small>(Required for ALL)</small>	Intake/Interview and Quality Review	Site Coordinator	Basic	Advanced	Military	International	Puerto Rico		Foreign Students	SPEC OPI
							1	2		
P	P	P	P	P						
Optional Tests										
Federal Tax Law Update Test Only for Circular 230 Professionals (C230)										

5. Log into VolunteerHub → click **Edit Profile** under your name.
6. Upload:
 - a. **Volunteer Agreement**
 - b. **Photo ID**
 - c. **Recent Photo**

Note: Please allow **2 business days** for Ladder Up staff to review uploads. Your TaxSlayer account for the season will be created afterward.

LADDER UP OVERVIEW

Mission

Ladder Up is committed to helping hardworking families and individuals access the financial resources and tools they need to move up the economic ladder. Ladder Up provides free financial services to help Chicago-area families and individuals improve their quality of life by helping clients obtain the tax refunds they deserve, secure the financial aid that makes higher education affordable, and gain the knowledge necessary to make sound financial decisions.

Ladder Up's volunteer corps is one of the largest volunteer workforces in the Midwest. Partnering companies represent various sectors, including accounting, banking, consulting, law, and financial services. By utilizing the donated services of its volunteers, along with donated office space, legal counsel, and service locations, **Ladder Up can return \$30 in benefits to clients for every \$1 invested in the organization.**

VITA PROGRAM

VOLUNTEER
INCOME
TAX
ASSISTANCE

WHAT IS A VITA PROGRAM?

- Our **Tax Assistance Program (TAP)** falls under the **Volunteer Income Tax Assistance (VITA)** program, which has been an IRS initiative since 1969.
- VITA programs provide free tax preparation to low-income individuals and families with earned income and tax credit eligibility. Our VITA program serves individuals with disabilities, those with limited English proficiency, and the elderly.
- Ladder Up proudly operates one of the largest VITA programs in the country!



LADDER UP PROGRAMS

TAX ASSISTANCE PROGRAM (TAP)

Ladder Up offers free tax preparation and electronic filing to help low- to moderate-income taxpayers secure valuable tax refunds. By engaging over 900 volunteers each year, Ladder Up provides free tax help to clients at 12 service locations in the Chicago area.



FINANCIAL CAPABILITY

The Financial Capability program has two areas:

College Success Program

Ladder Up helps students complete the FAFSA and Alternative Application for financial aid. We offer workshops to guide families through the process and provide follow-up support after applications are submitted.

Financial Literacy Program

Ladder Up offers workshops for both students and adults on budgeting, credit building, employee onboarding, and understanding taxes.

If a client is interested in financial aid services or financial coaching, please have them call and leave a message at (312) 409-1555 or e-mail fincap@goladderup.org.

TAX CLINIC

The Tax Clinic provides legal counsel and representation to clients in tax disputes with the IRS and the Illinois Department of Revenue (IDOR). clinic assists clients with the following types of matters:

- Audits
- Collections
- Tax-related Identity Theft
- Other issues arising from disputes with IRS or IDOR

Any Illinois taxpayer who meets our tax-preparation income guidelines is eligible for free services from the Tax Clinic.

If a client needs to contact the Tax Clinic, please ask them to call (312) 630-0242 or e-mail Susana Ramirez at sramirez@goladderup.org.

SITE PROCESS

Each tax site has unique qualities, but general operations are the same. Here are some of the standard roles and procedures that all volunteers should follow:

Site Support	Volunteers welcome clients and ensure that each client has the necessary documents and identification, before giving the client paperwork to complete.
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Case Reviewer	Volunteers meet with clients to conduct intake interviews to ensure eligibility for service and to help clients organize documents and complete intake forms.
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Tax Preparer	Volunteers work one-on-one with clients to complete federal and Illinois returns using professional tax software (TaxSlayer).
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Quality Reviewer	Volunteers check prepared returns for errors, review returns with clients, and prepare clients for e-file or paper filing.
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Translator	Volunteers will assist non-English speaking clients, facilitating communication between clients and volunteers.
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CLIENT ELIGIBILITY

Review the Intake Sheet (IRS Form 13614-C) carefully to ensure the client's answers to the questions are clear. If anything is unclear, consult with your Site Leader.

Social Security Cards & Photo ID	A client must bring original Social Security cards (or ITIN letters) for all individuals on the tax return. Clients must bring government-issued photo IDs for themselves and their spouses (if applicable). If Married Filing Jointly, BOTH spouses must be present.
Income Guidelines	Households earning up to \$40,000 annually. Individuals earning up to \$30,000 annually.
Income Documents	Clients need to bring all W-2s and 1099s for jobs they and/or their spouse worked during the tax year, as well as documentation for Social Security payments, unemployment, interest income, and any pensions or retirement income.
Supporting Information	Clients must bring documentation of all expenses; also mortgage interest statements, property tax bills, student loan interest statements, tuition statements, college expense documentation, etc.
Child Care Expenses	An EIN (Employer Identification Number) or SSN (Social Security Number) for the childcare provider is necessary to claim the Child and Dependent Care Credit.
E-Filing Tax Returns	The client and spouse (if applicable) must sign IRS Form 8879 (IRS e-file Signature Authorization) and IL-8453 (Illinois e-file Signature Authorization) to file their tax returns electronically.

LADDER UP OUT-OF-SCOPE

- 1040-NR (Non-resident aliens, such as foreign students, refugees who arrived in the US during the tax year, and other visa holders)
- Self-employment Income – Cash Income
- Rental Income
- Crypto currency (Bitcoin) and other digital assets
- 1098-T - (if boxes 4 and/or 6 are filled)
- Kiddie Tax – When scholarships exceed tuition expenses by over \$2,600 and the student has a filing requirement
- 1099-C - Cancellation of debt (other than credit card), bankruptcy, auto-loan

Retirement Income: Form 1099-R Box 7 Distribution Codes – Out-of-Scope:

- Box 7 Codes 5, 8, 9, A, E, J, K, N, P, R, T, U
- ***IF the IRA/SEP/SIMPLE box is checked AND there were nondeductible contributions.***

Limited Scope

Premium Tax Credit (1095-A) (In-Scope refer to page 21)

- Only one Form 8962, Premium Tax Credit, may be submitted with the tax return. ***Everyone*** on Form 1095-A, Health Insurance Marketplace Statement, ***must also be on the tax return.***

Please reference Pub. 4012 for the full Out-of-Scope list.

CHANGES FOR TAX YEAR 2025

Due Date of Tax Return

- The due date for tax year 2025 returns is Wednesday, April 15, 2026.
- Expiring tax year 2022 Eligibility to file a tax refund claim (where no return was previously filed) expires on April 15, 2026.

Standard Deduction Increases

The standard deduction for taxpayers who do not itemize deductions on Schedule A has increased. The standard deduction amounts for 2025 are:

- \$15,750 – Single or Married Filing Separately
- \$23,625 – Head of Household
- \$31,500 – Married Filing Jointly or Qualifying Surviving Spouse

Note: Taxpayers who are 65 or older or blind can claim an additional 2025 standard deduction. Just enter the basic information and the software will calculate it automatically.

Child Tax Credit

Taxpayers with dependents under the age of 17 may qualify for a credit of up to **\$2,200 per qualifying dependent**, and up to **\$1,700 of that credit** may be **refundable** as the **additional child tax credit**.

ITIN Updates

An ITIN (Individual Taxpayer Identification Number) allows undocumented taxpayers to file a tax return and be compliant with the IRS. All ITIN numbers start with number 9, for example, 9XX-XX-XXXX.

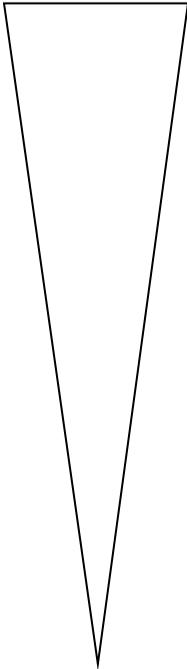
Any ITIN that has not been used on a federal tax return for at least **three** consecutive tax years will expire.

Contact us at ITIN@goladderup.org or call (312) 409-1555 ext.5.

FILING STATUS

Taxpayers must use one of five filing statuses. Filing status impacts the calculation of income tax, affects the amount of the standard deduction, and allows or limits certain credits and deductions. More than one filing status can apply to a taxpayer; use the one that will result in the highest standard deduction.

Highest Deduction



Married Filing Jointly (MFJ): \$31,500

Married, living together with or apart from his/her spouse, or if his/her spouse died during the tax year

Qualifying Surviving Spouse (QSS): \$31,500

Widowed because his/her spouse died during 2024 or 2023, *with a qualifying child*

Head of Household (HOH): \$23,625

Unmarried (or considered unmarried*) and pays more than half the cost of maintaining a home for at least one qualifying person

Single: \$15,750

Unmarried, divorced, widowed, or legally separated, according to his/her state law

Married Filing Separately (MFS): \$15,750

Married and living with, or apart from, his/her spouse

Lowest Deduction

5,*Spouse did not live in the home for last 6 months of the year; the qualifying person must be the taxpayer's child who lived in the taxpayer's home >½ year, and for whom the taxpayer can claim an exemption on the IL return.

Additional information and charts on Filing Status and Dependents are included in the IRS Publication 4012.

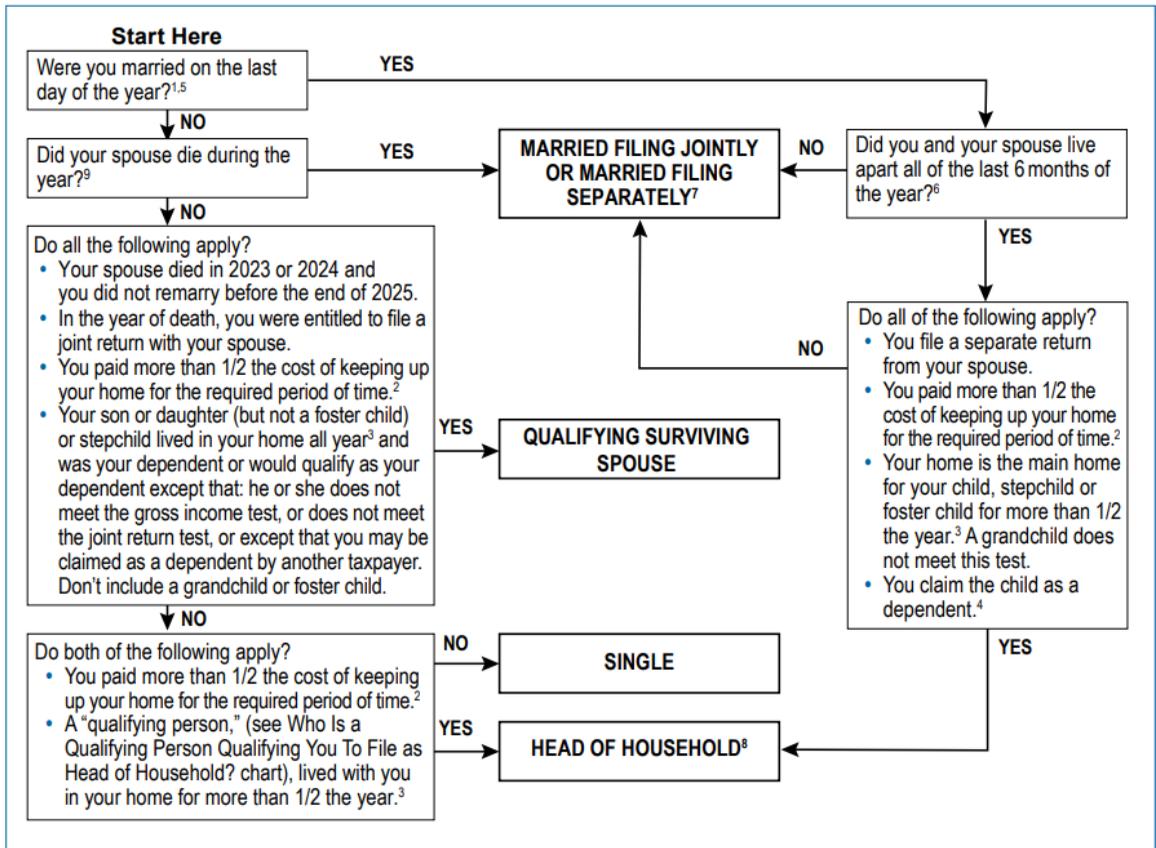
Note: Taxpayer age 65+ or blind are entitled to an addition to their standard deduction.

DETERMINATION OF FILING STATUS

INTERVIEW TIPS

Use the interview tips and additional tables in Pub. 4012, pages B-13 to B-15, to determine the client’s filing status.

DECISION TREE – Pub. 4012, page B-13.



QUALIFYING PERSON FOR HEAD OF HOUSEHOLD

IF the person is your...	AND...	THEN that person is...
qualifying child (such as your child, or grandchild who lived with you more than half the year and meets certain other tests) ²	the child is single	a qualifying person, whether or not the child meets the Citizen or Resident Test ⁷ .
	the child is married <u>and</u> you can claim the child as a dependent	a qualifying person.
	the child is married <u>and</u> you can't claim the child as a dependent	not a qualifying person ³ .
qualifying relative ⁴ who is your father or mother	you can claim your parent as a dependent ⁵	a qualifying person ⁶ .
	you can't claim your parent as a dependent	not a qualifying person.
qualifying relative ⁴ other than your father or mother (such as a grandparent, or sibling who meets certain tests).	your relative lived with you more than half the year, and you can claim them as a dependent, and is one of the following: child, stepchild, foster child, or a descendant of any of them; sibling, half sibling or a child of any of them; an ancestor or sibling of your parent; or stepsibling, stepparent, son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law or sister-in-law ⁵	a qualifying person.
	your relative didn't live with you more than half the year	not a qualifying person.
	your relative isn't related to you in one of the ways listed above <u>and</u> is your qualifying relative only because your relative lived with you all year as a member of your household (for example, a companion or a friend)	not a qualifying person.
	you can't claim your relative as a dependent	not a qualifying person.

SPECIAL NOTES FOR DIVORCED/SEPARATED PARENTS – Pub. 4012, p. C-8

- Only the custodial parent may claim the child as a dependent. The IRS considers the custodial parent the one with whom the child spent the most nights during the tax year, regardless of what the divorce agreement says. If the child spent equal numbers of nights with both parents, the parent with the higher AGI is the custodial parent.
- If the divorce agreement says the noncustodial parent may claim the child, the custodial parent must provide the noncustodial parent with a signed Form 8332 releasing the child's exemption. This form must be attached to the tax return.
- The noncustodial parent may only claim the dependency exemption, any applicable education credits, and the (Additional) Child Tax Credit or the Credit for Other Dependents.
- The custodial parent may claim head-of-household filing status, the EITC, and the Child and Dependent Care Credit even after releasing the child's exemption.

DETERMINING DEPENDENCY

Each dependent must be entered as a “Dependent/ Qualifying Person” in TaxSlayer. Claiming dependents is very important for several tax benefits. Every dependent is classified as either a qualifying child or a qualifying relative. Spouses are not dependents.

There are several tests for determining dependency:

1. Dependent Taxpayer Test

To claim a dependent, the taxpayer and/or spouse cannot be claimed on someone else’s return.

2. Joint Return Test

A taxpayer cannot claim a married person who files a joint return as a dependent unless that joint return is only to claim a refund of income tax withheld or estimated tax paid.

3. Citizen or Resident Test

The dependent must be one of the following:

- U.S. citizen
- U.S. resident alien (for tax purposes, i.e. ITIN holders)
- U.S. permanent resident

Exception: For a taxpayer who is a U.S. citizen or U.S. national and has legally adopted a child who is not a U.S. citizen, U.S. resident alien, or U.S. national, this test is met if the child lived with the taxpayer as a member of his/her household all year. This exception also applies if the child was lawfully placed with the taxpayer for legal adoption.

A dependent is determined to be one of the following based on Relationship, Age, Residency, Support, and Other tests:

- A qualifying child
- A qualifying relative

Additional tables are printed in the IRS Pub. 4012 Tab C: Dependents

Summary of Dependency Requirements					
Tax Benefit	Age	Relationship	Residency ¹	Support	Other
Dependent - Qualifying Child	<19 (or <24 if a full-time student) and must be younger than the taxpayer; or any age if disabled	Child, stepchild, adopted or foster child, sibling, step sibling, or descendant of any of these.	Lived > 1/2 year with the taxpayer ³	Child did not provide over 1/2 of their own support for the year.	Child cannot be claimed by another taxpayer as a dependent
Dependent - Qualifying Relative (QR)	Any age	If unrelated, then must have lived with the taxpayer for the entire year.		Taxpayer provided >1/2 the person's total support for the year	Qualifying Relative's gross income cannot exceed \$5,200 ²
Child Tax Credit	At the end of the tax year, the child must be <17 and also younger than the taxpayer. There is no exception for students or the disabled.	Child, stepchild, adopted or foster child, sibling, step sibling, or descendant of any of these.	Lived > 1/2 year with the taxpayer ³	Child did not provide over 1/2 of their own support for the year.	Child cannot be claimed by another taxpayer as a dependent; Taxpayers with ITINs can claim this credit, but child must be a U.S. citizen, U.S. national or resident alien of the U.S. with a valid SSN
Credit for Other Dependents	All dependents that do not qualify for the Child Tax Credit provided that they are U. S. citizens, U. S. nationals or resident aliens of the U.S. and does not require a SSN (ITIN is accepted).				
Earned Income Tax Credit (EITC/EIC)	At the end of the tax year, the child must be <17 (or <24 if a full-time student) and must be younger than the taxpayer; or any age if disabled	Child, stepchild, adopted or foster child, sibling, step sibling, or descendant of any of these.	Lived > 1/2 year with the taxpayer	No support test.	Taxpayer must have lived in the US for at least half of the year and have a SSN. Qualifying child must have a SSN. Cannot be filing MFS.
Child Care Credit	Child must be <13 at the time of the childcare; or any age if disabled	Child, stepchild, adopted or foster child, sibling, step sibling, or descendant of any of these.	Lived > 1/2 year with the taxpayer	Child did not provide over 1/2 of their own support for the year.	Child care costs must be work-related (paying for costs that enable the taxpayer to work or look for work).

¹Special rules for temporary absence, such as illness, education, business, vacation or military service

²Does not include Social Security Income or, for disabled persons, income from a sheltered workshop

³Special Rules for children of divorced or separated parents

TAX CREDITS

Refundable vs. Non-refundable

Refundable credits can give a refund even if no tax is owed. Non-refundable credits only reduce income tax and can't cover other taxes (like self-employment tax).

Child Tax Credit (see page 13 chart for "Summary of Dependency Requirements")

Up to \$2,200 per qualifying child (*non-refundable*). Parent can have SSN or ITIN. Child must have an SSN valid for work, issued before the return due date.

Additional Child Tax Credit

Refundable credit of up to **\$1,700 per child** for those who don't receive the full Child Tax Credit.

Child and Dependent Care Credit

This *non-refundable* credit is for childcare costs (for children under age 13) that enable the parent to work, look for work, or attend school. This credit can range from up to \$3,000 for one qualifying child to up to \$6,000 for two or more qualifying children.

Credit for Other Dependents

There is a \$500 *non-refundable* credit for childcare (under age 13) so the parent can work, look for work, or attend school. This credit can range from up to \$3,000 for one qualifying child to up to \$6,000 for two or more qualifying children.

Retirement Savings Credit

Non-refundable credit for retirement contributions (401(k), IRA, Roth IRA): up to \$1,000 single or \$2,000 married filing jointly.

Energy Efficient Home Improvement Credit

Non-refundable credit up to \$3,200/year, equal to 30% of qualified improvements (insulation, doors/windows, A/C, water heater, electrical panel, energy audit).

EARNED INCOME CREDIT (EIC).

Earned income and adjusted gross income (AGI) must be less than:

If filing	Qualifying Children Claimed			
	Zero	One	Two	Three or more
Single, HOH, QSS	\$19,104	\$50,434	\$57,310	\$61,555
Married Filing Jointly (MFJ)	\$26,214	\$57,554	\$64,430	\$68,675

Maximum credit for tax year 2025:

- \$649 with no qualifying children
- \$4,328 with one qualifying child
- \$7,152 with two qualifying children
- \$8,046 with three or more qualifying children

There are restrictions on EIC claims by taxpayers for whom a previous EIC claim was denied or reduced due to any reason other than a math or clerical error. For example, a taxpayer who was determined to have claimed the EIC due to reckless or intentional disregard of the EIC rules may have a ban imposed for two years. If the error was due to fraud, then the taxpayer cannot claim the EIC for 10 tax years.

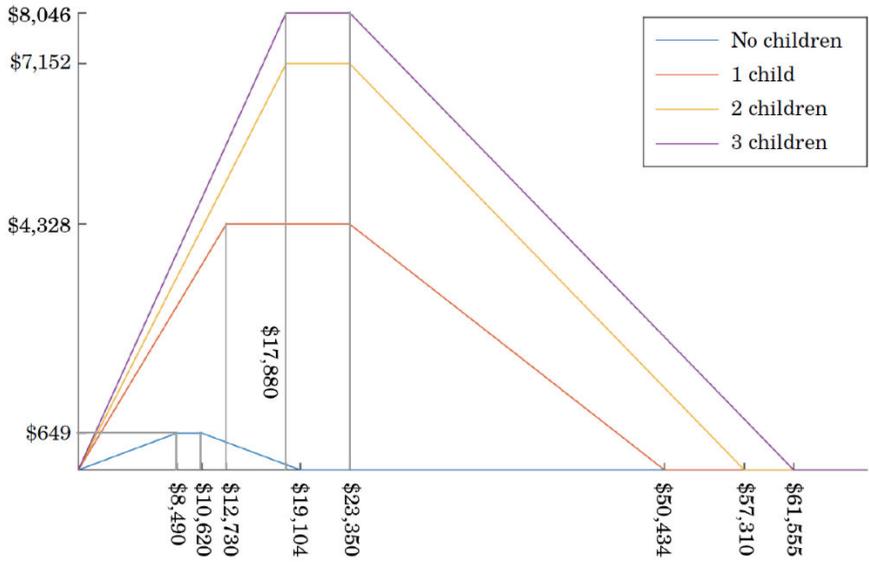
What to do? Ask taxpayers if they have ever been denied the EIC. If so, you must file **Form 8862, Information to Claim Certain Credits After Disallowance**, with the tax return, the first time that the taxpayer claims the credit after being disallowed. (*Note: This same form is also used if the AOTC, CTC, ACTC, or ODC was disallowed in a previous year.*)

Note:

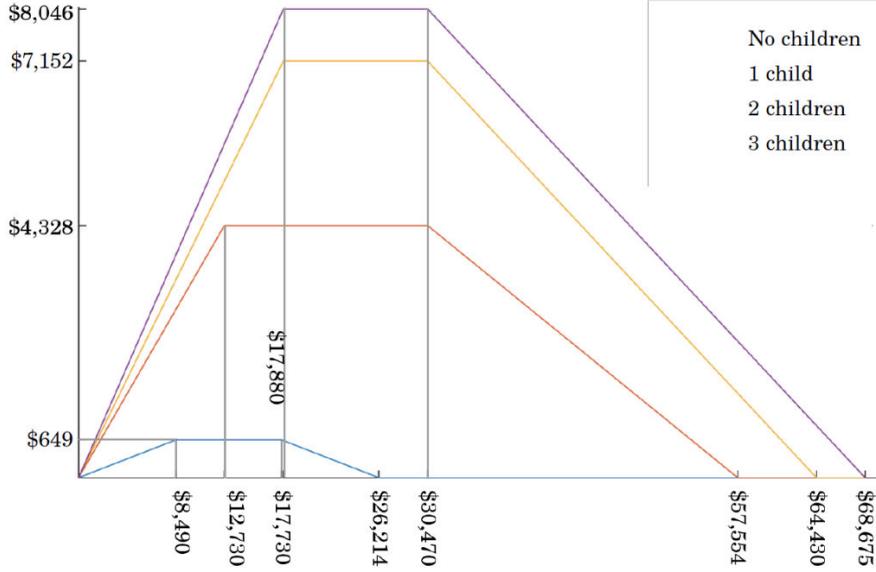
- Individual Taxpayer Identification Numbers (ITINs) and Adoption Taxpayer Identification Numbers (ATINs) cannot be used when claiming the EITC.
- If a couple is filing a joint return, both spouses and all qualifying children must have valid Social Security Numbers to qualify for the EITC.

EARNED INCOME TAX CREDIT DIAGRAMS

Tax Year 2025 Earned Income Tax Credit — Single, HOH, QSS



Tax Year 2025 Earned Income Tax Credit — MFJ



POSTSECONDARY EDUCATION BENEFITS

College Credits and Student Loan Interest Deduction

Clients who have returned to school, started college, or have a child who in college may be eligible for certain education tax credits and deductions that can reduce their tax liability. **While most education tax credits are taken by parents, college students who pay their own expenses, file their own tax returns, and are not claimed as dependents on anyone else's return may claim these credits on their return.**

The American Opportunity Credit (AOTC)

The AOTC is one of two credits available to clients who took college courses during the tax year. The maximum annual credit is \$2,500 per student and may be used toward required course materials (books, supplies and equipment) as well as tuition and fees. If the credit brings the amount of income tax you owe to zero, up to 40% (\$1,000) may be treated as a refundable credit. This credit is only available for expenses incurred by students who are in their first four years of higher education.

The Lifetime Learning Credit (LLC)

The LLC is the other available credit, and it is **non-refundable**. The maximum annual credit is \$2,000. Unlike the AOTC, there is no limit on the number of years of higher education for which the LLC may be claimed. As a result, the LLC can be particularly helpful in reducing costs for graduate students or students who are taking post-secondary courses, but not pursuing a degree.

Student Loan Interest Deduction

Clients who have made payments towards student loans can also benefit from the student loan interest deduction. Clients can deduct up to \$2,500 of interest on student loans paid through the end of the 2025 tax year.

What Information Is Required

Eligible educational institutions are required to file and send Form 1098-T for each student with eligible expenses. Clients should bring a copy of the Form 1098-T to claim this credit.

Clients who paid more than \$600 in student loan interest will receive Form 1098-E at tax time and should bring this form to claim a student loan interest deduction.

Helpful Charts

Below are two helpful charts. The first shows what expenses are and are not eligible for the tax credits. The second is a summary of the rules related to the AOTC, LLC and student loan interest deduction.

GUIDE TO EDUCATION EXPENSES – WHAT TO REPORT

Guide to Form 1098-T Information Reporting	
✓ Report	✗ Do Not Report
Payments for tuition and fees required for enrollment, payments to the institution for books and supplies.	The following payments are generally not mandatory for enrollment and/or cover personal expenses.
Books, equipment, supplies (Must be a requirement for class)*	Tuition or other payments for courses related to sports, games, or hobbies (unless they count toward a degree).
Tuition	Dinning/meal plan payments
Course or program fees (e.g., lab, art, music)	Health or disability insurance fees (even if required; excluded by statute)
Distance learning fees	Housing payments
Enrollment confirmation fees	Late payment fees
Exam fees (for placement, testing out of credit courses, or if required for degree program)	Library fees
Information & technology fees	Loan processing fees
Malpractice insurance (if required for clinical courses)	Orientation fees (portion that covers expenses for overnight stays)
Records fees	Parking permits
Student athletics fees (if required, no personal benefit provided)	Parking fines
Student life/activity/association fees	Student health fees
Other mandatory fees (no personal benefit provided)	Transportation fees (if providing individual benefit)
*Comprehensive fees (covering tuition, fees, room, board) must be allocated between QTRE/non-QTRE	

POSTSECONDARY EDUCATION BENEFIT TABLE			
	American Opportunity Credit	Lifetime Learning Credit	Student Loan Interest
	Maximum credit or benefit	Up to \$2,000 credit per eligible student	Up to \$2,500 adjustment to income per tax return
	Refundable or nonrefundable	Up to 40% can be refundable ¹	Does not apply. Student Loan Interest Deduction
Description of tax benefit	Number of tax years credit is available	Available ONLY for 4 tax years per eligible student (including any year(s) Hope credit was claimed.	Available for an unlimited number of tax years
	Number of years of postsecondary education	Available ONLY if the student has NOT completed the first 4 years of postsecondary education before 2025	Was enrolled at least half time in a program leading to a degree, certificate or other recognized credential
	Qualified Expenses	Tuition, required enrollment fees, books, and course materials needed for course of study	The loan must have been used to pay tuition, fees, books, course materials, room & board, transportation
	Required to attend at least half time? Felony drug conviction?	Yes, for at least one semester or quarter No felony drug conviction	No Does not apply
Who can claim this tax benefit?	If you are the taxpayer.	You, your spouse, or the student is someone you claim as a dependent on your return	The taxpayer must be legally liable for the loan, which must have been taken out by the taxpayer
	If you are a dependent student.	You cannot claim the credit if you are claimed as a dependent on someone else's return However, if a student can be claimed, but is not, the student can claim the benefit	A person claimed as someone else's dependent cannot claim the deduction for that tax year
	If you are filing Married Filing Separately, you cannot claim this tax benefit		

¹Special rules apply for students who could have been claimed as a dependent but were not.

PREMIUM TAX CREDIT (1095-A)

If a client has received Advance Premium Tax Credit (APTC) it will be reported on **Form 1095-A**. Information entered on the Form 1095-A worksheet will automatically flow into Form 8962.

Form 8962 reconciles the amount of Premium Tax Credit (PTC) that the client is eligible to receive with the Advance Premium Tax Credit (APTC) received throughout the year. If the APTC is more than the eligible amount, the difference will appear in the payments section of Form 1040, Schedule 3, Line 9.

If the APTC the client received was greater than the PTC calculated on Form 8962, the client must repay all or part of the excess advanced premium tax credit, and the repayment amount will appear in Form 1040, Schedule 2, Line 2.

Anyone who receives the APTC, must file a tax return!

Reasons that the client may have to pay back part of their Advanced Premium Tax Credit include:

- Underestimating household income when signing up for health insurance
- Change in filing status
- Change in household size
- Ineligible or became ineligible during the tax year
- Filing status is Married Filing Separate

Remind and encourage taxpayers to report their changes to Marketplace mid-year!

Limited scope:

- Only one Form 8962, Premium Tax Credit, may be submitted with the tax return. **Everyone** on form 1095-A, Health Insurance Marketplace Statement, must also be on the tax return.
- If not, the taxpayer may need to allocate policy amounts with another taxpayer, which makes this return Out-of-Scope.

RETIREMENT INCOME – SIMPLIFIED METHOD

Sometimes clients bring 1099-Rs where the taxable amount (Box 2a) is **not determined**. This is common with **RRB 1099-R Tier 2**. In these cases, the client has already paid tax on part of their retirement contributions. Each year they recover some of those contributions **tax-free**, and the rest is **taxable**. Your goal is to figure out how much they recover this year. In most situations, you can calculate the taxable portion using the **Simplified Method**.

The taxpayer must use the Simplified Method if the annuity start date was **after July 1, 1986**, and the same method was used last year.

The Simplified Method is also required if the annuity start date was **after Nov. 18, 1996**, and BOTH apply:

1. Payments are from a qualified employee plan, qualified employee annuity, or 403(b).
2. On the start date, one of the following was true:
 - The taxpayer was under age 75, **or**
 - They had fewer than 5 years of guaranteed payments.

Clients who do not meet these rules must use the **General Rule**, which is **Out-of-Scope**.

To calculate the taxable amount using the Simplified Method, you will need information—mostly from the prior year's Simplified Method Worksheet:

- Cost in the plan (employee contributions, Box 9b on 1099-R)
- Annuity start date
- Taxpayer's age (and spouse's age for joint/survivor annuity)
- Number of months paid in 2025
- Amount previously recovered (line 10 of the worksheet)

The prior year return is required; without it, this year's and future years' calculations will be incorrect. You can also review the Annuity Pension Exclusion Calculator to see how the calculation works.

The prior year return is necessary to complete this calculation. Otherwise not only will this year's calculation be incorrect, the calculation will also be set up incorrectly for next year! Check out the Annuity Pension Exclusion Calculator at <https://cotaxaide.org/tools/Annuity%20Calculator.html> to see how the calculation works.

STATE OF ILLINOIS UPDATES

- Income received from Social Security benefits and certain retirement plans are not taxable in Illinois. In general, TaxSlayer automatically subtracts Social Security, but requires non-taxable retirement income to be entered as subtractions from the federal adjusted gross income. *Note that non-qualified plans (code D in box 7 on Form 1099-R) are taxable in Illinois and should not be subtracted!*
- The personal exemption amount is increased to \$2,850.
- Illinois has a flat tax rate of 4.95%.
- Illinois provides a **refundable** EITC, generally equal to 20% of the federal EIC amount. Taxpayers who are ineligible for the federal EIC because they are 18–24 or over 65 years old or have an ITIN can receive the Illinois EIC beginning in 2023.
- The Child Tax Credit is awarded again in Illinois for 2025!
 - The credit appears on Line 30.
 - Who qualifies? Taxpayers who qualify for the IL-EITC and have at least one dependent child under the age of 12.
 - The credit is 20% of the state EITC
- Illinois also provides **nonrefundable** credits:
 - *Property Tax Credit*, generally equal to about 5% of the property taxes paid on a home the taxpayer lives in. To claim the credit, the Property Index Number (PIN) must be entered on Schedule ICR, Illinois Credits. The PIN may be found on the property tax bill or online via the county assessor's website in which the property is located.
 - *K-12 Education expenses* for dependents in school (tuition, books, and fees). The expenses must be over \$250 for the credit to apply.
 - *Educator Expenses* are also available for K–12 educators teaching in Illinois, up to \$500 (\$250 for tax years before 2023).
- Illinois residents are required to provide their county of residence.

If **e-filing a state return**, the taxpayer and spouse must provide ONE of three items: Driver's License/State ID information, prior year AGI, or IL Signature PIN. Instructions for retrieving the IL-PIN are on the following page.

IL-PIN

1. Navigate to MyTax Illinois on your favorites tab, visit website: [https://mytax.illinois.gov/https://mytax.illinois.gov/ /](https://mytax.illinois.gov/https://mytax.illinois.gov/)
2. Scroll down to Inquiries for Individuals, then click IL-PIN Inquiry



Inquiries for Individuals

Online inquiries for individual income tax.

- > Where's My Refund?
- > Look up my estimated / extension payments
- > Look up my Form 1099-G
- > IL-PIN Inquiry
- > Look up my volunteer emergency Worker credit certificate

3. Enter the requested information. You can choose Driver's License, State ID, or Prior Year AGI.

Social Security Number *

Required

Choose an option for verification

Illinois Driver's License Number ▾

Illinois Driver's License Number *

Required

4. When the information is complete, check the confirm box, then click Conduct Inquiry.

I confirm that this information is associated with my Social Security number.

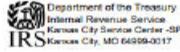
Conduct Inquiry

5. Copy the IL-PIN to the client's 13614-C or enter it in the tax software.

IP PIN

The IRS Identity Protection Personal Identification Number (IP PIN) is a 6-digit number assigned to eligible taxpayers to help prevent the misuse of their Social Security Numbers on fraudulent federal income tax returns.

A letter like this will be issued each year. The taxpayer may also retrieve this information through their ID.me account at IRS.gov.



TAXPAYER NAME
ADDRESS
CITY, STATE ZIP

Notice	CPD1A
Tax year	2018
Notice date	December 28, 2018
To contact us	Phone 800-XXXX-XXXX
Page 1 of 2	

Important information about filing your 2018 federal tax return

We assigned you an Identity Protection Personal Identification Number

Our records show that you either:

- were previously a victim of identity theft or,
- notified IRS that you experienced an incident that could potentially expose you to identity theft, or
- requested an identity protection personal identification number (IP PIN).

We placed an indicator on your account and assigned you an IP PIN. You'll need to use this IP PIN when filing any Forms 1040 during the calendar year beginning in January.

The IP PIN helps verify a return filed with your social security number was filed by you. If you fail to use your assigned IP PIN, we could reject your return or delay the processing of your return.

Your assigned IP PIN is: XXXXXX

What you need to do

- Keep this letter in a safe place. You'll need it to prepare your tax return.
- When you file your federal tax return, enter the IP PIN in the correct place:
 - If filing electronically, your tax software or preparer will tell you when and where to enter it.
 - If filing a paper return, enter your IP PIN in the gray box marked "Identity Protection PIN" to the right of "Spouse's signature and occupation." If you're married and filing jointly, only the spouse listed first on the tax return needs to enter his or her IP PIN.Note: The second spouse's IP PIN still protects his or her account even though it's not entered on a jointly filed paper return.
- As an IP PIN recipient, you don't need to file a Form 14039, Identity Theft Affidavit, to notify us you are a victim of identity theft.
- If you don't have to file a tax return, you won't need to use your IP PIN. We still protect your account from fraudulent filing.

What to remember about your IP PIN

You must use this IP PIN to confirm your identity on your current tax return and any prior year returns filed during the calendar year. We'll send you a new IP PIN each year by postal mail. Therefore, be sure to file Form 8822, Change of Address, if you change your mailing address.

Keep your number private and don't give it to anyone other than a tax professional filing your tax return. The tax preparer will need to include your IP PIN on your return. Bring this letter with you.

The IP PIN is only used to file your return. It has no other purpose. The 6-digit IP PIN is sometimes confused with the 5-digit e-file PIN; they're not the same or interchangeable.

BANK ROUTING NUMBERS

Bank	Routing Number	Location
American Metro Bank	071025645	Chicago, IL
Associated Bank	075900575	Illinois
Banco Popular	071924458	Illinois
Bank of America	081904808	Illinois
BMO Bank, N.A.	071025661	Illinois
Byline Bank	071001533	Chicago, IL
Chase Bank	071000013	Chicago, IL
Citibank	271070801	Illinois
Community Savings Bank	271070681	Chicago, IL
Consumers Credit Union	271989950	Gurnee, IL
Credit Union One	271188081	Illinois
DuPage Credit Union	271990198	Naperville, IL
Earthmover Credit Union	271975566	Aurora, IL
Fifth Third Bank	071923909	Chicago, Illinois
First American Bank	071922777	Elk Grove Village, IL
Great Lakes Federal Credit Union	271984832	Illinois
Hoyne Savings Bank	271070908	Chicago, IL
Huntington Bank	044000024	Illinois
GN Bank	271070924	Chicago, IL
Lakeside Bank	071001504	Illinois
Marquette Bank	071004284	Chicago, IL
North Shore Trust and Savings	271973762	Waukegan, IL
Northbrook Bank and Trust Co.	071926184	Northbrook, IL
Old National Bank	086300012	Illinois
Old Second National Bank	071900760	Aurora, IL
Pan American Bank	071006868	Chicago, IL
Parkway Bank and Trust Co.	071908160	Harwood Heights, IL
Peoples Bank	271973924	Chicago, IL
PNC Bank	071921891	Illinois
Beverly Bank & Trust Company, N.A.	071026356	Chicago, IL
Republic Bank of Chicago	71001180	Chicago, IL
Self-Help FCU Chicago Division	322273696	Cicero, IL
South Side Community FCU	071093295	Chicago, IL
United Credit Union / Vicinity CU	271081502	Chicago, IL
US Bank	071904779	Northern Illinois
USAA Federal Credit Union	314074269	Illinois
Wintrust Bank, N.A.	071925444	Chicago, IL



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2015-2025