

ACA Employer Reporting Guide

**A practical guide to understanding the
ACA 1094 and 1095 employer reporting requirements**

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Table of Contents

INTRODUCTION TO ACA EMPLOYER REPORTING..... 3

HOW TO USE THIS GUIDE 5

SECTION 1 – UNDERSTANDING THE 1095..... 6

SECTION 2 – UNDERSTANDING THE 1094-C..... 11

SECTION 3 – TRACKING EMPLOYEE STATUS..... 13

APPENDIX A – 1095-C EXAMPLES 14

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Introduction to ACA Employer Reporting

Background

Certain employers, plan sponsors, and insurers are required to report health plan information and participant coverage-related data to the IRS. The IRS will use this information to administer and regulate various aspects of the Affordable Care Act (ACA), including the individual shared responsibility payments (the “individual mandate”); an individual’s eligibility for a premium tax credit when purchasing health insurance through a public Marketplace; and the §4980H employer shared responsibility rules.

Timing of Reporting

Employer reporting is required beginning in early 2016 for 2015 employer plan and participant coverage data. Reporting will be based on a calendar year regardless of the employer’s plan year. Annual employer returns must be filed with the IRS by the last day of February (or March 31, if filed electronically). Corresponding employee and participant statements must be provided annually by January 31. These are the same deadlines that apply to employer W-2 reporting.

Who Must Report?

All “applicable large employers” (ALEs) as defined by the ACA (generally those with at least 50 full-time equivalents (FTEs)) will be required to comply with some portion of the reporting requirements. ALEs who sponsor self-funded plans are subject to additional detailed individual participant coverage reporting.

When multiple employers are part of an aggregated employer group (according to the Code §414 Controlled Group and Affiliated Service Group rules), ALE status is based on total employment across all employers who are members of the aggregated group. All separate employers who are members of an aggregated employer ALE must report even if the particular member employer would not be considered an ALE on its own.

Small employers who do not meet the definition of an ALE (and are not part of an aggregated employer ALE) must report participant coverage information to the IRS if they sponsor a self-funded health plan. However, small employers who offer only fully-insured plans, or no coverage at all, are not subject to the reporting requirements. Health insurance companies will report individual participant coverage details to the IRS for fully-insured plans.

Note: The IRS delayed the §4980H employer shared responsibility requirements for most employers with 50–99 FTEs until 2016; however, reporting requirements have not been delayed. Consequently, employers with 50–99 FTEs are still subject to the reporting requirements beginning in 2016 for 2015 calendar year plan data.

Electronic Submission

Employers who file 250 or more information returns (including 1095s and W-2s) must file the returns electronically. However, the 250-or-more requirement applies separately to each type of return. For example, an employer who files 200 W-2s and 150 1095s would not be required to file either electronically. The IRS has developed *Pub. 5165, Affordable Care Act (ACA) Information Returns (AIR) Guide for Software Developers and Transmitters*, which outlines the communication procedures, transmission formats, business rules, and validation procedures for returns filed electronically. However, most employers do not directly file electronically with the IRS. Most use the services of a vendor or use payroll or reporting software that handles the electronic transmittal to the IRS.

Format for Reporting

In general the reporting process will work in much the same way as current W-2 reporting. A statement (the Form 1095-C or 1095-B) will be sent to the IRS, with a copy provided to the employee/participant. The exact information required to be provided to the IRS will depend on a number of factors (described in more detail below). Of particular relevance is whether the employer plan is self-funded or fully-insured.

In addition to providing a Form 1095 for each applicable employee and covered individual, employers must file with the IRS at least one Form 1094-C or 1095-B that provides summary employer plan and offer of coverage information.

The following table outlines which parts of each form apply based on the type of employer and plans offered. Note that an applicable large employer who offers both a fully-insured and a self-funded plan to employees will complete different portions of Form 1095, depending on which plan the individual has selected.

	Applicable Large Employer Fully-Insured Plan	Applicable Large Employer Self-Funded Plan	Small Employer Self-Funded Plan
1095 - C	Part I - Employee & Employer Info Part II - Offer of Coverage (eligibility) Info (6056)	Part I - Employee & Employer Info Part II - Offer of Coverage (eligibility) Info (6056) Part III - Info on Covered Individuals (6055)	
1094 - C	Part I & II - Employer Info Part III - Monthly Employer & Plan Info (6056)	Part I & II - Employer Info Part III - Monthly Employer Plan Info (6056)	
1095-B		Self-funded employers may optionally use 1095-B instead of the "C" forms to report covered "non-employees" (Retirees, COBRA, etc.) (6055)	Part I, II, III - Employer Info Part IV - Info on Covered Individuals (6055)
1094-B		Self-funded employers may optionally use 1094-B instead of the "C" forms to report covered "non-employees"	Basic Employer Information (No plan or eligibility information required)

How to Use This Guide

This guide contains instructions, examples, and practical hints employers can use to comply with applicable reporting requirements and is designed to assist employer plan sponsors in understanding those requirements. It does not address reporting requirements that apply to health insurance companies or state or federal health insurance Marketplaces.

Many employers will use a third-party vendor such as a benefits administration provider, payroll vendor, or HRIS system to assist with reporting requirements. The problem many employers face is that in most cases, no single vendor or system contains all of the information necessary to complete the reporting. Therefore it may be necessary to share information between systems or begin to import data into the system chosen to track information for reporting purposes.

To help employers understand the reporting process at a higher level, we have intentionally omitted some of the more specific rules that apply to various situations. The IRS has published detailed line-by-line instructions for all versions of Forms 1095 and 1094. Employers should use this guide as a companion to official IRS instructions, which should be consulted for more information regarding specific reporting details.

Employers may find it useful to have a copy of the IRS instructions and copies of the actual 1095-C and 1094-C for reference purposes when reviewing this guide. The latest versions, instructions, and additional information can be found on the IRS website at:

<http://www.irs.gov/uac/About-Form-1095-C> and <http://www.irs.gov/uac/About-Form-1094-C>.

Section 1 – Understanding the 1095

1095 Overview

Employers must provide a 1095 (or alternative statement if applicable—see details below) to any employee who was employed full-time for any month during the calendar year. A 1095 must also be provided to any individual (including non-employees) who participated in a self-funded employer-sponsored plan during the year. For employees who are part-time all year and not covered under a self-funded plan, no reporting is required.

- The 1095-C will be used by ALEs for all full-time employees and for any non-full-time employee or non-employee covered by an ALE's self-funded plan.
- The 1095-B will be used by small (non-ALE) employers who sponsor self-funded plans, and can optionally be used by ALEs to report for non-employees (such as retirees, COBRA participants, non-employee board members, etc.) covered by the employer's self-funded plan.

ALEs will be using the 1095-C for most reporting purposes, so this guide will focus on the 1095-C requirements. ALEs who offer self-funded coverage to non-employees (who choose to optionally use the 1095-B) and small employers with self-funded plans should refer to IRS 1095-B instructions.

The 1095-C contains three parts, but not all employers must complete all three parts. The specific information required depends on whether the plan is fully-insured or self-funded.

Form 1095-C Parts

Part I – Basic employee and employer information including names, taxpayer ID numbers, address, contact information, etc.

Part II – Used to report offers of coverage, employee contribution requirements, and employer safe harbors (applicable to that employee), for each month of the calendar year.

Part III – Used to provide monthly details on covered individuals (including spouses and dependents) covered by the self-funded plan during the calendar year. Data includes name, SSN (or DOB if SSN is not available), and an indication of the calendar months for which the individual was covered by the self-funded plan.

Which parts of the 1095-C do employers have to complete?

- ALEs who sponsor fully-insured plans must complete Parts I and II of the 1095-C, but are not required to complete Part III (which details the coverage provided on a monthly basis). The carrier providing the fully-insured coverage will report to the IRS and issue a 1095-B to covered individuals containing the coverage-related information.
- ALEs who sponsor self-funded plans must complete all three parts (I, II, and III) of the Form 1095-C.
- ALEs who sponsor both fully-insured and self-funded plans are required to fill out Parts I & II for all full-time employees, and Part III only for individuals who are covered by a self-funded plan.

1095-C Parts I and II

Much of the information required in Part I of the 1095-C is basic employer and employee information such as address, contact information, EIN, etc., and it will not be difficult for employers to complete this section.

However, Part II will be more challenging for many employers as they develop the systems and processes necessary to keep track of employee-related information on a month-by-month basis. Specifically, lines 14

and 16 of Part II require ALEs to use specific codes defined by the IRS to report what types of offer of coverage they made available to employees. The section is also used to notify the IRS of other situations that may apply, including the employee status each month and the employer's use of affordability safe harbors.

On the 2015 form, a box was added in Part II to allow the employer to indicate the plan start month. Reporting of this information will be optional for 2015 reporting.

Qualifying Offer of Coverage

One concept employers must understand to properly complete the 1095-C is the "qualifying offer." A qualifying offer is made if an employer offers the employee minimum value (MV) coverage, with a cost to the employee for single coverage of less than 9.5% of the current mainland federal line (FPL) rate for an individual. In 2015 this works out to \$93.18 per month (the FPL is adjusted every year, so this monthly number will be slightly higher each year). An employer must also offer at least minimum essential coverage to spouses and children.

A qualifying offer does two things for the employer:

1. The employer does not need to provide the amount of the lowest cost coverage available to that employee in line 15 (see below).
2. If offered for all 12 months and the employee is not covered under a self-funded plan, the employer may provide the employee with an alternative statement instead of a copy of the 1095. However, this may be of limited value to most employers since the 1095 must still be provided to the IRS. Employers also cannot use the alternative statement for employees who are covered by a self-funded plan.

2015 Qualifying Offer Method Transition Relief

For 2015 only, the IRS also has provided what it calls "Qualifying Offer Transition Relief." To be eligible to use the Qualifying Offer Method Transition Relief, the employer must certify that it made a qualifying offer to at least 95% of its full-time employees for one or more months of the calendar year.

The benefit to the employer of this relief is that the employer would not be required to provide the cost of the low-cost plan offered to an employee in line 15 (see below) for any employees. In this case, the employer would use codes 1A for employees who were made a qualifying offer and 1I for those who were not made a qualifying offer. In addition, the employer may provide an alternative statement instead of a copy of the 1095 to any employees who are not covered under a self-funded plan. Regardless, the 1095 must still be provided to the IRS.

Completing Lines 14, 15, and 16

Line 14 – Offer of Coverage

Employers will use one of eight codes to report on line 14 the type of offer of coverage made by month to the employee. If one code applies for the entire 12 months, the code is entered only once in the "12 month" column. Nothing on line 14 signifies whether an employee has actually elected coverage. This line represents only whether an offer of coverage was made.

The following chart lists the available codes. The third column represents how often a particular code is likely to be used by a typical employer. For example, very few employers offer coverage to the employee and the spouse, but not to dependent children; consequently, code 1D will rarely be used.

Note – an offer of coverage is valid for the month only if coverage is available for every day during that month.

Code	Description
1A	Qualifying offer of coverage – Minimum value (MV) coverage offered to Employee at a cost for single coverage of less than 9.5% of FPL (\$93.18/mo in 2015), and at least minimum essential coverage (MEC) is offered to Spouse and Children
1B	Offer of MV coverage to Employee only
1C	Offer of MV coverage to Employee + and at least MEC offered to Dependent (but not Spouse)
1D	Offer of MV coverage to Employee + and at least MEC offered to Spouse (but not Dependents)
1E	Minimum value (MV) coverage offered to Employee; at least MEC offered to Spouse & Dependents
1F	MEC that is not MV offered to Employee
1G	Self-funded plan offered to part-time Employee or non-Employee
1H	No offer of coverage
1I	No offer to Employee but Employer is using qualifying offer transition relief

Line 15

If an employer offers minimum value coverage to the employee at a cost to the employee of more than 9.5% of FPL for a single individual (\$93.18/mo. in 2015), line 15 must be completed. In other words, if on line 14 the employer uses Code 1B, 1C, 1D, or 1E, line 15 must be completed.

The employer enters the amount of the employee's share of the lowest-cost monthly premium for self-only minimum value coverage that is offered to the employee (single coverage). Note that this line is included to report the lowest-cost plan offered to the employee, not the plan the employee actually chooses.

To determine the monthly employee contribution, an employer may divide the total employee contribution for the plan year by the number of months in the plan year. For example, if the plan year begins January 1, the employer may determine the amount to report for each month by taking the total annual employee contribution for all 12 months and dividing by 12. If the plan year begins April 1, the employer may determine the amount to report for January through March, 2015 by taking the total annual employee contribution for the plan year ending March 31, 2015, and dividing by 12, and may determine the amount to report for April through December, 2015 by taking the total annual employee contribution for the plan year ending March 31, 2016, and dividing by 12.

If the employer has entered 1A in line 14, then nothing needs to be included in line 15 since 1A indicates that the employer offered the employee an MV plan that cost less than 9.5% of FPL.

Line 16

Employers will also use one of eight codes to report additional information on the status of employees on line 16. This line does not always have to be completed; the employer enters a code only if one applies to the employee for that particular month. The purpose of this line is to provide the IRS with additional information that will help the agency more accurately assess liability for employer payments and individual tax liability.

Code	Description
2A	Employee not employed any day that month
2B	Employee part-time or coverage not offered for the entire month due to termination of employment
2C	Employee is enrolled in coverage – Spouse and Dependent enrollment is not relevant to the use of this code; it is used to report the Employee’s enrollment only (Use this code first before any codes other than 2E that may apply)
2D	Limited non-assessment period (e.g. waiting period or initial measurement period)
2E	Multi-Employer plan interim relief (An Employer taking advantage of the multi-Employer transition relief uses this code in place of all other codes)
2F	Employer using the W-2 affordability safe harbor
2G	Employer using the Federal Poverty Line (FPL) safe harbor
2H	Employer using the rate of pay safe harbor
2I	No offer to Employee or offer of coverage fails to provide minimum value or is not affordable but Employer using non-calendar year transitional relief

Additional line 16 guidance:

- If an employee has elected coverage for the month, the employer must use code 2C (enrolled in coverage) even if other codes may also apply.
- Line 16 would not be completed when a full-time ongoing employee is offered coverage but does not participate in the plan, and the employer is not using any of the employer affordability safe harbors, the non-calendar year transition relief, or the multi-employer plan interim rule relief.
- ALEs that have union employees are required to report on any such employees that are full-time. For any month in which the employer enters Code 2E on Line 16 (indicating that the employer was required to contribute to a multi-employer plan on behalf of the employee for that month and therefore is eligible for multi-employer interim rule relief), the employer should use Code 1H on Line 14. Code 1H may be used regardless of whether the employee was eligible to enroll in coverage under the multiemployer plan or not. To take advantage of the multiple employer transitional relief, the employer must obtain assurance from the plan administrator that the plan offered provides minimum value and is affordable.

1095-C Part III

ALEs who sponsor a self-funded health plan will also be required to complete Part III of the 1095-C for all full-time employees, and for any other employee (part-time) or non-employee individuals who are covered by the self-funded plan for any month of the year. Part III is not completed for individuals who are covered by a fully-insured plan. Insurance carriers will provide these covered individuals with a separate 1095 coverage statement.

Part III is used by employers to report coverage-related information for all covered individuals, including employees, non-employees, spouses, and dependents. However, each covered individual does not receive

their own 1095; rather a 1095 is generally provided to the primary subscriber (e.g. the employee) and then the dependents are listed on the same form. For each individual covered by the self-funded plan, the employer must provide the following data:

- Name
- SSN (DOB may be used if SSN is not available subject to rules described below)
- Indication of whether individual had coverage in any self-funded employer-sponsored Minimum Essential Coverage (MEC) for each calendar month (Y or N)

Other Part III Details

- The employer should check the coverage box if an individual is covered for at least 1 day during the month.
- Employers must show that they have made a reasonable attempt to acquire the SSN of all covered individuals, including spouses and dependents, before using the DOB as an alternative. The IRS has provided guidance on demonstrating that a reasonable attempt to acquire the SSN has been made. Employers should familiarize themselves with this guidance before choosing to use the DOB in column (c).

Alternative Statement

An employer who makes a qualifying offer (see above) to an employee for all 12 months of the calendar year may provide an alternative statement in lieu of a copy of the 1095 to the employee. The employee alternative statement must include:

- Employer name, address, EIN, and contact information;
- A statement that for all 12 months the employee received a qualifying offer and therefore is not eligible for a premium tax credit when purchasing individual health insurance through a public Marketplace; and
- A statement directing the employee to see Pub. 974, Premium Tax Credit (PTC), for more information on eligibility for the premium tax credit.

Practically, however, the alternative statement may be of little value to most employers. Even if the employer meets this requirement, the employer must still provide a 1095 to the IRS. Also, the alternative statement may not be used for those who enroll in the employer's self-funded plan. Many advisors believe that it will be easier for most employers to simply provide the copy of the 1095 to the employee rather than to create an alternative statement.

For 2015 only, if the employer satisfies the criteria for the Qualifying Offer Method Transition Relief for 2015, the employer may use an alternative statement for those employees who receive a qualifying offer for all 12 months as described above and also for those who do not by providing a statement including the following information:

- Employer name, address, EIN and contact information;
- A statement indicating that the employee and his or her spouse and dependents, if any, may be eligible for a premium tax credit for one or more months of 2015; and
- A statement directing the employee to see Pub. 974 for more information on eligibility for the premium tax credit.

This alternative statement may not be used for those who enroll in the employer's self-funded plan. And regardless, the 1095-C must be provided to the IRS.

Section 2 – Understanding the 1094-C

1094-C Overview

In addition to sending a 1095 for all applicable employees and covered individuals to the IRS, employers are also required to submit at least one 1094. It may be helpful to think of the 1094 as the “cover sheet” to the 1095s the employer is submitting to the IRS. The 1094-C will be used by most employers to report summary information to the IRS, and to transmit the employer’s 1095-Cs to the IRS. The simpler 1094-B will generally be used by small employers (who are not ALEs) who sponsor a self-funded health plan. This guide does not specifically address the 1094-B. More information can be found on the IRS website at <http://www.irs.gov/uac/About-Form-1095-B>.

Form 1094-C Parts

The 1094-C has four parts that must be completed by the employer.

Part I – Basic employer information, including name, EIN number, address, contact information, etc.

Part II – Additional information on the employer including:

- Total number of 1095s filed on behalf of the employer;
- Indication of whether the employer is part of an aggregated employer group based on the IRS §414 controlled group and affiliated service group rules (Line 21); and
- Certification by the employer that it meets certain transitional relief or offer of coverage requirements (Line 22). The employer simply checks any box in this line that applies to the employer. The employer is not required to check any of the boxes or may check more than one if applicable.
 - A. The employer made a qualifying offer of coverage to some employees (i.e. offered an MV plan at a cost to the employee for single coverage of less than 9.5% of FPL).
 - B. The employer is taking advantage of the 2015 qualifying offer method transition relief (i.e. made a qualifying offer in one or more months to 95% of its full-time employees).
 - C. The employer is taking advantage of one of the §4980H transitional relief rules for employers with 50-99 FTEs, or for employers with 100 or more FTEs, the increased waiver (80 instead of 30) in regard to the §4980H(a) penalty calculation.
 - D. The employer offered an MV plan to at least 98% of full-time employees, and the coverage was affordable based on any of the employer affordability safe harbors (i.e. Form W-2, rate of pay, or FPL). Employers who qualify for the 98% offer method do not need to report the number of full-time employees in Part III column (b) of the 1094.

Part III – This section is used to report aggregate employer information for each month of the calendar year, including:

- Column (a) – Whether the employer offered minimum essential coverage (MEC) to substantially all full-time employees for each month in the calendar year.
- Column (b) – The total number of full-time employees for each month.
 - The number of full-time employees is determined based on IRS guidance, and will depend on the method the employer chooses to use to define “full-time” for §4980H purposes. In general, §4980H defines a full-time employee as an employee with at least 130 hours of service in a month, but employers may also choose to use the look-back measurement method safe-harbor to define full-time.

- Column (c) – Total employees (both full-time and part-time) employed for each month.
 - The employer may pick either the first or last day of the month, the first or last day of the first payroll period for the month, or the 12th day of the month to report total employees.
- Column (d) – An indication of whether the employer is part of an aggregated employer group based on the IRS §414 controlled group and affiliated service group rules for each month. This needs to be completed only if the employer marked “yes” on line 21.
- Column (e) – An indication (by code) of whether the employer is eligible for §4980H transitional relief provided in previous IRS guidance for each month (employer must also mark Box C on line 22):
 - Code A is used to identify employers eligible for the §4980H transition relief available to employers with 50–99 FTEs.
 - Code B is used to identify only the months during 2015 when an employer did not offer coverage to substantially all full-time employees (i.e. 70% in 2015), and the transitional rule that calculates the §4980H(a) penalty after the first 80 (instead of 30) full-time employees applies.

Part IV – An employer who is part of an aggregated group of employers must list other employer members of the group in Part IV. An aggregated ALE Group refers to a group of ALE employer members treated as a single employer under section 414(b), 414(c), 414(m), or 414(o) of the Internal Revenue Code.

Other 1094-C Reporting Issues

- Employers may provide the IRS with a single 1094 in conjunction with all 1095s provided to the IRS, or may attach a 1094 to each 1095. If separate 1094s are submitted with the 1095s, the employer must identify one 1094 as the employer’s “authoritative transmittal” on line 19 and provide the total count of 1095s on line 20. Generally, Parts II, III, and IV (if applicable) of the 1094 are completed only on the authoritative transmittal.
- Each employer (each EIN) who is a member of an aggregated ALE group is responsible for submitting a separate 1094 authoritative transmittal and reporting for the employees of that particular employer.

Section 3 – Tracking Employee Status

Tracking the employees' offers of coverage status for purposes of Part II of the 1095-C is obviously one of the most challenging aspects of the reporting for some employers. Employers will need to first determine which employees must be treated as full-time for ACA purposes based on their chosen method of defining full-time status (monthly or using the look-back measurement method). On the other hand, depending on the demographics of the particular employer, this requirement may be very easy in some situations.

Take, for example, an employer who offers full-time employees MV coverage at a cost of \$90 per month (i.e. less than 9.5% of FPL) for single coverage, and 75% of the employees have participated in the plan all year. Here is what lines 14–16 will look like for all of these employees who have elected coverage.

Part II Employee Offer and Coverage													
	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
14 Offer of Coverage (enter required code)	1A												
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)	2C												

- Line 14 – 1A = qualifying offer of coverage all 12 months
- Line 15 – No entry necessary with qualifying offer of coverage
- Line 16 – 2C = enrolled all 12 months

Obviously, additional information will be necessary for other situations such as new hires, terminated employees, etc. The point is that there will be very little to report for groups of ongoing employees who are enrolled in affordable, minimum value coverage offered by the employer.

Appendix A – 1095-C Examples

The following section contains a number of 1095-C examples for various situations, including:

- New Hires
- Termination of Employment
- Reduced Hours
- Union Employees
- COBRA
- Non-Calendar-Year Plan
- No Benefits Offered
- Plan Switching Funding
- Temporary Employee

New Hire Example 1

Employee hired as full-time in mid-February and eligible for coverage May 1
 Offered fully-insured minimum value coverage that costs \$110/month for employee-only coverage
 Employee enrolls in the coverage

Form 1095-C

Part II Employee Offer and Coverage		All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
14 Offer of Coverage (enter required code)			1H	1H	1H	1H	1E	1E	1E	1E	1E	1E	1E	1E
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage							\$110.00	\$110.00	\$110.00	\$110.00	\$110.00	\$110.00	\$110.00	\$110.00
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)			2A	2D	2D	2D	2C	2C	2C	2C	2C	2C	2C	2C

Part III Covered Individuals

If Employer provided self-insured coverage, check the box and enter the information for each covered individual.

(a) Name of covered individual(s)	(b) SSN	(c) DOB (if SSN is not available)	(d) Covered all 12 months	(e) Months of Coverage											
				Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
17															
18															
19															
20															
21															
22															

New Hire Example 2

Employee hired as full-time May 18th and eligible for coverage May 18th
 Offered fully-insured minimum value coverage that costs \$110/month for employee-only coverage (affordable using the W-2 safe harbor)
 Employee waives the coverage

Form 1095-C

Part II Employee Offer and Coverage		All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
14 Offer of Coverage (enter required code)			1H	1H	1H	1H	1H	1E	1E	1E	1E	1E	1E	1E
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage							\$110.00	\$110.00	\$110.00	\$110.00	\$110.00	\$110.00	\$110.00	\$110.00
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)			2A	2A	2A	2A	2D	2F	2F	2F	2F	2F	2F	2F

Part III Covered Individuals

If Employer provided self-insured coverage, check the box and enter the information for each covered individual.

(a) Name of covered individual(s)	(b) SSN	(c) DOB (if SSN is not available)	(d) Covered all 12 months	(e) Months of Coverage											
				Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
17															
18															
19															
20															
21															
22															

Termination Example 1

Full-time employee is terminated from employment on June 13th (offer of coverage continues through the end of June)
 Offered self-funded minimum value coverage that costs \$105/month for employee-only coverage
 Employee and spouse enroll in the coverage and then elect COBRA continuation coverage upon termination of employment

Form 1095-C

Part II Employee Offer and Coverage													
	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
14 Offer of Coverage (enter required code)		1E	1E	1E	1E	1E	1E	1H	1H	1H	1H	1H	1H
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage		\$105.00	\$105.00	\$105.00	\$105.00	\$105.00	\$105.00						
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)		2C	2C	2C	2C	2C	2C	2A	2A	2A	2A	2A	2A

Part III Covered Individuals

If Employer provided self-insured coverage, check the box and enter the information for each covered individual.

(a) Name of covered individual(s)	(b) SSN	(c) DOB (if SSN is not)	(d) Covered all 12 months	(e) Months of Coverage												
				Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	
17 John Doe	123-45-6789		X													
18 Jane Doe	987-65-4321		X													
19																
20																
21																
22																

Full-time employee is terminated from employment on June 13th (offer of coverage ends June 13th)
 Offered self-funded minimum value coverage that costs \$65/month for employee-only coverage
 Employee waives coverage

Form 1095-C

Part II Employee Offer and Coverage													
	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
14 Offer of Coverage (enter required code)		1A	1A	1A	1A	1A	1H	1H	1H	1H	1H	1H	1H
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage													
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)		2G	2G	2G	2G	2G	2B	2A	2A	2A	2A	2A	2A

Part III Covered Individuals

If Employer provided self-insured coverage, check the box and enter the information for each covered individual.

(a) Name of covered individual(s)	(b) SSN	(c) DOB (if SSN is not)	(d) Covered all 12 months	(e) Months of Coverage												
				Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	
17																
18																
19																
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22																

Reduced Hours Example 1

Full-time employee is changed to part-time status as of May 1 (offer of coverage terminates end of April as this employer uses the monthly measurement method)
 Offered self-funded minimum value coverage that costs \$105/month for employee-only coverage
 Employee, spouse and children enroll in the coverage and then elect COBRA continuation coverage upon change to part-time status, which costs \$425/month for employee-only coverage

Form 1095-C															
Part II Employee Offer and Coverage															
	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec		
14 Offer of Coverage (enter required code)	1E														
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage		\$105.00	\$105.00	\$105.00	\$105.00	\$425.00	\$425.00	\$425.00	\$425.00	\$425.00	\$425.00	\$425.00	\$425.00		
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)	2C														
Part III Covered Individuals															
If Employer provided self-insured coverage, check the box and enter the information for each covered individual.															
(a) Name of covered individual(s)	(b) SSN	(c) DOB (if SSN is not)	(d) Covered all 12 months	(e) Months of Coverage											
				Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
17 John Doe	123-45-6789		X												
18 Jane Doe	987-65-4321		X												
19 Joey Doe	789-12-3456		X												
20 Jill Doe	456-78-9123		X												
21															
22															

Reduced Hours Example 2

Full-time employee is changed to part-time status as of May 1 (offer of coverage terminates end of April as this employer uses the monthly measurement method)
 Offered self-funded minimum value coverage that costs \$105/month for employee-only coverage
 Employee, spouse and children enroll in the coverage and then waive COBRA continuation coverage upon change to part-time status, which costs \$425/month for employee-only coverage

Form 1095-C															
Part II Employee Offer and Coverage															
	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec		
14 Offer of Coverage (enter required code)	1E														
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage		\$105.00	\$105.00	\$105.00	\$105.00	\$425.00	\$425.00	\$425.00	\$425.00	\$425.00	\$425.00	\$425.00	\$425.00		
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)		2C	2C	2C	2C	2B	2B	2B	2B	2B	2B	2B	2B		
Part III Covered Individuals															
If Employer provided self-insured coverage, check the box and enter the information for each covered individual.															
(a) Name of covered individual(s)	(b) SSN	(c) DOB (if SSN is not)	(d) Covered all 12 months	(e) Months of Coverage											
				Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
17 John Doe	123-45-6789			X	X	X	X								
18 Jane Doe	987-65-4321			X	X	X	X								
19 Joey Doe	789-12-3456			X	X	X	X								
20 Jill Doe	456-78-9123			X	X	X	X								
21															
22															

Reduced Hours Example 3
 Full-time employee is changed to part-time status as of May 1 (offer of coverage continues as this employer uses the look-back measurement method)
 Offered self-funded minimum value coverage that costs \$105/month for employee-only coverage
 Employee, spouse and children enroll in the coverage

Form 1095-C

Part II	Employee Offer and Coverage												
	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
14 Offer of Coverage (enter required code)	1E												
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage	\$105.00												
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)	2C												

Part III Covered Individuals

If Employer provided self-insured coverage, check the box and enter the information for each covered individual.

(a) Name of covered individual(s)	(b) SSN	(c) DOB (if SSN is not)	(d) Covered all 12 months	(e) Months of Coverage												
				Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	
17 John Doe	123-45-6789		X													
18 Jane Doe	987-65-4321		X													
19 Joey Doe	789-12-3456		X													
20 Jill Doe	456-78-9123		X													
21																
22																

Union Employee Example
 Full-time union employee all 12 months (coverage available only under the multiemployer plan)
 Employer contributes monthly to the multiemployer plan on behalf of this particular employee and has received reasonable assurance from multiemployer plan administrator that multiemployer plan provides minimum value and is affordable using the rate of pay safe harbor
 Employer is not sure whether or not employee was actually offered coverage or not for all 12 months, the cost of such coverage, or whether actually enrolled

Form 1095-C

Part II	Employee Offer and Coverage												
	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
14 Offer of Coverage (enter required code)	1H												
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage													
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)	2E												

Part III Covered Individuals

If Employer provided self-insured coverage, check the box and enter the information for each covered individual.

(a) Name of covered individual(s)	(b) SSN	(c) DOB (if SSN is not)	(d) Covered all 12 months	(e) Months of Coverage												
				Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	
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Cobra Example
 COBRA participant all 12 months in a self-funded minimum essential coverage plan

Form 1095-C													
Part II Employee Offer and Coverage													
	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
14 Offer of Coverage (enter required code)	1G												
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage													
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)													

Part III Covered Individuals														1440		
If Employer provided self-insured coverage, check the box and enter the information for each covered individual.														1200		
(a) Name of covered individual(s)	(b) SSN	(c) DOB (if SSN is not)	(d) Covered all 12 months	(e) Months of Coverage												
				Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	
17 John Doe	123-45-6789		X													
18																
19																
20																
21																
22																

Non-Calendar Year Example
 October thru September and qualifies for non-calendar year transition relief
 Employee full-time all 12 months, but not offered coverage until October when plan renews
 Offered fully-insured minimum value coverage that costs \$110/month for employee-only coverage ((affordable using the rate of pay safe harbor)
 Employee waives coverage

Form 1095-C													
Part II Employee Offer and Coverage													
	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
14 Offer of Coverage (enter required code)		1H	1H	1H	1H	1H	1H	1H	1H	1H	1E	1E	1E
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage											\$110.00	\$110.00	\$110.00
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)		2I	2I	2I	2I	2I	2I	2I	2I	2I	2H	2H	2H

Part III Covered Individuals																
If Employer provided self-insured coverage, check the box and enter the information for each covered individual.																
(a) Name of covered individual(s)	(b) SSN	(c) DOB (if SSN is not)	(d) Covered all 12 months	(e) Months of Coverage												
				Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	
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19																
20																
21																
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No Benefits Example
 Employee full-time all 12 months, but not offered coverage
 Employer does not offer coverage to employees

Form 1095-C

Part II	Employee Offer and Coverage												
	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
14 Offer of Coverage (enter required code)	1H												
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage													
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)													

Part III Covered Individuals

If Employer provided self-insured coverage, check the box and enter the information for each covered individual.

(a) Name of covered individual(s)	(b) SSN	(c) DOB (if SSN is not)	(d) Covered all 12 months	(e) Months of Coverage											
				Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
17															
18															
19															
20															
21															
22															

Switch Funding Example
 Employee is full-time all 12 months
 Offered fully-insured minimum value coverage that costs \$80/month for employee-only coverage for Jan - Apr
 Offered self-funded minimum value coverage that costs \$80/month for employee-only coverage for May - Dec
 Employee and spouse enroll in the coverage

Form 1095-C

Part II	Employee Offer and Coverage												
	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
14 Offer of Coverage (enter required code)	1A												1H
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage													
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)	2C												2A

Part III Covered Individuals

If Employer provided self-insured coverage, check the box and enter the information for each covered individual.

(a) Name of covered individual(s)	(b) SSN	(c) DOB (if SSN is not)	(d) Covered all 12 months	(e) Months of Coverage											
				Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
17 John Doe	123-45-6789								X	X	X	X	X	X	
18 Jane Doe	987-65-4321								X	X	X	X	X	X	
19															
20															
21															
22															

Temporary full-time employee Jun 1 - Aug 15
 Not offered coverage because the employee was no longer employed as of the 4th calendar month following eligibility
 NOTE - a limited non-assessment period is only available if the employee would have been offered coverage had the employee continued employment

Form 1095-C													
Part II Employee Offer and Coverage													
	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
14 Offer of Coverage (enter required code)	1H												
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage													
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)		2A	2A	2A	2A	2A	2D	2D	2D	2A	2A	2A	2A

Part III Covered Individuals															
If Employer provided self-insured coverage, check the box and enter the information for each covered individual.															
(a) Name of covered individual(s)	(b) SSN	(c) DOB (if SSN is not)	(d) Covered all 12 months	(e) Months of Coverage											
				Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
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