

Observations and Understandings

Reporting Your 1095C
Forms Under the ACA



THE TOTAL BENEFIT SOLUTION

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I. Who Has to Report?



To report or not to report, that’s the question right? Take a brief moment to review the following table shown below. Which of these scenarios apply to you? This will help you gain a better understanding of what your ACA Reporting obligations could be.

	NO HEALTH PLAN	FULLY-INSURED PLAN	SELF-INSURED
 Small Employers < 50	NO REPORTING	NO REPORTING	FILE 1095-B ONLY
 50-99 Employees	FILE 1095-C PARTS I AND II	FILE 1095-C PARTS I AND II (insurer files 1095-B)	FILE 1095-C PARTS I, II AND III
 Applicable Large Employers (100+)	FILE 1095-C PARTS I AND II	FILE 1095-C PARTS I AND II (insurer files 1095-B)	FILE 1095-C PARTS I, II AND III

The materials and information contained herein are intended only to provide general information and in no way constitute legal advice. If you have specific questions or concerns, please consult legal counsel.



II. It's the Employer's Responsibility



...on Part I and Part II on the 1095C

Part II is complex. It includes three lines, each reflecting a separate box for each month of the calendar year ([See IRS Form 1095C](#)).

LINE 14

The employer will use one of nine new (1 Series Codes) to reflect for each month, the nature of the coverage offer (if any) made to the full-time employee.

LINE 15

The employer will report the cost of the least expensive coverage offered to the employee, as long as it met minimum actuarial value and affordability.

LINE 16

The employer will use one of nine new (2 Series Codes) to report, by month, whether the employee was covered under the employer plan.

III. Employer Offer and Coverage



Line 14 (1 Series Codes)

The codes listed below for line 14 describe the coverage that your employer offered to you and your spouse and dependent(s), if any. This information relates to eligibility for coverage subsidized by the premium tax credit for you, your spouse, and dependent(s). For more information about the premium tax credit, [see Pub. 974](#).

1A.	Minimum essential coverage providing minimum value offered to you with an employee contribution for self-only coverage equal to or less than \$1,108.65 (9.5% of the 48 contiguous states single federal poverty line) and minimum essential coverage offered to your spouse and dependent(s) (referred to here as a Qualifying Offer). This code may be used to report for specific months for which a Qualifying Offer was made, even if you did not receive a Qualifying Offer for all 12 months of the calendar year.
1B.	Minimum essential coverage providing minimum value offered to you and minimum essential coverage NOT offered to your spouse or dependent(s).
1C.	Minimum essential coverage providing minimum value offered to you and minimum essential coverage offered to your dependent(s) but NOT your spouse.
1D.	Minimum essential coverage providing minimum value offered to you and minimum essential coverage offered to your spouse but NOT your dependent(s).
1E.	Minimum essential coverage providing minimum value offered to you and minimum essential coverage offered to your dependent(s) and spouse.

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1F.	Minimum essential coverage NOT providing minimum value offered to you, or you and your spouse or dependent(s), or you, your spouse, and dependent(s).
1G.	You were NOT a full-time employee for any month of the calendar year but were enrolled in self-insured employer-sponsored coverage for one or more months of the calendar year. This code will be entered in the All 12 Months box on line 14.
1H.	No offer of coverage (you were NOT offered any health coverage or you were offered coverage that is NOT minimum essential coverage).
1I.	Your employer claimed "Qualifying Offer Transition Relief" for 2015 and for at least one month of the year you (and your spouse or dependent(s) did not receive a Qualifying Offer. Note that your employer has also provided a contact number at which you may request further information about the health coverage, if any, you were offered (see line 10).

LINE 15 Line 15 (1 Series Codes)

This line reports the employee share of the lowest-cost monthly premium for self-only minimum essential coverage providing minimum value that your employer offered you. The amount reported on line 15 may not be the amount you paid for coverage if, for example, you chose to enroll in more expensive coverage such as family coverage. Line 15 will show an amount only if code 1B, 1C, 1D, or 1E is entered on line 14. If you were offered coverage but not required to contribute any amount towards the premium, this line will report a "0.00" for the amount.

LINE 15 Line 16 (1 Series Codes)

This line provides the IRS information to administer the employer shared responsibility provisions. None of this information affects your eligibility for the premium tax credit. For more information about the employer shared responsibility provisions, [see IRS.gov](http://www.irs.gov).

Code Series 2 - 4980H Safe Harbor Codes and Other Relief for Employers

An employer enters the applicable Code Series 2 indicator code, if any, on Line 16 to report for one or more months of the calendar year that one of the following situations applied to the employee:

The employee was not employed or was not a full-time employee; the employee enrolled in the minimum essential coverage offered; the employee was in a Limited Non-Assessment Period with respect to section 4980H(b); non-calendar year transition relief applied to the employee; the employer met one of the section 4980H affordability safe harbors with respect to this employee, or the employer was eligible for multiemployer interim rule relief for this employee. In some circumstances more than one situation could apply to the same employee in the same month. For example, an employee could be enrolled in health coverage for a particular month during which he or she is not a full-time employee. However, only one code may be used for a particular calendar month. For any month in which an employee enrolled in minimum essential coverage, indicator code 2C reporting enrollment is used instead of any other indicator code that could also apply. For an employee who did not enroll in health coverage, there are some specific ordering rules for which code to use; see the descriptions of the codes.

2A.	Employee not employed during the month. Enter code 2A if the employee was not employed on any day of the calendar month. Do not use code 2A for a month if the individual was an employee of the employer on any day of the calendar month. Do not use code 2A for the month during which an employee terminates employment with the employer.
2B.	Employee not a full-time employee. Enter code 2B if the employee is not a full-time employee for the month and did not enroll in minimum essential coverage, if offered for the month. Enter code 2B also if the employee is a full-time employee for the month and whose offer of coverage (or coverage if the employee was enrolled) ended before the last day of the month solely because the employee terminated employment during the month (so that the offer of coverage or coverage would have continued if the employee had not terminated employment during the month). Also use this code for January 2015 if the employee was offered health coverage no later than the first day of the first payroll period that begins in January 2015 and the coverage offered was affordable for purposes of the employer shared responsibility provisions under section 4980H and provided minimum value.

Continued on next page.



Code Series 2 - 4980H Safe Harbor Codes and Other Relief for Employers (contd.)

2C.	Employee enrolled in coverage offered. Enter code 2C for any month in which the employee enrolled in health coverage employee's enrollment offered by the employer for each day of the month, regardless of whether any other code in Code Series 2 might also apply (for example, the code for a section 4980H affordability safe harbor).
2D.	Employee in a section 4980H(b) Limited Non-Assessment Period. Enter code 2D for any month during which an employee is in a Limited Non-Assessment Period for section 4980H(b). If an employee is in an initial measurement period, enter code 2D (employee in a section 4980H(b) Limited Non-Assessment Period) for the month, and not code 2B (employee not a full-time employee). For an employee in a section 4980H(b) Limited Non-Assessment Period for whom the employer is also eligible for the multiemployer interim rule relief for the month code 2E, enter code 2E (multiemployer interim rule relief) and not code 2D (employee in a Limited Non-Assessment Period).
2E.	Multiemployer interim rule relief. Enter code 2E for any month for which the multiemployer interim guidance applies for that employee. This relief is described under Offer of Health Coverage in the Definitions section of these instructions.
2F.	Section 4980H affordability Form W-2 safe harbor. Enter code 2F if the employer used the section 4980H Form W-2 safe harbor to determine affordability for purposes of section 4980H(b) for this employee for the year. If an employer uses this safe harbor for an employee, it must be used for all months of the calendar year for which the employee is offered health coverage.
2G.	Section 4980H affordability federal poverty line safe harbor. Enter code 2G if the employer used the section 4980H federal poverty line safe harbor to determine affordability for purposes of section 4980H(b) for this employee for any month(s).
2H.	Section 4980H affordability rate of pay safe harbor. Enter code 2H if the employer used the section 4980H rate of pay safe harbor to determine affordability for purposes of section 4980H(b) for this employee for any month(s).
*NOTE	<i>Codes 2F through 2H: Although employers may use the section 4980H affordability safe harbors to determine affordability for purposes of the multiemployer interim guidance, an employer eligible for the relief provided in the multiemployer interim guidance for a month for an employee should enter code 2E (multiemployer interim rule relief), and not a code for the section 4980H affordability safe harbors (codes 2F, 2G, or 2H).</i>
2I.	Non-calendar year transition relief applies to this employee. Enter code 2I if non-calendar year transition relief for section 4980H(b) applies to this employee for the month. See the instructions later under Section 4980H Transition Relief for 2015 and 2015 Section 4980H(b) Transition Relief for employers with Non-Calendar Year Plans (Form 1095-C, line 16, code 2I), for a description of this relief.

IV. Closing Remarks



In our attempt at FBS in seeking and providing clarity to the “Employer Mandate/Pay or Play”, we wish to emphasize the following points:

- 1 Will Your Payroll or Third Party Vendor complete Parts I-II-III of the 1095C Form?
- 2 Employers are free to contract (outsource) with outside Third Parties to complete forms 1094 and 1095, including the completion of Parts I, II and III.
- 3 Non-ALE’s (Applicable Large Employers) of under 50 Full-time equivalent employees with Self-funded insurance products, are required to complete the “B” Forms, even though they are NOT subject to the “Pay or Play” penalty.

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