

IRS Form 1095-C: Indicator Codes for Lines 14, 15, and 16

Form 1095-C, Part II, Line 14: Indicator Code Series 1 for “Offer of Coverage”

1A. Qualifying Offer: Minimum essential coverage providing minimum value offered to full-time employee with employee contribution for self-only coverage equal to or less than 9.5% mainland single federal poverty line and at least minimum essential coverage offered to spouse and dependent(s).
1B. Minimum essential coverage providing minimum value offered to employee only.
1C. Minimum essential coverage providing minimum value offered to employee and at least minimum essential coverage offered to dependent(s) (not spouse).
1D. Minimum essential coverage providing minimum value offered to employee and at least minimum essential coverage offered to spouse (not dependent(s)).
1E. Minimum essential coverage providing minimum value offered to employee and at least minimum essential coverage offered to dependent(s) and spouse.
1F. Minimum essential coverage NOT providing minimum value offered to employee, or employee and spouse or dependent(s), or employee, spouse and dependents.
1G. Offer of coverage to employee who was not a full-time employee for any month of the calendar year and who enrolled in self-insured coverage for one or more months of the calendar year.
1H. No offer of coverage (employee not offered any health coverage or employee offered coverage that is not minimum essential coverage).
1I. Qualifying Offer Transition Relief 2015: Employee (and spouse or dependents) received no offer of coverage, received an offer that is not a qualifying offer, or received a qualifying offer for less than 12 months.

Form 1095-C, Line 15: Employee Share of Lowest Cost Monthly Premium for Self-Only Minimum Value Coverage

Complete line 15 only if code 1B, 1C, 1D, or 1E is entered on line 14 either in the “All 12 Months” box or in any of the monthly boxes.

Form 1095-C, Line 16: Indicator Code Series 2 for Applicable Section 4980H Safe Harbor Codes and Other Relief for Employers

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.

2C. Employee enrolled in coverage offered.

Enter code 2C for any month in which the employee enrolled in health coverage 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. 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).

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.

IRS Forms 1094-C & 1095-C Compliance Training: Fact Scenarios

Scenario 1:

- Employer (Acme Consulting, Inc.) has 120 F/T employees working on average 30 or more hours per week
 - Employer has 20 P/T employees working 20 hours per week
 - Employer does not have any variable hour or seasonal employees
- Calendar year plan year (January 1 – December 31)
 - Assume Acme not eligible for §4980H transition relief
 - Assume Acme not relying on qualifying offer reporting method
- Fully insured health plan
- Coverage is offered to all full-time employees, spouses, and dependent children
- Coverage is MEC (minimum essential coverage) and MV (minimum value)
- Affordability is determined based on the federal poverty line (FPL) safe harbor method
- Assume that during 2015, no employees are terminated, and no new employees are hired

Scenario 2:

- At the beginning of 2015, Employer (Acme Consulting, Inc.) has 120 F/T employees working on average 30 or more hours per week
- Fully insured health plan
- Coverage is MEC (minimum essential coverage) and MV (minimum value)
- Affordability is determined based on the W-2 safe harbor method
 - Coverage is not affordable based on FPL safe harbor
- Assume that during 2015, John Q. Participant
 - Was hired on September 1st
 - Because of a waiting period, his coverage took effect the first of the month after 60 days of employment (November 1)
- There were no terminations during 2015 and no other new hires

Scenario 3:

- Same facts as Scenario 2, except Acme has a self-funded health plan
- Employer is part of a control group with Beta Manufacturing, Inc. from January-April, then Beta is sold
- Assume John's wife and daughter are also covered by the plan effective November 1