

# 2017 FORM 1095-C AT A GLANCE

A quick reference guide to Form 1095-C

The purpose of Form 1095-C is to identify whether an employee was offered coverage and if the employee was enrolled in coverage at any time during the tax year. The guide below provides need-to-know details on how employers should complete and transmit the form.

## Form 1095-C: The Basics

Applicable Large Employer Member(s) (ALEM) must file Form 1095-C for every full-time employee who is eligible for medical coverage and for any employee enrolled in self-funded coverage (even if that employee is not full-time). The form should be transmitted to the IRS alongside Form 1094-C and is used to determine whether an ALEM is subject to penalty under the employer mandate (employer-shared responsibility provisions under Section 4980H).

## How to complete Form 1095-C

There are three sections to Form 1095-C:

- 1 **Part I – Employee & ALE Information:** Provides specific information about the employee and the ALE.
- 2 **Part II – Offer of Coverage:** Identifies whether the employee was full-time for any month of the calendar year AND whether a plan was offered during any month of the calendar year. (see Additional Information for more details)
- 3 **Part III – Covered Individuals:** Identifies individuals who had coverage for any month during the calendar year.

Employers must fill out the appropriate form sections based on the type of plans that are offered:

- Fully insured plans: complete only Parts I and II.
- Self-insured plans: complete Parts I, II, and III.

## Additional Information Regarding Form 1095-C:

- 4 **Plan Start Month:** Identifies the first month of the plan year of the plan offered to the employee. This is optional for 2017.
- 5 **Line 14 (Code Series 1):** Identifies the type of coverage offered to an employee. Line 14 cannot be left blank.
- 6 **Line 15:** Identifies the employee's share of the lowest-cost self-only minimum essential coverage plan that provides minimum value which is offered to the employee. This may not be the amount the employee pays for coverage. Line 15 should only be used if code 1B, 1C, 1D, 1E, 1J, or 1K is entered in Line 14.
- 7 **Line 16 (Code Series 2):** Identifies applicable Section 4980H affordability safe harbor or other relief for ALE Members. Line 16 may be left blank if no indicator code applies.

**Note.** This information is not intended to be legal advice and should not be relied upon in lieu of consultation with appropriate legal advisors.

**Source.** U.S. Department of the Treasury, Internal Revenue Service. (<https://www.irs.gov/pub/irs-pdf/i109495c.pdf>)

## Code Series 1

Line 14

<b>1A</b>	Qualifying offer: Minimum essential coverage (MEC) providing minimum value (MV) offered to the full-time employee with the employee contribution for self-only coverage equal to or less than 9.69% mainland single federal poverty line and at least minimum essential coverage offered to spouse and dependent(s).
<b>1B</b>	MEC providing MV offered to employee ONLY.
<b>1C</b>	MEC providing MV offered to the employee and at least MEC offered to the employee's dependent(s) but NOT the spouse.
<b>1D</b>	MEC providing MV offered to the employee and at least MEC offered to the spouse but not the dependent(s).
<b>1E</b>	MEC providing MV offered to the employee and at least MEC to dependent(s) and spouse. (This code is used for any Safe Harbor other than Federal Poverty Level, FPL.)
<b>1F</b>	MEC NOT providing MV offered to employee; or employee and spouse or dependent(s); or employee, spouse, and dependents.
<b>1G</b>	Offer of coverage to employee who was not a full-time employee for any month of the calendar year or to an 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.
<b>1H</b>	No offer of coverage (employee not offered any health coverage or employee offered coverage that is not MEC).
<b>1I</b>	Reserved
<b>1J</b>	MEC providing MV offered to employee and at least MEC conditionally offered to spouse; MEC not offered to dependent(s).
<b>1K</b>	MEC providing MV offered to employee and at least MEC conditionally offered to dependents; and at least MEC conditionally offered to spouse.

## Code Series 2

Line 16

<b>2A</b>	The employee is not employed during the month (not employed on any day of the month). This code should not be used for the month during which an employee terminates employment with the ALEM.
<b>2B</b>	The employee is not a full-time employee for the month and did not enroll in MEC if offered. Also enter code 2B if the employee is a full-time employee for the month and whose offer of coverage (or coverage if employee was enrolled) ended before the last day of the month because the employee terminated employment during the month.
<b>2C</b>	The employee enrolled in coverage offered. Code 2C should not be used if code 1G is used in line 14 for all 12 months. Code 2C should not be used for any enrollment in COBRA coverage.
<b>2D</b>	The employee is in a Section 4980H(b) limited non-assessment period (initial measurement period applies).
<b>2E</b>	Multi-employer interim rule relief.
<b>2F</b>	Section 4980H(b) Affordability Form W-2 Safe Harbor (must be used for all months of the calendar year for which the employee is offered health coverage).
<b>2G</b>	Section 4980H(b) Federal Poverty Level (FPL) Safe Harbor.
<b>2H</b>	Section 4980H(b) Rate of Pay Safe Harbor.
<b>2I</b>	Reserved.
<b>Note:</b> An affordability safe harbor code should not be entered on line 16 for any month that the Applicable Large Employer Member (ALEM) did not offer minimum essential coverage to at least 95% of its full-time employees and their dependents.	