

## **IRS Form 1094-C - Part III (ALE Member Information - Monthly) and Part IV (Other ALE Members of Aggregated ALE Group)**

In ACA 1095 Reporting, you must enter information for the ALE members in order to see it printed on the 1094-C. This information is entered in the Client Information screen. Select the "1095-C ALE Member Information" section to enter the information for Part III and Part IV.

**VERY IMPORTANT - If the employer certified that it was eligible for the 98% Offer Method by selecting box D on line 22 of the 1094-C, you do not have to enter an amount in column (b) - Full-time employee count for ALE Member.**

The information provided below is based on the instructions to the IRS Form 1095-C and information provided to us in webinars provided by the IRS to software developers.

This information is not intended as a replacement for the instructions for IRS Form 1095-C, but as a supplement to them.

## **FILING REQUIREMENTS**

**An employer needs to file a 1095-C for an employee if:**

The employee is a full time employee for any part of the year, or;  
The employee was offered coverage (whether full-time or not) at any time during the year.

An exception to the above rules applies when an employee is in a limited non-assessment period through the end of the year and not offered coverage until the following calendar year.

### **IRS FORM 1095-C - Lines 14, 15, and 16**

#### **IRS Form 1095-C - Line 14 - Offer of Coverage Codes**

Offer of coverage codes should not be confused with whether the employee accepted the coverage. It indicates that the employer provided an offer of health coverage to the employee and is not affected by the employee acceptance of the offer or not.

You must enter an offer of coverage for all 12 months if the employee was a full-time employee for one or more months during the year. The following will assist you in deciding what codes to enter.

**VERY IMPORTANT - Regarding codes 1A through 1F, unless the coverage offered applied to every day of the month, it should NOT be used. In other words, if the employee only worked part of the month, then the only codes that should be used is 1H.**

Situation	Offer of Coverage Code
MEC providing MV offer made to employee, dependents, and spouse.	1A
MEC providing MV offer made to employee only.	1B
MEC providing MV offer made to employee and dependents (not spouse).	1C
MEC providing MV offer made to employee and spouse (not dependents).	1D
MEC providing MV offer made to employee, dependents, and spouse but cost may be more than 9.5% of poverty line.	1E
MEC not providing MV offer made to employee, dependents, and spouse but not minimum essential value.	1F
Offer of coverage to employee who was not a full-time employee for any month of the year and who enrolled in self-insured coverage for one or more months.	1G
No offer of coverage.	1H
2015: Qualifying Offer Transition Relief - 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.	1I
2016: This code is not applicable for 2016 and should not be used.	
MEC providing MV offer made to employee and at least MEC conditionally offered to spouse, MEC not offered to dependents.	1J
MEC providing MV offer made to employee, at least MEC offered to dependents, and at least MEC conditionally offered to spouse.	1K

MEC = Minimum essential coverage

MV = Minimum value

Other situations:

Employee terminated and offered COBRA coverage - Use 1H

Employee offered COBRA because they are not eligible for coverage - use code that would be used if the offer was made by the employer.

**IRS 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, 1E, 1J or 1K is entered on Line 14. The amount entered is the cost you would charge the employee for self-only coverage providing minimum essential coverage providing minimum value. This amount may NOT be the amount the employee is actually paying for coverage, for example, if the employee enrolled in family coverage and is paying \$ 210 a month, but the amount that would be charged for self-coverage only is \$ 95, you would enter \$ 95 on line 15.

**IRS Form 1095-C - Line 16 - Applicable Section 4980H Safe Harbor**

When determining the code to use, it does not matter if it applies to every day during the month as it does with the codes for line 14.

***VERY IMPORTANT - An entry on line 16 is completely optional. If you choose to enter a code, use the one that applies or leave blank if none of them apply.***

Situation	4980H Safe Harbor Code
Employee not employed during the month.	2A
Employee not a full-time employee for the month and did not enroll in coverage offered or employee was a full-time employee and coverage ended before the end of the month because the employee terminated employment.	2B
Employee enrolled in coverage offered.	2C
Employee in an assessment period and not eligible for coverage.	2D
Multi employer interim rule relief.	2E
W-2 earnings used to determine affordability - code must be used for all months that the employee was offered coverage.	2F
Federal poverty line used to determine affordability	2G
Rate of pay used to determine affordability	2H
2015: Non-calendar year transition relief 2016: This code is not applicable for 2016 and should not be used.	2I

If you have additional questions that aren't addressed in this document concerning the employer shared responsibility for reporting for forms 1094-C and 1095-C, you may contact the IRS legal department at (202) 317-5500.

If you have additional questions regarding the 1094-B/1095-B you can the IRS legal department at (202) 317-4718.