

qualifying event, but an ALE Member may choose to extend a similar offer of coverage to a spouse or dependent even if the offer is not required by COBRA.

**Example.** During the applicable open enrollment period for its health plan, Employer makes an offer of minimum essential coverage providing minimum value to Employee and to Employee's spouse and dependents. Employee elects to enroll in employee-only coverage starting January 1. On June 1, Employee experiences a reduction in hours that results in loss of eligibility for coverage under the plan. As of June 1, Employer terminates Employee's existing coverage and makes an offer of COBRA continuation coverage to Employee, but does not make an offer to Employee's spouse and dependents. Employer should enter code 1E (Minimum essential coverage providing minimum value offered to employee and at least minimum essential coverage offered to dependent(s) and spouse) on line 14 for months January – May, and should enter code 1B (Minimum essential coverage providing minimum value offered to employee only) on line 14 for months June – December.

**Note.** Notwithstanding the preceding instructions for completing line 14 of Form 1095-C, for purposes of section 4980H, an ALE Member is treated as having made an offer to the employee's dependents for an entire plan year if the ALE Member provided the employee an effective opportunity to enroll the employee's dependents at least once for the plan year, even if the employee declined to enroll the dependents in the coverage and, as a result, the dependents later did not receive an offer of COBRA coverage.

**Post-employment (non-COBRA) coverage.** An offer of post-employment coverage to a former employee (or to that former employee's spouse or dependent(s)) for coverage that would be effective after the employee has terminated employment (such as at retirement) should not be reported as an offer of coverage on line 14. If the ALE Member is otherwise required to file Form 1095-C for the former employee (because, for example, the individual was a full-time employee for one or more months in the calendar year in which the termination of employment occurred), the ALE Member should enter code 1H (no offer of coverage) on line 14 for any month to which an offer of post-employment coverage applies, and should also enter code 2A (not an employee) on line 16 (see the instructions for line 16).

**TIP** For additional information including examples about reporting offers of COBRA continuation coverage and post-employment coverage, go to [www.irs.gov/Affordable-Care-Act/Employers/Questions-and-Answers-about-Information-Reporting-by-Employers-on-Form-1094-C-and-Form-1095-C](http://www.irs.gov/Affordable-Care-Act/Employers/Questions-and-Answers-about-Information-Reporting-by-Employers-on-Form-1094-C-and-Form-1095-C).

- **1A.** Qualifying Offer: Minimum essential coverage providing minimum value offered to full-time employee with Employee Required Contribution equal to or less than 9.5% (as adjusted) of mainland single federal poverty line and at least minimum essential coverage offered to spouse and dependent(s).

**TIP** This code may be used to report for specific months for which a Qualifying Offer was made, even if the employee did not receive a Qualifying Offer for all 12 months of the calendar year. However, an ALE Member may not use the Alternative Furnishing Method for an employee who did not receive a Qualifying Offer for all 12 calendar months.

- **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)). Do not use code 1D if the coverage for the spouse was offered conditionally. Instead use code 1J.

- **1E.** Minimum essential coverage providing minimum value offered to employee and at least minimum essential coverage offered to dependent(s) and spouse. Do not use code 1E if the coverage for the spouse was offered conditionally. Instead use code 1K.
- **1F.** Minimum essential coverage NOT providing minimum value offered to employee; employee and spouse or dependent(s); or employee, spouse and dependents.
- **1G.** Offer of coverage for at least one month of the calendar year to an individual who was not an 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 (which may include one or more months in which the individual was not an employee) and who enrolled in self-insured coverage for one or more months of the calendar year.

**Note.** Code 1G applies for the entire year or not at all. Therefore, if code 1G applies, an ALE Member must enter code 1G on line 14 in the "All 12 Months" column or in each separate monthly box (for all 12 months).

- **1H.** No offer of coverage (employee not offered any health coverage or employee offered coverage that is not minimum essential coverage, which may include one or more months in which the individual was not an employee).
- **1I.** Reserved.
- **1J.** Minimum essential coverage providing minimum value offered to employee and at least minimum essential coverage conditionally offered to spouse; minimum essential coverage not offered to dependent(s). (See *Conditional offer of spousal coverage*, above, for an additional description of conditional offers.)
- **1K.** Minimum essential coverage providing minimum value offered to employee; at least minimum essential coverage offered to dependents; and at least minimum essential coverage conditionally offered to spouse. (See *Conditional offer of spousal coverage*, above, for an additional description of conditional offers.)

**Line 15.** Complete line 15 only if code 1B, 1C, 1D, 1E, 1J, or 1K is entered on line 14 either in the "All 12 Months" box or in any of the monthly boxes. Enter the amount of the Employee Required Contribution, which is, generally, the employee share of the monthly cost for the lowest-cost self-only minimum essential coverage providing minimum value that is offered to the employee. For additional details on how to determine the Employee Required Contribution, see the *Definitions* section, later. Enter the amount including any cents. If the employee is offered coverage but the Employee Required Contribution is zero, enter "0.00" (do not leave blank). If the Employee Required Contribution was the same amount for all 12 calendar months, you may enter that monthly amount in the "All 12 Months" box and not complete the monthly boxes. If the Employee Required Contribution was not the same for all 12 months (for instance, if an ALE Member has a non-calendar year plan and the employee share of the premium changes with the new plan year that starts in 2017), enter the amount in each calendar month for which the employee was offered minimum value coverage. See the definition of *Employee Required Contribution* in the *Definitions* section, for more information, including on how to determine the monthly required contribution from annual data.

**TIP** For line 15, the amount entered might not be the amount the employee is paying for the coverage, for example, if the employee chose to enroll in more expensive coverage such as family coverage or if the employee is eligible for certain other healthcare arrangements.

**Line 16.** For each calendar month, enter the applicable code, if any, from Code Series 2. Enter only one code from Code Series 2 per calendar month. The instructions below address which code to use for a month if more than one code from Series 2 could apply. If the same code applies for all 12 calendar months, you may enter the code in the "All 12 Months" box and not complete the monthly boxes. If none of the codes apply for a calendar month, leave the line blank for that month.

**Code Series 2—Section 4980H Safe Harbor Codes and Other Relief for ALE Members.** An ALE Member 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);
- The ALE Member met one of the section 4980H affordability safe harbors with respect to this employee; or
- The ALE Member was eligible for multiemployer interim rule relief for this employee.

If no indicator code applies, leave line 16 blank. In some circumstances more than one indicator code 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, in general, indicator code 2C reporting enrollment is used instead of any other indicator code that could also apply (but see the exceptions to this rule below, regarding the multiemployer interim rule relief and enrollment in COBRA continuation coverage or other post-employment coverage). 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.

**Note.** There is no specific code to enter on line 16 to indicate that a full-time employee offered coverage either did not enroll in the coverage or waived the coverage.

- **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 ALE Member on any day of the calendar month. Do not use code 2A for the month during which an employee terminates employment with the ALE Member.
- **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).
- **2C.** Employee enrolled in health coverage offered. Enter code 2C for any month in which the employee enrolled for each day of the month in health coverage offered by the ALE Member, regardless of whether any other code in Code Series 2 might also apply (for example, the code for a section 4980H affordability safe harbor) except as provided below. Do not enter code 2C in line 16 for any month in which the multiemployer interim rule relief applies (enter code 2E). Do not enter code 2C in line 16 if code 1G is entered in line 14. Do not enter code 2C in line 16 for any month in which a terminated employee is enrolled in COBRA continuation coverage or other

post-employment coverage (enter code 2A). Do not enter code 2C in line 16 for any month in which the employee enrolled in coverage that was not minimum essential coverage.

- **2D.** Employee in a section 4980H(b) Limited Non-Assessment Period. Enter code 2D for any month during which an employee is in a section 4980H(b) Limited Non-Assessment Period. 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 ALE Member is also eligible for the multiemployer interim rule relief for the month, enter code 2E (multiemployer interim rule relief) and not code 2D (employee in a section 4980H(b) Limited Non-Assessment Period).
- **2E.** Multiemployer interim rule relief. Enter code 2E for any month for which the multiemployer arrangement interim guidance applies for that employee, regardless of whether any other code in Code Series 2 (including code 2C) might also apply. This relief is described under *Offer of Health Coverage* in the *Definitions* section of these instructions.

**Note.** Although ALE Members may use the section 4980H affordability safe harbors to determine affordability for purposes of the multiemployer arrangement interim guidance, an ALE Member eligible for the relief provided in the multiemployer arrangement interim guidance for a month for an employee should enter code 2E (multiemployer interim rule relief), and not codes 2F, 2G, or 2H (codes for section 4980H affordability safe harbors).

- **2F.** Section 4980H affordability Form W-2 safe harbor. Enter code 2F if the ALE Member 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 ALE Member 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 ALE Member 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 ALE Member 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.** An affordability safe harbor code should not be entered on line 16 for any month that the ALE member did not offer minimum essential coverage to at least 95% of its full-time employees and their dependents (that is, any month for which the ALE member checked the "No" box on Form 1094-C, Part III, column (a)). For more information, see the instructions for Form 1094-C, Part III, column (a).

- **2I.** Reserved.

**Note.** References to 9.5% in the section 4980H affordability safe harbors and Qualifying Offer Method are applied based on the percentage as indexed for purposes of applying the affordability thresholds under section 36B (the premium tax credit). The percentage, as adjusted, is 9.66% for plan years beginning in 2016, and 9.69% for plan years beginning in 2017.

### Part III—Covered Individuals (Lines 17-22)

Complete Part III ONLY if the ALE Member offers employer-sponsored self-insured health coverage in which the employee or other individual enrolled. For this purpose, employer-sponsored self-insured health coverage does not include coverage under a multiemployer plan. Do not complete Part III if the ALE Member offers coverage only under an insured

group health plan. If an ALE Member offers both insured and self-insured coverage, complete Part III only for employees who enroll in the self-insured coverage.

An ALE Member with a self-insured major medical plan and a health reimbursement arrangement (HRA) that has an individual who enrolls in both types of minimum essential coverage is required to report the individual's coverage under only one of the arrangements in Part III. An ALE Member with an insured major medical plan and an HRA that has an individual who enrolls in both types of minimum essential coverage is not required to report in Part III the HRA coverage of an individual if the individual is eligible for the HRA because the individual enrolled in the insured major medical plan. An ALE Member with an HRA must report coverage under the HRA in Part III for any individual who is not enrolled in a major medical plan of the ALE Member (for example, if the individual is enrolled in a group health plan of another employer (such as spousal coverage)). For additional information on the reporting of supplemental coverage, see Proposed Regulations section 1.6055-1(d)(2) and (3).

If the ALE Member is completing Part III, enter "X" in the check box in Part III. If the ALE Member is not completing Part III, do not enter "X" in the check box in Part III.

This part **must** be completed by an ALE Member offering self-insured health coverage for any individual who was an employee for one or more calendar months of the year, whether full-time or non-full-time, and who enrolled in the coverage. The employee (if enrolled in self-insured coverage) should be listed on line 17; any other family members who enrolled in coverage offered to the employee should be listed on subsequent lines.

**TIP** All employee family members that are covered individuals through the employee's enrollment (for example, because the employee elected family coverage) must be included on the same form as the employee (or any other individual to whom the offer was made). For example, if the employee is offered family coverage by his or her employer under a self-insured health plan and enrolls in the family coverage, the employee and the employee's family members that are covered under the plan must all be reported on the same Form 1095-C.

If two or more employees employed by the same ALE Member are spouses or an employee and his or her dependent, and one employee enrolled in a coverage option under the plan that also covered the other employee(s) (for example, one employee spouse enrolled in family coverage that provided coverage to the other employee spouse and their employee dependent child), the enrollment information should be reflected only on Form 1095-C for the employee who enrolled in the coverage. (However, it would report the other employee family members as covered individuals).

**Coverage of Non-Employee.** This part **may** be completed by an ALE Member offering self-insured health coverage for any other individual who enrolled in the coverage under the plan for one or more calendar months of the year but was not an employee for any calendar month of the year, such as a non-employee director, a retired employee who retired in a previous year, a terminated employee receiving COBRA continuation coverage (or any other form of post-employment coverage) who terminated employment during a previous year, and a non-employee COBRA beneficiary (but not including an individual who obtained coverage through the employee's enrollment, such as a spouse or dependent obtaining coverage when an employee elects COBRA continuation coverage that is family coverage). If Form 1095-C is used with respect to an individual who was not an employee for any month of the calendar year, Part II must be completed by using code 1G in the "All 12 Months" box or the separate monthly boxes for all 12

calendar months. The employer must report for these individuals using Form 1095-B, if it chooses not to use Form 1095-C.

**TIP** If a non-employee individual enrolls in the coverage under a self-insured health plan, all family members that are covered individuals because of the individual's enrollment must be included on the same Form 1095-B or Form 1095-C as the individual who is offered, and enrolls in, the coverage.

Columns (a) through (e), as applicable, must be completed for each individual enrolled in the coverage, including the employee reported on line 1. Enter the nine-digit SSN or other TIN for each covered individual in column (b). Enter a date of birth in column (c) only if an SSN or other TIN is not entered in column (b). Column (d) will be checked if the individual was covered for at least one day in every month of the year. For individuals who were covered for some but not all months, information will be entered in column (e) indicating the months for which these individuals were covered. If there are more than 6 covered individuals, complete this information on the additional covered individuals on Part III Covered Individuals — Continuation Sheet(s). Do not count the continuation sheet(s) as additional Forms 1095-C in the count of forms submitted with the accompanying Form 1094-C.

**TIP** Governmental Unit employers offering self-insured health coverage that have delegated another governmental unit (DGE) for purposes of reporting and furnishing enrollment information (meaning the information that otherwise would be reported on Form 1095-C, Part III), but have not designated a DGE for purposes of reporting and furnishing offer of coverage information (meaning the information that is reported on Form 1095-C, Part II), should file and furnish Forms 1095-C with a completed Part I and Part II, but not a completed Part III, and should not check the box indicating that the Governmental Unit offers self-insured health coverage. In this case, the DGE should file Forms 1094-B and 1095-B to report enrollment information for employees on behalf of the Governmental Unit. See FAQs on IRS.gov.

A DGE that has been delegated by a Governmental Unit for purposes of reporting and furnishing both offer of coverage and enrollment information (meaning the information that would be reported on Parts II and III of Form 1095-C) should file Forms 1094-C and 1095-C to report the information for employees on behalf of the Governmental Unit.

**Column (a).** Enter the name of each covered individual (including the employee, if the employee is enrolled in self-insured coverage).

**Column (b).** Enter the 9-digit SSN for each covered individual, including the dashes. For covered individuals who are not the employee listed in Part I, a taxpayer identification number (TIN), rather than an SSN, may be entered if the covered individual does not have an SSN, or the field may be left blank if the covered individual does not have a TIN.

**Column (c).** Enter a date of birth (YYYY-MM-DD) for the covered individual only if column (b) is blank.

**Column (d).** Check this box if the individual was covered for at least one day per month for all 12 months of the calendar year.

**Column (e).** If the individual was not covered for all 12 months of the calendar year, check the applicable box(es) for the month(s) in which the individual was covered for at least one day in the month.

## Definitions

This section contains the definitions of key terms used in Forms 1094-C and 1095-C and these instructions. For definitions of