



Complying with the IRS's Affordable Care Act Reporting Requirements

**Webinar Presented November 19, 2015 by
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Definitions

Applicable Large Employer: Any employer who has employed an average of 50 or more *full-time equivalent* employees during the preceding calendar year. In these materials, an “applicable large employer” is referred to as a “covered employer.” See below.

Covered Employers: Sometimes referred to as “*Applicable Large Employers*” or “*ALEs*,” these are employers who have an average 50 or more full-time employees. For 2015, all covered employers must file Forms 1094-C and 1095-C, but only employers with 100 or more employees will be subject to penalties for failing to offer coverage or for offering inadequate coverage. In 2016, all covered employers will be subject to employer mandate penalties.

Covered Employer Self-Funded Plan Reporting Exception: Allows covered employers who would normally have to provide plan participants with a copy of Form 1095-B (in their role as plan issuers) along with a copy of Form 1095-C (in their role as employer) to provide the information required by Form 1095-B in Part III of Form 1095-C. Small employers not covered by the ACA’s employer mandate who have self-funded plans cannot take advantage of this exception and must file Form 1095-B information on Form 1095-B itself.

Full-time Employee: An employee who works an average of at least 30 hours of service per week in any given calendar month.

Full-time Equivalent Employee (FTE): A combination of employees, each of whom individually does not qualify as a full-time employee because s/he does not work an average of least 30 hours per week but who in combination are counted as the equivalent of a full-time employee solely for the purposes of determining whether an employer is an applicable large employer.

Form 1095-B: This is the form on which issuers of health insurance coverage report the names of employees covered by employer-sponsored group health plans to employee participants and to the IRS to allow it to enforce the individual mandate.

Form 1094-B: This is the summary transmittal form which accompanies the Forms 1095-B submitted by health insurance issuers, including small employers who are not covered by the ACA but who offer health insurance through a self-funded plan like the NCLM Municipal Insurance Trust.

Form 1095-C: This is the form on which employers covered by the ACA report offers of coverage to employees to the IRS to allow it to enforce the employer mandate. Covered employers who offer health insurance through a fully-insured plan must issue a Form 1095-C for each employee who received an offer of health insurance coverage for at least one month of the

year. Covered employers who are self-insured may use Form 1095-C to report their Form 1094-C information at the same time and streamline their reporting.

Form 1094-C: This is the summary transmittal form which accompanies the Forms 1095-C submitted by employers.

Internal Revenue Code § 6055 (26 U.S.C. § 6055): Requires health insurance companies who issue plans and self-insured employers to provide individual statements to individuals they cover saying whether or not they provided *minimum essential coverage* satisfying the individual mandate to that person. The reporting to individuals is done on IRS *Forms 1095-B*, copies of which are submitted to the IRS with IRS *Form 1094-B*, which is a transmittal cover sheet that aggregates the information contained in the Forms 1095-B.

Internal Revenue Code § 6056 (26 U.S.C. § 6056): Requires *covered employers* (called “applicable large employers” or “ALEs” under the ACA) and small employers who offer health insurance coverage through group health plans to provide individual statements to every person who was a *full-time employee* for at least one month of the preceding calendar year showing whether that employee, spouse and/or dependents were offered health insurance and, if so, the amount of the lowest cost, employee-only premium. If the employer has offered group health insurance coverage to part-time employees, the employer must also furnish this statement to those part-time employees who enrolled in the coverage. The reporting to individuals is done on IRS *Forms 1095-C*, copies of which are submitted to the IRS with IRS *Form 1094-C*, which is a transmittal cover sheet that aggregates the information contained in the Forms 1095-C.

Limited Non-assessment Period: A period during which an employee is not counted for the purposes of assessing the no-coverage and the inadequate-coverage penalties. For the purposes of reporting on Forms 1094-C and 1095-C, an employee in a limited non-assessment period is not considered a full-time employee during that period.

Minimum Essential Coverage (MEC): This is coverage that satisfies an individual’s obligation to have health insurance coverage under the individual mandate. For the purpose of Forms 1094 and 1095 reporting, the IRS instructs that “minimum essential coverage refers to health coverage under an eligible employer-sponsored plan.” *An eligible employer sponsored plan* is defined as group health insurance coverage for employees under an insured plan, a grandfathered plan offered in a group market, or a self-insured plan for employees.

Minimum Value: For an employer to avoid the inadequate-coverage penalty, it must offer minimum essential coverage that is affordable and provides “minimum value.” In general, a plan provides minimum value if it covers at least 60% of the total allowed costs of benefits that could be expected to be incurred under the plan if the plan applied to a statistically standard population. HHS and the IRS have provided a minimum value calculator. (To download the minimum value

calculator, google “aca minimum value calculator” and click on the XLS link for the cms.gov website.) To determine whether a plan provides minimum value, an employer would enter certain information into the calculator, such as deductibles and co-pays, and the calculator applies the data related to the statistically standard population and determined whether the plan provides minimum value.

In reality, this is a calculation that may be beyond the capacity of individual employers to make. Employers may have to rely on brokers to insure that the plans offered by the employer do in fact provide minimum value, but employers will have to report to the IRS that their plan provides minimum value and make the same statement to employees.

Qualifying Offer: An offer of minimum essential coverage that provides minimum value made to a full-time employee for whom a no-coverage or inadequate coverage penalty could apply. The employee cost for employee-only coverage cannot exceed 9.5% of the federal poverty line for single persons divided by 12, provided that the offer includes an offer of minimum essential coverage to the employee’s spouse and dependents.

Overview

The Affordable Care Act¹ requires virtually all individuals to secure health insurance that provides “minimum essential coverage,” or pay a penalty. That’s the “individual mandate.” To help individuals meet this mandate, the federal government set up on-line health insurance exchanges, designed to make it simpler for individuals who do not get health insurance coverage through their employment to purchase it.

The ACA also requires larger employers to offer insurance that provides “minimum essential coverage” to their full-time employees, or pay a penalty. That’s the “employer mandate.” Employers with 50 or more full-time equivalent employees have this obligation starting with 2015 (although no penalties will be imposed on employers under 100 full-time equivalent employees for 2015 only).

Together, these mandates make up what is called the “shared responsibility” for ensuring that individuals have health insurance coverage—an obligation that rests both with individuals and an obligation that rests with employers that have at least 50 full-time equivalent employees.

What is “minimum essential coverage?” The accurate but non-helpful answer is that it is the kind of coverage that allows an individual to meet his or her responsibility to acquire coverage and the kind of coverage that larger employers are required to offer to their employees. The practical answer is that the kinds of coverage that insurers may offer on the health insurance exchanges for individual purchase qualify as minimum essential coverage, and the kinds of coverage that employers may offer to their employees through insurance contracts or by self-insuring—including COBRA coverage—qualify as minimum essential coverage. Medicare and Medicare Advantage plans qualify. If an employer is offering coverage that meets the requirements on coverage imposed by the ACA, it is offering minimum essential coverage. In a few cases, even employer-sponsored coverage that does not meet all the requirements imposed by the ACA is still considered to provide minimum essential coverage if the plan is a “grandfathered plan,” such as the North Carolina State Health Plan.

¹ The Patient Protection and Affordable Care Act (Pub. L. 111-148) and the Health Care and Education Reconciliation Act (Pub. L. 111-152), both enacted by Congress and signed by President Obama in 2010, are commonly referred to together as the “Affordable Care Act” or “ACA.”

Tracking the Individual Mandate

The federal government needs to know which individuals have minimum essential coverage and which do not. With that knowledge, it can determine who must pay the penalty for failure to secure coverage (that's the stick) and it can determine which individuals may qualify for a tax credit to help them afford the required coverage.

How is the federal government going to know whether individuals have coverage? It will go after that information in two ways. First, it will ask each individual who files an income tax return with the Internal Revenue Service about their coverage. Line 61 on the 2015 Form 1040 will ask whether the individual filing the return had coverage for every month of the year. If the answer is Yes, that's the end of the inquiry. If the answer is No, the individual will have to turn to another form to figure out the amount of the penalty, if any, or whether a tax credit is available.

Second, the IRS knows that not every individual will answer the Line 61 question correctly—some individuals may not be truthful and others may simply not understand what is being asked of them (after all the form itself uses the term “minimum essential coverage.”). For that reason, the IRS will require, beginning in 2016 for the coverage year 2015, that every provider of “minimum essential coverage” for every individual in the country must report that information to the IRS and to the individuals themselves. This is known as the “6055” reporting requirement, after the relevant code section in the Internal Revenue Code.

Who must report the 6055 individual mandate coverage information? The short answer is: anyone who provides “minimum essential coverage” to any individual. For employers who offer to their employees fully-insured plans (that is, plans offered under an insurance contract with an insurance carrier), the insurance carrier will file the 6055 individual mandate coverage reports. For employers who offer minimum essential coverage to their employee through a self-insured plan (perhaps using a third party administrator but not involving an insurance contract with an insurance carrier), the responsibility to report the 6055 individual mandate coverage rests with the employer.

How is the 6055 individual mandate coverage information reported? That depends on whether it is the insurance company reporting (because the employer is offering a fully insured plan) or it is the employer reporting (because the employer is offering a self-insured plan).

Where the obligation rests with the insurance company to report the 6055 minimum essential coverage information, the insurance company will report that information by using Form 1094 B and Form 1095 B. It files both forms with the IRS (just one 1094 B for all

employees covered under the employer's plan and lots of 1095 B's—one for each individual employee). It also provides to each employee a 1095 B for that employee.

Where the obligation rests with the employer to report the 6055 minimum essential coverage information, the employer may choose to file the information on Form 1094 B and Form 1095 B in the same way that an insurance company would. But, since the employer is going to have to report information on each employee under the employer's Section 6056 reporting requirement anyway (which we will get to in just a moment), the employer is allowed by the IRS rules to file that information on Form 1094 C and Form 1095 C, and not file the 1094 B and 1095 B forms at all. The IRS and the employee will get the relevant information through the "C" forms filings.

Tracking the Employer Mandate

The federal government needs to know which employers are meeting their obligation to offer minimum essential coverage to full-time employees and which are not. With that knowledge, it can determine which employers must pay the penalty for failure to offer the required coverage.

How is the federal government going to know whether an employer is meeting this obligation? It is requiring employers to report to the IRS—and to the individual employees—particulars of offers of coverage to individual employees. That is, the employer must tell the IRS about its offers of coverage (on a month to month to month basis) to every full-time employee. This is known as the "6056" reporting requirement, after the relevant code section in the Internal Revenue Code. It contrasts with the "6055" individual mandate reporting that is discussed above, and it is easy to confuse the two since the numbers are so similar.

Who must report the 6056 employer mandate offer-of-coverage coverage information?
Every employer with 50 or more full-time equivalent employees must offer to its full time employees "minimum essential coverage" and must report that offer of coverage to the IRS and to the employees themselves.

As those who have been through the exercise can attest, it may not be so easy to determine whether an employer has 50 or more full-time equivalent employees (and so is covered by the employer mandate) and it may not be so easy to figure out which employees are full-time employees for purposes of the ACA and thus entitled to an offer of coverage. Figuring out those questions is the subject of a School of Government webinar from late 2014, "Understanding the Affordable Care Act: What Employers Need to Know," which has been retitled by the web designers as "Affordable Care Act Webinar On-Demand" and is available for

purchase or access at <http://www.sog.unc.edu/courses/webinars/affordable-health-care-act-webinar-demand>

But if an employer does have 50 or more full-time equivalent employees, it must offer minimum essential coverage to its full-time employees and must report those individual offers to the IRS and to the employees themselves. This basic reporting requirement has two important side notes.

First, for 2015 only, an employer with 50 or more full-time equivalent employees but less than 100 will not be assessed a penalty for failure to offer coverage to some or all full-time employees. The federal government has recognized that it has been difficult for employers to get fully prepared for the employer-mandate offer-of-coverage requirements and has put into place several elements of “transitional relief.” This is one of them. Employers between 50 and 99 full-time equivalent employees will not be penalized for failure to offer minimum essential coverage to particular employees during 2015. But those employers are not relieved of their 6056 reporting requirement. Employers between 50 and 99 full-time equivalent employees must still report to the IRS and to their employees the required offer-of-coverage information, they just will not face penalties when what they report shows that they have fallen short of what the ACA requires.

Second, if an employer with fewer than 50 full-time equivalent employees offers minimum essential coverage to its employees (even though it is not required by the ACA to do so), through a self-insured plan, it must report that information to the IRS and to the employees to fulfill its 6055 reporting requirement as the offer of minimum essential coverage. That 6055 reporting obligation is typically met through reporting on Forms 1094 B and 1095 B, and the under-50 employer may report that way, or it may choose to report using the Forms 1094 C and 1095 C as if it were a larger employer covered by the employer mandate.

How is the 6056 employer mandate offer-of-coverage information reported? Employers with 50 or more full-time equivalent employees will report its offer-of-coverage information by using Form 1094 C and Form 1095 C. It files both forms with the IRS (just one 1094 C for all employees covered under the employer’s plan and lots of 1095 C’s—one for each individual employee). It also provides to each employee a 1095 C for that employee.

Just how to fill out the “C” forms—the 1094 C and the 1095 C—are the subject of much of this webinar.

Managing the Reporting Obligation

The obligation imposed on employers of 50 or more full-time equivalent employees is significant. Employers must keep track, month-by-month, of which employees are full-time employees who are entitled by the law to an offer of minimum essential coverage and then must report that information to the IRS (and to the employees themselves) using Form 1094 C and Form 1095 C.

How is an employer to manage this responsibility, especially the reporting obligation? The employer has three basic options. First, it can keep track of all the relevant information in-house, using its own employees and its own tracking systems, and it can fill out the forms in-house and report to the IRS and to employees itself. Second, it can keep track of the relevant information itself and accumulate into reporting formats, but then engage a third party to report to the IRS and to employees, using the third party's software. That relieves the employer of the need to interface directly with the IRS, but it cannot, of course, relieve the employer of its ultimate obligation to see that the information is correctly reported. Third, the employer can contract with a third party to keep track of the relevant information for employees, make the determinations as to who is a full-time employee for ACA purposes entitled to an offer of coverage, accumulate the information into reporting formats, fill out the forms and report to the IRS and the employees. This alternative similarly does not relieve the employer of its potential liability for penalties if the information is incorrectly reported.

Special Rules for 2015

The reporting requirements under the individual mandate (the “6055” reporting) on Forms 1094 B and 1095 B, and the reporting requirements under the employer mandate (the “6056” reporting) on forms 1094 C and 1095 C, are effective in the spring of 2016, reporting about coverage and offers of coverage in 2015. For 2015, the first year in which the ACA requirements have been in place and the first year for which penalties may be imposed, there are four special rules, adopted by the federal government in recognition of the difficulties of moving to these new substantive and reporting requirements.

Special rule # 1. The first of the special rules is discussed above. For employers with between 50 and 99 full-time equivalent employees, for 2015 only no penalties will be assessed for failure to make offers of coverage to full-time employees. The obligations to report 6056 information on Forms 1094 C and 1095 C still apply. There is no relief from the reporting obligation. It's just that if the reported information reveals a violation, no penalty will be imposed. For employers of 100 or more full-time equivalent employees, this relief does not

apply, and for 2016 obligations (which will be reported in 2017), there will be no such relief for employers between 50 and 100 full-time equivalent employees.

Special rule # 2. For employers with 100 or more full-time employees, there is no relief from the possibility of penalties in 2015. But there is special relief, for 2015 only, that will reduce any penalties owed by an employer who is required to offer coverage but does not. The penalty involves a mathematical calculation. You multiply \$167.67 times the number of full-time employees in a month who should have been offered coverage for each month. That gives you the penalty amount. But in doing the calculation, you subtract 30 from the number of employees. So, it's the number of employees minus 30 that is multiplied by the \$167.67. For 2015 only, the number to be subtracted is 80, not 30. That will, obviously, reduce the penalty.

Special rule # 3. There is the possibility of a delay in the assessment of penalties for coverage plans that are on a non-calendar year. See the discussion on page ____ of these materials.

Special rule # 4. This is a biggie. If you are an employer who is obligated to do the 6055 or 6056 reporting, and you fail to report at all, you will be subject to reporting penalties specified in the ACA. But, for 2015 only, the IRS will not impose penalties on employers "for incorrect or incomplete information reported on the (IRS) return or (employee) statement" if the employers "can show that they have made good faith efforts to comply with the information reporting requirements." So go at it in good faith, try your best, and you will not face penalties for incorrect reporting in 2015.

Form 1094-C (Transmittal for Form 1095-C)

Overview

An employer must file a Form 1094-C whenever it files one or more Forms 1095-C. Forms 1095-C are filed in batches, so an employer may choose to file all Forms 1095-C with a single Form 1094-C or it could choose to file its Forms 1095-C by department, for example, with a Form 1094-C transmittal form for each department. An employer must, however, file one (and only one) Form 1094-C with all of the aggregated information for the all of the Form 1095-C filed by the employer. This is known as the **Authoritative Transmittal** and the individual form so designated must be identified as such on **line 19** of Part 1 of Form 1094-C.

Line-By-Line Description:

Local government employers will fill out **lines 1 – 8** of Form 1094-C. The information asked for is, for the most part, self-explanatory, and includes name of the employer and the employer tax identification number, among other things. **Lines 7 and 8** ask for the name of person and phone number of the person that the IRS should contact if it has any questions.

Local government employers may ignore and leave **lines 11 – 17** blank. This section is for use by governmental employers for whom another agency will do the reporting and primarily affects agencies of state and federal government.

In **line 18**, employers should enter the total number of Forms 1095-C that will be transmitted with this Form 1094-C. If an employer is filing its Forms 1095-C by department or by some other grouping, it will have multiple Form 1094-C transmittal sheets and **line 18** should show the number of Forms 1095-C that are being filed with this particular transmittal sheet.

In **line 19**, employers must indicate whether this particular transmittal sheet is the **Authoritative Transmittal** for that employer by checking the “yes” box. If an employer is using only one Form 1094-C transmittal sheet and is filing all of its Forms 1095-C together, it should answer “yes.” If an employer is filing Forms 1095-C in batches, then one of Forms 1094-C will be the Authoritative Transmittal, should be identified as such by marking the “yes” box, *and that form should contain aggregate information about **all** of the employer’s employees, not just the employees in the batch that is being transmitted.* Employers should leave **line 19** blank on all of the other Forms 1094-C transmittal forms, indicating that these are not Authoritative Transmittals containing data about all employees and should fill out the remainder of the form with data summarizing what it is reporting in only those Forms 1095-C that accompany it.

Lines 20 – 22 should only be filled out if the particular Form 1094-C is the **Authoritative Transmittal**. Employers submitting Forms 1095-C in multiple batches should leave **lines 20-22** blank on those additional Forms 1094-C that are not the Authoritative Transmittal.

On **line 20** of the Form 1094-C that is the Authoritative Transmittal, employers should enter the **total** number of individual Forms 1095-C that it will be filing. This number should include both the number of Forms 1095-C filed with the Authoritative Transmittal and all other Forms 1095-C filed with other Form 1094-C transmittal sheets.

Local government employers will answer “**no**” to **line 21**. An aggregated ALE group is one where several separate organizations (usually private-sector companies) have a common owner or are otherwise related for the purposes of the Internal Revenue Code. These organizations are generally combined and treated as a single employer for determining when an employer is covered by the ACA’s employer mandate.

Line 22 asks the employer to certify whether it is eligible a) to use the Qualifying Offer Method, b) for Qualifying Offer Method Transition Relief, c) for Section 4980H Transition Relief, and d) to use the 98% Offer Method. Employers should check all methods of reporting and all forms of transition relief for which it is eligible.

A Qualifying Offer is an offer of minimum essential coverage (MEC) (that is, employer-sponsored health coverage) that provides minimum value made to a full-time employee for whom a no-coverage or inadequate coverage penalty could apply. The employee cost for employee-only coverage cannot exceed 9.5% of the federal poverty line for single persons divided by 12, provided that the offer includes an offer of minimum essential coverage to the employee’s spouse and dependents.

*The Qualifying Offer Method itself is a simplified method of reporting information required by lines 14 and 15 of Form 1095-C. To use this simplified method, an employer must have made and must certify that it made a “qualifying offer” of coverage to one or more of its full-time employees for all of the months of the year in which an employee was one for whom a shared responsibility penalty could apply by checking *line 22, Box A, “Qualifying Offer Method.”* Information on how to report using the Qualifying Offer Method may be found in the section on Form 1095-C. In addition, employers who are eligible for the Qualifying Offer Method may provide alternate statements in place of Form 1095-C to employees who received Qualifying Offers for all twelve months of 2015. See the section on Alternative Methods of Furnishing Form 1095-C.*

Qualifying Offer Method Transition Relief for 2015 is available to an employer who certifies that it made a Qualifying Offer to 95% or more of its full-time employees for at least one month of 2015. The “relief” is the ability to provide alternate statements in place of Form 1095-C to employees who did not receive any offer of coverage and to those who did not receive Qualifying Offers for all twelve months. See the section on Alternative Methods of Furnishing Form 1095-C.

Section 4980H Transition Relief refers to the two different kinds of relief from the no-coverage and inadequate coverage employer mandate penalties, both of which are described on pp. _____. Both employers eligible for the transition relief for employers with 50 – 99 employees and employers eligible for transition relief for employers with 100 or more employees should check this box.

The 98% Offer Method is available to an employer who certifies that it affordable, minimum value health insurance for all of the months during which an employee was an employee and not in a limited non-assessment period to 98% or more of those employees for whom it must file a Form

1095-C. The employer must also have made an offer of minimum essential coverage (MEC) to the employees' dependents. Employers using the 98% Offer Method do not have to identify which employees are full-time employees and is not required to complete *Part III, lines 23-35, column (b) "Full-Time Employee Count."*

Part III of Form 1094-C (**lines 23 – 35**) asks for month-by-month information about the numbers of employees receiving offers of health insurance coverage. **Line 23, column (a)**, asks whether the employer offered minimum essential coverage (**MEC**) (in other words, its health insurance plan) to 95% of its full-time employees and their dependents for all twelve months of the reporting year. Employees in a limited non-assessment period should *not* be counted for those months when calculating the number of full-time employees who received offers of coverage.

An employer who checks “no,” in **line 23, column (a)**, because it did not offer minimum essential coverage to 95% of its full-time employees and dependents for all twelve months of the year, should continue down **column (a)**, indicating for each month of the year (**lines 24 – 35**) whether it offered **MEC** to 95% of full-time employees and dependents in that month.

In **column (b) of lines 23-35**, the employer should report the average number of full-time employees for the year. If the employer had exactly the same number of full-time employees each month of the reporting year, it should enter that number in **line 23, column (b)**. If, as will be more often the case, the employer has had different numbers of full-time employees in different months of the year, the employer should enter the number of full-time employees for each month in **lines 24 – 35, column (b)**. Here, as in column (a), employers should *not* include employees in a limited non-assessment period when calculating the number of full-time employees for any month.

Column (c) of lines 23 – 25 asks employers to report the total number of employees, including full-time, part-time *and* employees in limited non-assessment periods, that it has had each month of the reporting year. If the employer has had the exact same total number of employees each month of the year, it may enter that number in **line 23, column (c)**. If it has not, it should report the total number of employees it has had each month in **lines 24 – 35, column (c)**.

Employers must use a consistent method to count the number of employees. The IRS allows employers to choose among the following, provided that it uses the same method for each month of that reporting year:

- the first day of the month;
- the last day of the month;
- the first day of the first full payroll period of the month; or
- the last day of the first full payroll period of the month.

Local government employer should leave **column (d) of lines 23 – 35** blank as they will be not be members of an aggregated control group.

Column (e) is important for those employers claiming 2015 transition relief from the no-coverage or the inadequate coverage penalties. Employers who marked box “c” on **line 22** and who are claiming relief on the basis that they have had only 50 – 99 employees during 2014 and 2015, should enter indicator code “A” in **line 23, column (e)**. Employers with 100 or more employees in 2015 who are claiming transition relief should enter indicator code “B” in **line 23, column (e)**.

Local government employers do **not** need to fill out **Part IV** of the Form 1094-C transmittal sheet because they are not members of an aggregated applicable large employer group.

Form 1095-C

Overview

One Form 1095-C must be filed for each full-time employee of an employer. Form 1095-C may only be used if the individual identified in line 1 has a social security number.

All local government employers – both those offering fully insured group health plans and those offering self-insured group health plans – must fill out and file a Form 1095-C for every employee to whom they have made an offer of coverage, whether or not the employee has accepted the offer and enrolled in employer-sponsored coverage. If an employer has made offers of coverage to 135 employees, it will have to file 135 individual Forms 1095-C. Dependents covered through an employee are listed on the same Form 1095-C as the employee.

Employers offering health insurance coverage through fully-insured plans must fill out only Parts I and II. The information that is requested in Part III will be given to the IRS by the insurer. Self-insured employers must fill out Parts I, II and III. The information requested in Part III is the same information requested of health insurance issuers in Form 1095-B. A self-insured employer who fills out Part III of Form 1095-C for a given employee does not have to issue Form 1095-B for that same employee.

Line-by-Line Description:

Lines 1 – 6 of Form 1095-C are self-explanatory, asking for identifying information about the employee.

Lines 7 – 13 are equally self-explanatory, asking for identifying information about the reporting employer. **Line 10** asks for the telephone number of the person the employee may call for further information about the information reported on Form 1095-C. This may or may not be the same person listed in Lines 7 and 8 of Form 1094-C, the contact for questions the IRS may have about the information reported in Form 1094-C, but since Form 1094-C reports aggregate information derived from the individual Forms 1095-C, it makes the most sense for the same person or office to be listed on both forms.

Note on entering employee social security numbers and employer identification numbers (EINs): The IRS permits employers to truncate employee social security number on the forms given to the employees themselves by using stars (*) or the letter X for the first five numbers of the social security number and providing the correct last four numbers. The forms provided to the IRS, however, must have the full social security number. The full EIN must be provided on all forms given to both employees and the IRS without exception.

Part II, beginning with Line 14, is where Form 1095-C starts to get complicated. **Line 14** seeks information about offers of coverage that will help the IRS enforce the individual mandate. **Line 15** seeks information about the lowest-cost, employee-only premium amount that an employee must contribute for coverage. This information will allow the IRS to determine whether that employee is eligible for a premium tax credit. **Line 16** seeks information about whether a covered employer is fulfilling its obligations under the employer mandate to provide health insurance to its employees and dependents that is affordable and provides minimum value. The form asks for information on a monthly basis because the IRS evaluates compliance with the employer mandate on a monthly basis and will impose penalties on a monthly basis.

Filling Out Part II of Form 1095-C

On the left hand side of the page, along the same line that says “**Part II Employee Offer and Coverage**,” Form 1095-C asks for “**Plan Start Month** (Enter 2-digit number).” This information is optional for the 2015 reporting year, but will be mandatory in 2016. The IRS is seeking information here about the month in which the health plan year begins. If it is a calendar year plan, the employer would enter “01” for January. If it is a fiscal plan year, the employer would enter “07” for July. If the plan year begins in October, the employer would enter “10.” Employers who do not offer health insurance coverage should enter “00.”

Line 14 asks the employer with respect to the employee identified in Part 1 whether it offered the employee and his or her dependents health coverage each calendar month of the year. To fulfill the employer mandate for a calendar month, coverage must be offered for every day of that month. In most cases, for any given month, employees who have received an offer of coverage or who are actually enrolled in the employer’s plan will satisfy this requirement. Resignations or terminations that become effective on something other than the first or last day of a month mean that the employee in question has not been offered coverage for that month.

Each of lines 14, 15, and 16 make use of nine different indicator codes for reporting the several different kinds of answers that an employer might have for each question depending on the facts about each employee. These indicator codes are meant to make life easier.

Line 14: For **line 14**, employers must use **Code Series 1**, which is listed at the end of this section. It may also be found on page 10 of the IRS’ “2015 Instructions for Forms 1094-C and 1095-C” (<https://www.irs.gov/pub/irs-prior/i109495c--2015.pdf>).

An employer who made an offer of coverage to an employee for all twelve months of the year, or who made no offer of coverage to an employee in any months of the year will enter the appropriate Code Series 1 indicator code in **the box marked “All 12 Months” on line 14**. Where an employee has not received an offer of coverage for all twelve months, the employer should report either the kind of offer made or that no offer was made in each of the boxes

corresponding to the individual months of the year. Employers must fill in an indicator code for each month even if the employee was not a full-time employee for some of those months.

The most commonly used indicator codes for **line 14** are likely to be:

1A: A qualifying offer of coverage was made to the employee and all of his or her dependents, if any. A qualifying offer means an offer of minimum essential coverage (**MEC**) that provides minimum value (note that any employer-sponsored policy will offer MEC because those ACA provisions applicable to health insurer issuers require that they offer MEC). The employee's contribution for self-only coverage must be equal to or less than 9.5% of the mainland single federal poverty line or qualify as affordable under one of the ACA's safe-harbor provisions (see page ____).

1H: The employer made no offer of coverage to the employee or offered coverage that was not minimum essential coverage (for example, vision and dental coverage or medical coverage that does not include hospitalization). Employers *with fully insured health plans* will use this indicator code for employees who were hired during the course of the year for those months during which they were either not employees or were in a limited non-assessment period.

1G: Self-insured employers will use this indicator code for employees who have received an offer of coverage for at least one month of the year and were either a) part-time employees for some part of the calendar year or b) hired during the course of the year, for those months during which they were not full-time, were not employees or were in a limited non-assessment period.

When an employer enters indicator code 1A on line 14, it is using the Qualifying Offer Method of reporting. Under the Qualifying Offer Method, instead of reporting the lowest-cost monthly premium paid by the employee for self-only coverage on line 15, the employer enters the indicator code 1A on line 14 of Form 1095-C and leaves line 15 blank. The employer should enter indicator code 1A for each month that it made a qualifying offer to the employee. For some employees this will be for all twelve months, for others, it may be for fewer than twelve months. If an employee has only received a qualifying offer for the months of July through December, for example, the employer should enter indicator code 1A on line 14 for each of those months and leave line 15 blank. For the months of January through June, during which the employee did not receive a qualifying offer (as in the case of a variable hour or new employee), the employer should enter the appropriate offer indicator code on line 14 and enter the dollar amount of the lowest-cost employee-only monthly premium for that month on line 15.

Line 15: An employer using indicator code 1A on line 14 does not need to fill in **line 15**. An employer will only need to report on **line 15** if it has entered indicator code 1B, 1C, 1D or 1E for an employee for any month on line 14. Indicator codes 1B, 1C, 1D and 1E report that offers of minimum essential coverage (**MEC**) were made to the employee only, the employee and

dependents, the employee and spouse, or the employee, spouse and dependents respectively, but that coverage, although providing minimum value, was not affordable.

If an employer has entered indicator codes 1B, 1C, 1D or 1E on line 14, it must now enter on **line 15** the amount of the *employee-only share* of the lowest-cost monthly premium for self-only coverage that provides minimum value – that is, the cost for the coverage reported by indicator codes 1B, 1C, 1D or 1E on line 14. Many local government employers are still able to offer employee-only coverage without any cost to the employee. If that is the case, the employer should enter “**0.00**” in either the “All 12 Months” column or for those months for which the offer was made (these will be the same months for which indicator codes 1B, 1C, 1D or 1E was entered on line 14). The form will be considered incomplete if the employer leaves the boxes on line 15 blank because the employer paid the entire cost of the employee-only premium – it must enter “0.00.” Otherwise, enter the employee’s share of the employee-only premium on a monthly basis on **line 15**.

The employee may have, of course, elected to enroll in a higher-tier plan offering increased coverage at a higher price. Alternatively, the employee may have chosen dependent or spouse and dependent coverage. In either case, the employee would now be making a contribution to coverage, either for the more expensive plan or for coverage of his or her family. That information is **not** reported on **line 15**. The only thing that gets reported is the amount that the employee’s share of the *lowest cost*, **employee-only** premium would be if that is what the employee had elected. And that is only if indicator codes 1B, 1C, 1D or 1E was entered on line 14.

Line 16: In line 16, employers are to enter whichever of the **Code Series 2** indicator codes is applicable to the individual employee who is the subject of the Form 1095-C. Code Series 2 may be found at the end of this section or on page 11 of the IRS’ “2015 Instructions for Forms 1094-C and 1095-C” (<https://www.irs.gov/pub/irs-prior/i109495c--2015.pdf>).

Code Series 2 covers a number of different kinds of circumstances. The Code Series 2 indicator codes likely to see the most frequent use are:

2A: The individual was not an employee on any day of that month.

2B: This indicator code will be used in several different circumstances. Enter “2B” if the individual was not a full-time employee (averaging 30 hours of service per week) and did not receive an offer of coverage. Enter “2B” if the individual was not a full-time employee and received an offer of coverage, but did not enroll in minimum essential coverage. Enter “2B” if the employee’s coverage or offer of coverage ended before the last day of the month because he or she was terminated. Enter “2B” if the employee was first offered health coverage by the first

day of the first payroll period that began in January 2015 and the coverage was affordable and provided minimum value.

2C: This is the indicator code to use when an employee has been enrolled in coverage every day of that month. If an employee has been enrolled in coverage every day of each month of the year, enter “2C” in the box for “All 12 Months.” ***This indicator code trumps any other indicator code that may be applicable and should be used whenever it applies.***

2D: Enter indicator code “2D” for any month during which an employee is in a limited non-assessment period. This includes variable hour employees during their initial measurement period.

Part III, lines 17 and following

Only employers with self-insured plans need to fill out Part III. Employers with fully-insured plans do not need to provide the information in Part III because their insurers will be reporting that information to the IRS.

Lines 17 – 34 of Form 1095-C provide spaces for a self-insured employer to enter information about other members of the employee’s family who are enrolled in coverage through the employer’s self-insured plan. For spouses or dependents who have been enrolled in employer coverage for all twelve months, the employer should enter an “X” or a check mark in **column (d)** (“Covered all 12 months”). If a spouse or dependent has been enrolled in the employer’s plan for less than the entire year, the employer should indicate those months during which the person was enrolled for all of the days of that month.

Forms 1094-B and 1095-B

Overview

The “B” series of ACA reporting forms are required of any issuer of health insurance plans providing minimum essential coverage (MEC). Employers offering health coverage through fully-insured plans are sponsors, but not issuers of health insurance. They have no responsibility to file Forms 1094-B and 1095-B. The health insurers with whom they have contracted will send Form 1095-B to their employees and copies (along with Form 1094-B, a transmittal cover sheet) to the IRS. Employers offering health coverage through self-insured plans are both sponsors *and* issuers of health insurance. Self-insured employers are therefore required to provide both employees and the IRS with the substantive information solicited on Form 1095-B. Self-insured employers must fill out one Form 1095-B for each employee who has enrolled in health coverage. Form 1095-B does not required information about employees who were offered but did not enroll in health coverage or who were not offered coverage.

Self-insured employers who are covered employers, that is, those with 50 or more full-time equivalent employees, have dual reporting requirements. As issuers of health insurance coverage, they must report information related to the individual mandate on Form 1095-B and as employers sponsoring health coverage, they must report information related to the employer mandate on Form 1095-C. To simplify reporting for self-insured employers, the IRS allows them to report the information requested on Form 1095-B in Part III of Form 1095-C instead.

Do any employers have to file Forms 1094-B and 1095-B then? The answer to that question is “yes.” Small employers not covered by the ACA’s employer mandate do not have to file Forms 1094-C and 1095-C since they cannot be subject to penalties for failure to provide coverage. But if a small employer offers health coverage and is self-insured, it must file Form 1094-B and 1095-B in its role as *issuer* of health insurance. Small employer who offer health coverage through a fully-insured plan have no reporting responsibilities at all.

Line-by-Line Description: Form 1094-B

Form 1094-B is the transmittal form, or cover sheet, for a self-insured small employer’s batch of Forms 1095-B. It is entirely self-explanatory, asking for the issuing employer’s name and employer identification number, address, the name and telephone number of a contact person and for the total number of Forms 1095-B that are being submitted with the Form 1094-B transmittal sheet.

Line-by-Line Description: Form 1095-B

One Form 1095-B must be completed for each employee who is enrolled in the employer’s self-insured plan. **Line 1** asks for the name of the “responsible individual.” You

should enter the name of the enrolled employee in this box. The term “responsible individual” is used with health insurers in mind and refers to the individual insured who would receive this statement from the insurer. In the case of self-insured employers, however, the employer is the insurer and the individual insured is the employee.

Lines 2 – 7 are self-explanatory.

In **line 8**, an employer should enter code “**B**” for “employer-sponsored coverage.”

Line 9 should be left blank.

Employers should leave **Part II, lines 10 -15**, blank. This is true notwithstanding the fact that the section is titled “Employer Sponsored Coverage.” Remember most of the organizations filling out Form 1095-B will be insurance companies. They will be reporting the name of the employer that they have contracted with to provide the health coverage. A self-insured employer does not need to do this.

Employer will identify itself in **Part III**, “Issuers or Other Coverage Provider” in **lines 16 -22**. The information requested is self-explanatory.

In **Part IV, lines 23 – 40**, the employer will enter information about the employee identified in line 1 and any spouse and/or dependents that are covered with that employee. **Columns (a), (b), and (c)** ask for identifying information – name and social security number, and date of birth is a social security number is not available. An employer should check the box in **column (d)**, “Covered all 12 months,” if the person identified in that line was covered for *at least one day of every month* in 2015.

If the individual was not covered for at least one day of every month, the employer should indicate in **column (e)** which months she or he was covered for at least one day by checking the box for that month.

That completes Forms 1094-B and 1095-B.

Indicator Code Series 1 for Use on Line 14 of Form 1095-C

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).

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.

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; 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 (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.

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. 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.

Indicator Code Series 2 for Use on Line 16 of Form 1095-C

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 one or more days 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 began 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 (other than code 2E) might also apply (for example, the code for a section 4980H affordability safe harbor). Do not enter 2C in line 16 if code 1G is entered in the All 12 Months Box in line 14 because the employee was not a full-time employee for any months of the calendar year. Do not enter code 2C in line 16 for any month in which a terminated employee is enrolled in COBRA continuation coverage (enter code 2A).

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).

[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. **Applies only to multiemployer plans that have been collectively bargained [check]**

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.

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.

2I. Non-calendar year transition relief applies to this employee. Enter code 2I if non-calendar year transition relief f 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.

Non-Calendar Year Plan Transitional Relief for 2015

Recognizing that non-calendar year plans would have some special challenges in preparing for ACA reporting, the final regulations provided for transitional relief for non-calendar year plans for 2015 only. To be eligible for this relief, a non-calendar year plan must have been in existence as of December 27, 2012, and must not have changed the starting date of the plan year after that date. There are three different forms of transitional relief for non-calendar year plans. The names the IRS has given them are cumbersome, but it is important to use the IRS's designations in order to be able to follow the IRS instructions for filling out Form 1095-C.

1. Pre-2015 Eligibility Transition Relief

This form of transitional relief allows an employer with a non-calendar year plan to treat any employee (and any dependents) as having been offered coverage for those months in 2015 that preceded the beginning of the 2015 plan year if they were

- offered affordable, minimum value coverage no later than the first day of the 2015 plan year, **and**
- offered coverage in accordance with the plan's eligibility requirements *as they existed on February 9, 2014 (in other words, the plan cannot have become more restrictive with respect to which employees are eligible to enroll)* **and**
- eligible to participate in the plan as of December 27, 2012 (or later if hired later).

Thus, in **Part III, lines 23-35, column (a) of Form 1094-C**, the employer offering a non-calendar year plan may indicate that the employee and dependents, if any, were offered coverage for all of the months of the year. The employer will not be assessed a no-coverage penalty for its employees for the months in 2015 that preceded the start of the 2015 plan year.

2. Significant Percentage Transition Relief (All Employees)

This second form of 2015 transitional relief for non-calendar year plans allows an employer to treat any employee (and any dependents) as having been offered coverage for those months in 2015 that preceded the beginning of the 2015 plan year if they were

- offered affordable, minimum value coverage no later than the first day of the 2015 plan year, **and**
- offered coverage in accordance with the plan's eligibility requirements as they existed on February 9, 2014 (in other words, the plan cannot have become more restrictive with respect to which employees are eligible to enroll) **and**

- one of the following is true:
 - either at least 25% of ***all*** employees (full-time and part-time) were enrolled in health coverage as of any date in the twelve months preceding February 9, 2014, **OR**
 - at least 33% of ***all*** employees were offered coverage during the most recent open enrollment period ending before February 9, 2014.

Employers who qualify for *Significant Percentage Transition Relief (All Employees)* will not be liable for the no-coverage or inadequate coverage penalty for any employee for those months that preceded the beginning of the 2015 plan year, regardless of whether that employee was offered coverage before the beginning of the 2015 plan year. This is in contrast with the *Pre-2015 Eligibility Transition Relief* discussed above, which requires that an employee have been eligible for coverage before the 2015 plan year.

Employers offering a non-calendar year plan who qualify for *Significant Percentage Transition Relief (All Employees)* may indicate in **Part III, lines 23-35, column (a) of Form 1094-C**, that all of its employee and dependents, if any, were offered coverage for all of the months of the year. The employer will not be assessed a no-coverage penalty for its employees for the months in 2015 that preceded the start of the 2015 plan year.

3. *Significant Percentage Transition Relief (Full-time Employees)*

This third form of transition relief for 2015 was adopted to grant transitional relief to covered employers with non-calendar year plans who do not qualify for the second form of relief *Significant Percentage Transition Relief (All Employees)* because they have a large number of part-time employees.

Significant Percentage Transition Relief (Full-time Employees) allows an employer to treat any employee (and any dependents) as having been offered coverage for those months in 2015 that preceded the beginning of the 2015 plan year if they were

- offered affordable, minimum value coverage no later than the first day of the 2015 plan year, **and**
- offered coverage in accordance with the plan's eligibility requirements as they existed on February 9, 2014 (in other words, the plan cannot have become more restrictive with respect to which employees are eligible to enroll) **and**

- one of the following is true:
 - at least 33% of *full-time* employees were enrolled in health care coverage as of any date in the twelve months immediately preceding February 9, 2014;
 - OR**
 - at least 50% of *full-time* employees were offered coverage during the most recent open enrollment period before February 9, 2014.

Employers who qualify for *Significant Percentage Transition Relief (Full-Time Employees)* will not be liable for the no-coverage or inadequate coverage penalty for any employee for those months that preceded the beginning of the 2015 plan year, regardless of whether that employee was offered coverage before the beginning of the 2015 plan year. This is in contrast with the *Pre-2015 Eligibility Transition Relief* discussed above, which requires that an employee have been eligible for coverage before the 2015 plan year.

Employers offering a non-calendar year plan who qualify for *Significant Percentage Transition Relief (Full-Time Employees)* must indicate in **Part III, lines 23-35, column (a) of Form 1094-C**, that all of its employee and dependents, if any, were offered coverage for all of the months of the year. The employer will not be assessed a no-coverage penalty for its employees for the months in 2015 that preceded the start of the 2015 plan year.

A Warning Applicable to All Three Forms of Transitional Relief for Non-Calendar Year Plans:

Employers with non-calendar year plans must still accurately report the terms of the coverage actually offered to each employee for each month on Form 1095-C so that the IRS may determine whether or not an employee qualifies for a premium tax credit. It is possible that an employee may qualify for a premium tax credit for those months in 2015 that precede the start of the plan's year even though the employer will not be assessed a no-coverage penalty by virtue of the transitional relief.

Note, however, that for any of the three forms of Transition Relief for Non-Calendar Year Plans to apply, an employer must still meet the requirement that it has offered coverage to at least 70% of its full-time employees and dependents. This latter requirement is itself a form of transition relief from the rule that employers must offer coverage to at least 95% of full-time employees and dependents, which will become effective for the 2016 reporting year.

COBRA Reporting

Consider the case of a full-time employee who has been offered minimum essential coverage and who has been participating in the employer's health plan. That employee may become ineligible to continue to participate in the health plan by ceasing to be a full time employee. That can happen in either of two ways. First, the employee's employment may be terminated altogether so that no longer is he or she an employee, full time or not, of the employer. Second, the employee's hours may be reduced so that no longer is that person a full-time employee and no longer is he or she eligible to participate in the health plan according to the terms of the plan. In either case, the person is likely to be eligible to continued health insurance coverage (at least for a period of time) under COBRA (an acronym for The Consolidated Omnibus Budget Reconciliation Act).

How is the employer to report the offer of coverage information for individuals in these circumstances?

Employment is Terminated

In the situation where the individual is no longer eligible to participate in the employer's health plan because employment has terminated, a counter-intuitive situation arises. The employer must make COBRA continuation coverage available to the former employee (which the former employee may accept or decline). But, according to the final instructions from the IRS for Form 1095 C, the offer of COBRA coverage is coded using Code 1H (meaning "no offer of coverage"). So, despite the fact that COBRA coverage is offered, the IRS is told that no offer of coverage was made to the former employee under the employer's health plan. The individual is also coded 2A, indicating that he or she is not an employee.

For the months of the year before the employment was terminated, the employer reports the offer of coverage in the regular course of things—the employee was offered coverage (using Code 1A or 1E or whatever is appropriate) and the employee was employed full-time (using Code 2C in all likelihood). For the month that the employee terminated and for subsequent months, the former employee is coded as "no offer of coverage" (using Code 1H) and as not an employee for the month of termination and subsequent months of the year (using Code 2A). It seems odd that the code for "no offer of coverage" would be used, given that in fact the employee was offered COBRA coverage, but that's the way it works out.

Hours are Reduced

In the situation where the individual is no longer eligible to participate in the employer's health plan because his or her hours of work have been reduced, the employer reports the offer of coverage for all the months the employee was actively employed full time, and also for the months during which COBRA was offered after the employee reduced to less than full time, regardless of whether the employee accepts the COBRA coverage or not (using Code 1E). How the employer will report the employee's status will depend on whether the employee is in a limited non assessment period.

Reporting about Retirees

The rules regarding reporting of health insurance arrangements that benefit retirees depend in large part on whether the retiree is eligible for Medicare—that is, whether the retiree is 65 years of age or older.

Retirees 65 and older

Medicare and Medicare Advantage plans provide, for purposes of the ACA, minimum essential coverage for individuals age 65 and older. So virtually all retirees that age have, by definition, minimum essential coverage through Medicare.

An IRS rule provides that reporting is not required under the ACA for an individual's minimum essential coverage offered by an employer if the individual is covered by other minimum essential coverage for which reporting is required. Reporting is required for Medicare and Medicare Advantage plan participants. Therefore, an employer need not report at all on offers of coverage that it makes to retirees that is supplemental in some way to Medicare. The reporting that Medicare does covers all reporting that is required.

Retirees under 65

For retirees under 65, Medicare does not apply, so there is no Medicare reporting for those individuals. Therefore the rule described in the paragraphs above does not apply, and the employer is not automatically relieved of its obligation to report to the IRS. If the employer is offering minimum essential coverage to the retiree, who will report that fact to the IRS turns on whether the employer's plan is a fully insured one, or a self-insured one.

If the plan is fully insured, then the provider of the minimum essential coverage is the health insurance company, and it is the health insurance coverage that will report the coverage, through Forms 1094 B and 1095 B. The employer reports the offer of coverage on the Forms 1094 C and 1095 C, coding the individual as not an employee.

If, on the other hand, the plan is self-insured by the employer, then the employer is the provider of the minimum essential coverage. It reports the coverage on the Forms 1094 B and 1095 B and does not need to report on the C forms at all.

Filing

Form 1095-C must be sent to employees by January 31st of the following year. *See* 26 CFR § 301.6056-1(g)(1). Forms may be sent to employees electronically if they consent. *See* 26 CFR § 301.6056-2(a). **The first report will have to be sent to employees on January 31, 2016 for the year 2015.**

Forms must be filed with the IRS on or before February 28 of the following year (March 31 if filed electronically). Remember, Form 1095-C must be given to both each employee participating in the employer's group health plan and the IRS. *See* 26 CFR § 301.6056-1(f)(1). **Form 1094-C** is the summary form that goes to the IRS along with copies of each Form 1095-C. *See* 26 CFR § 301.6056-1(c)(1) and (d)(2).

Employers who must file 250 or more of a form will be required to file electronically. *See* 26 CFR § 1.6055-1(f)(1).

Extensions of the time in which to file may be requested for §§ 6055 and 6056 returns as for any other return in accordance with IRC § 6081 and 26 CFR §§ 6081-1 and 6081-8.

If an employer with fewer than 50 employees sponsors a self-insured health plan, it must file Forms 1094-B and 1094-C (pursuant to IRC § 6055) even though it is not subject to the employer mandate. This is because the purpose of Forms 1094-B and 1094-C is, in part, to give the IRS information necessary to evaluate whether individuals are complying with the individual mandate.

Employers can substitute their own forms for IRS Forms 1094-B and 1095-B, 1094-C and 1095-C if they so choose, but they must meet the requirements set forth in IRS Publication 5223, *General Rules and Specifications for Affordable Care Act Substitute Forms 1095-A, 1094-BB, 1095-B, 1094-C, and 1095-C*.

Alternate Methods of Reporting to Employees

Employers who check boxes A (Qualifying Offer Method) or B (Qualifying Offer Method Transition Relief), on line 22 of Form 1094-C are eligible to use the alternate reporting method to employees approved for each of those categories. Regardless of whether an employer uses an alternate reporting method or issues a Form 1095-C to an employee, ***the employer must still file a Form 1095-C for that employee with the IRS.*** Because a Form 1095-C must still be prepared, the value of these alternate methods are not clear to us and we will not be discussing them in the webinar itself.

Alternate Method of Reporting for Employers Eligible to Use the Qualifying Offer Method

Employers may use the alternate method of reporting for employees who received a qualifying offer **for all twelve months** of the year **but declined coverage**. Use of the alternative method is not required. Employers must issue a Form 1095-C to any employee who received a qualifying offer for some, but not all twelve months of the year, whether or not they took coverage and to all employees who received a qualifying offer for all twelve months and who enrolled in coverage.

An employer using the alternate method sends the employee a statement in lieu of Form 1095-C. The statement must contain:

1. The employer's name, address and Employer Identification Number (EIN);
2. The name and telephone number of an employer representative whom the employee may contact to receive information about the offer of coverage and about the information that the employer will file with the IRS on the IRS copy of Form 1095-C;
3. A declaration that the employee and any qualifying dependents received a Qualifying Offer for all twelve months of the calendar year and *are not, therefore, eligible* for a premium tax credit; and
4. An instruction to the employee to consult IRS Publication 974, Premium Tax Credit, for more information on the premium tax credit.

Alternate Method of Reporting for Employers Eligible for Qualifying Offer Method Transitional Relief for 2015

An employer who has made a qualifying offer to at least 95% of its full-time employees and their dependents² in 2015 is eligible to use an even more simplified reporting method to

²Employers availing themselves of Qualifying Offer Method Transitional Relief for 2015 do not need to include any employee in a limited non-assessment period when calculating whether it has met the requirement of making a qualifying offer to 95% of its full-time employees.

employees in 2015 only. An employer eligible for Qualifying Offer Method Transitional Relief for 2015 may send a statement in lieu of Form 1095-C to its full-time employees, including not only those to whom a qualifying offer was made for all twelve months (as under the Qualifying Offer Method), but also to those who received a qualifying offer for fewer than twelve months and those who received no offer of coverage. The statement must contain:

1. The employer's name, address and Employer Identification Number (EIN);
2. The name and telephone number of an employer representative whom the employee may contact to receive information about the offer of coverage and about the information that the employer will file with the IRS on the IRS copy of Form 1095-C;
3. A declaration that the employee and any qualifying dependents *may be eligible* for a premium tax credit for one or more months in 2015; and
4. An instruction to the employee to consult IRS Publication 974, Premium Tax Credit, for more information on the premium tax credit.

*Remember that **all employers** must still file a Form 1095-C with the IRS regardless of whether an employer uses the alternate reporting method for the employee. **Self-insured covered employers** must still issue a Form 1095-C to all of its employees receiving coverage since Part III of Form 1095-C stands in for Form 1095-B reporting for health insurance issuers.*

Filing Deadlines

Reporting to Employees

Form 1095-C (or Form 1095-B for self-insured small employers) must be sent to employees by January 31st of the year following the reporting year. In years where January 31st falls on a Saturday or Sunday (as it does this year), the deadline is the next business day following January 31st. **The deadline for filing for 2015 is Monday, February 1, 2016.**

Forms may be sent to employees electronically if they specifically consent. See page 5 of the IRS *Instructions for Forms 1094-C and 1095-C* (included in this download). Otherwise, they should be sent by mail or hand-delivered.

Reporting to the IRS

Hard-copy paper returns must be filed with the IRS on or before **February 28th** of the year following the reporting year. **The deadline is extended to March 31st if the employer files electronically.** Employers who must file 250 or more of a form will be required to file electronically.

Employers filing electronically will have to do test-filing before the deadline to ensure that its computer system and software meet the IRS's technical specifications. For detailed information on the IRS's Affordable Care Act Information Returns (AIR) program, go to: <https://www.irs.gov/for-Tax-Pros/Software-Developers/Information>Returns/Affordable-Care-Act-Information-Return-AIR-Program> .

Extensions of Time

Extensions of the time in which to file may be requested for both the B-series and the C-series of Forms 1094 and 1095 as for any other return in accordance with IRC § 6081 and 26 CFR §§ 6081-1 and 6081-8.

Penalties for Failure to File

The penalty for failure to file a required 1094 or 1095 return is \$250 per day for each return or statement that is *missing, late or incomplete*.³

In other words, an employer with the minimum number of employees to bring it within the coverage of the ACA – that is, an employer with 50 employees – would be liable for \$12,500 per day for failure to send its employees their Form 1095-C statements and another \$250 per day for failure to file its 1094-C transmittal form with the IRS.

Self-insured small employers not covered by the ACA are required to furnish Form 1095-B to its employees and the Form 1094-B transmittal sheet and all copies of Forms 1095-B to the IRS. A self-insured small employer with 35 employees, for example, would be liable for \$8,750 per day for failure to provide Form 1095-B to employees and another \$250 per day for failing to file Form 1094-B with the IRS.

There is a total annual maximum penalty of \$3,000,000.

For 2015 only, the IRS has said that it will not impose penalties for reporting incorrect or incomplete information if an employer can show that it made a “good faith effort” to report in accordance with the requirements.

³The fines were increased from their previous levels in the Trade Preferences Extension Act of 2015. Employers should note that these penalties also apply to failure to file or late filing of income tax informational returns to the IRS and the issuance of Forms W-2 and 1099 to employees and independent contractors.

Form **1094-C**Department of the Treasury
Internal Revenue Service**Transmittal of Employer-Provided Health Insurance Offer and
Coverage Information Returns**► Information about Form 1094-C and its separate instructions is at www.irs.gov/form1094c☐ CORRECTED120116
OMB No. 1545-2251**2015****Part I Applicable Large Employer Member (ALE Member)**

1 Name of ALE Member (Employer)		2 Employer identification number (EIN)	
3 Street address (including room or suite no.)			
4 City or town	5 State or province	6 Country and ZIP or foreign postal code	
7 Name of person to contact		8 Contact telephone number	
9 Name of Designated Government Entity (only if applicable)		10 Employer identification number (EIN)	
11 Street address (including room or suite no.)			
12 City or town	13 State or province	14 Country and ZIP or foreign postal code	
15 Name of person to contact		16 Contact telephone number	
17 Reserved <input type="checkbox"/>			

For Official Use Only

18 Total number of Forms 1095-C submitted with this transmittal ►

19 Is this the authoritative transmittal for this ALE Member? If "Yes," check the box and continue. If "No," see instructions ☐

Part II ALE Member Information

20 Total number of Forms 1095-C filed by and/or on behalf of ALE Member ►

21 Is ALE Member a member of an Aggregated ALE Group? ☐ Yes ☐ No

If "No," do not complete Part IV.

22 Certifications of Eligibility (select all that apply):

☐ A. Qualifying Offer Method ☐ B. Qualifying Offer Method Transition Relief ☐ C. Section 4980H Transition Relief ☐ D. 98% Offer Method

Under penalties of perjury, I declare that I have examined this return and accompanying documents, and to the best of my knowledge and belief, they are true, correct, and complete.

► _____ ► _____ ► _____
Signature Title Date

Part ALE Member Information—Monthly

		(a) Minimum Essential Coverage Offer Indicator		(b) Full-Time Employee Count for ALE Member	(c) Total Employee Count for ALE Member	(d) Aggregated Group Indicator	(e) Section 4980H Transition Relief Indicator
		Yes	No				
23	All 12 Months	—	—			—	
24	Jan	—	—			—	
25	Feb	—	—			—	
26	Mar	—	—			—	
27	Apr	—	—			—	
28	May	—	—			—	
29	June	—	—			—	
30	July	—	—			—	
31	Aug	—	—			—	
32	Sept	—	—			—	
33	Oct	—	—			—	
34	Nov	—	—			—	
35	Dec	—	—			—	

Part IV Other ALE Members of Aggregated ALE Group

Enter the names and EINs of Other ALE Members of the Aggregated ALE Group (who were members at any time during the calendar year).

Name	EIN	Name	EIN
36		51	
37		52	
38		53	
39		54	
40		55	
41		56	
42		57	
43		58	
44		59	
45		60	
46		61	
47		62	
48		63	
49		64	
50		65	

Employer-Provided Health Insurance Offer and Coverage

► Information about Form 1095-C and its separate instructions is at www.irs.gov/form1095c

☐ VOID

☐ CORRECTED

600116
OMB No. 1545-2251

2015

Part I Employee

1 Name of employee			2 Social security number (SSN)			7 Name of employer			8 Employer identification number (EIN)		
3 Street address (including apartment no.)						9 Street address (including room or suite no.)			10 Contact telephone number		
4 City or town		5 State or province		6 Country and ZIP or foreign postal code		11 City or town		12 State or province		13 Country and ZIP or foreign postal code	

Part II Employee Offer and Coverage

	Plan Start Month (Enter 2-digit number):												
	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
14 Offer of Coverage (enter required code)													
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)													

Part III Covered Individuals

If Employer provided self-insured coverage, check the box and enter the information for each covered individual. ☐

	(a) Name of covered individual(s)	(b) SSN	(c) DOB (If SSN is not available)	(d) Covered all 12 months	(e) Months of Coverage											
					Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
17				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Instructions for Recipient

You are receiving this Form 1095-C because your employer is an Applicable Large Employer subject to the employer shared responsibility provision in the Affordable Care Act. This Form 1095-C includes information about the health insurance coverage offered to you by your employer. Form 1095-C, Part II, includes information about the coverage, if any, your employer offered to you and your spouse and dependent(s). If you purchased health insurance coverage through the Health Insurance Marketplace and wish to claim the premium tax credit, this information will assist you in determining whether you are eligible. For more information about the premium tax credit, see Pub. 974, Premium Tax Credit (PTC). You may receive multiple Forms 1095-C if you had multiple employers during the year that were Applicable Large Employers (for example, you left employment with one Applicable Large Employer and began a new position of employment with another Applicable Large Employer). In that situation, each Form 1095-C would have information only about the health insurance coverage offered to you by the employer identified on the form. If your employer is not an Applicable Large Employer it is not required to furnish you a Form 1095-C providing information about the health coverage it offered.

In addition, if you, or any other individual who is offered health coverage because of their relationship to you (referred to here as family members), enrolled in your employer's health plan and that plan is a type of plan referred to as a "self-insured" plan, Form 1095-C, Part III provides information to assist you in completing your income tax return by showing you or those family members had qualifying health coverage (referred to as "minimum essential coverage") for some or all months during the year.

If your employer provided you or a family member health coverage through an insured health plan or in another manner, the issuer of the insurance or the sponsor of the plan providing the coverage will furnish you information about the coverage separately on Form 1095-B, Health Coverage. Similarly, if you or a family member obtained minimum essential coverage from another source, such as a government-sponsored program, an individual market plan, or miscellaneous coverage designated by the Department of Health and Human Services, the provider of that coverage will furnish you information about that coverage on Form 1095-B. If you or a family member enrolled in a qualified health plan through a Health Insurance Marketplace, the Health Insurance Marketplace will report information about that coverage on Form 1095-A, Health Insurance Marketplace Statement.



Employers are required to furnish Form 1095-C only to the employee. As the recipient of this Form 1095-C, you should provide a copy to any family members covered under a self-insured employer-sponsored plan listed in Part III if they request it for their records.

Part I. Employee

Lines 1–6. Part I, lines 1–6, reports information about you, the employee.

Line 2. This is your social security number (SSN). For your protection, this form may show only the last four digits of your SSN. However, the issuer is required to report your complete SSN to the IRS.



If you do not provide your SSN and the SSNs of all covered individuals to the plan administrator, the IRS may not be able to match the Form 1095-C to determine that you and the other covered individuals have complied with the individual shared responsibility provision. For covered individuals other than the employee listed in Part I, a Taxpayer Identification Number (TIN) may be provided instead of an SSN.

Part I. Applicable Large Employer Member (Employer)

Lines 7–13. Part I, lines 7–13, reports information about your employer.

Line 10. This line includes a telephone number for the person whom you may call if you have questions about the information reported on the form or to report errors in the information on the form and ask that they be corrected.

Part II. Employer Offer and Coverage, Lines 14–16

Line 14. The codes listed below for line 14 describe the coverage that your employer offered to you and your spouse and dependent(s), if any. (If you received an offer of coverage through a multiemployer plan due to your membership in a union, that offer may not be shown on line 14.) The information on line 14 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 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.

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. 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 16. This code provides the IRS information to administer the employer shared responsibility provisions. Other than a code 2C which reflects your enrollment in your employer's coverage, none of this information affects your eligibility for the premium tax credit. For more information about the employer shared responsibility provisions, see IRS.gov.

Part III. Covered Individuals, Lines 17–22

Part III reports the name, SSN (or TIN for covered individuals other than the employee listed in Part I), and coverage information about each individual (including any full-time employee and non-full-time employee, and any employee's family members) covered under the employer's health plan, if the plan is "self-insured." A date of birth will be entered in column (c) only if an SSN (or TIN for covered individuals other than the employee listed in Part I) 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, see the additional covered individuals on Part III, Continuation Sheet(s).

Name of employee

Social security number (SSN)

Part III Covered Individuals — Continuation Sheet

(a) Name of covered individual(s)	(b) SSN	(c) DOB (If SSN is not available)	(d) Covered all 12 months	(e) Months of coverage											
				Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
23			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
24			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
25			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
26			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
27			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
28			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
29			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
30			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
31			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
32			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
33			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
34			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>


Form **1094-B**Department of the Treasury
Internal Revenue Service

Transmittal of Health Coverage Information Returns

► Information about Form 1094-B and its separate instructions is at www.irs.gov/form1094b.

OMB No. 1545-2252

2015

1 Filer's name		2 Employer identification number (EIN)	For Official Use Only 
3 Name of person to contact		4 Contact telephone number	
5 Street address (including room or suite no.)	6 City or town		
7 State or province	8 Country and ZIP or foreign postal code		
9 Total number of Forms 1095-B submitted with this transmittal ►			

Under penalties of perjury, I declare that I have examined this return and accompanying documents, and, to the best of my knowledge and belief, they are true, correct and complete.

► _____	► _____	► _____
Signature	Title	Date

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 61570P

Form **1094-B** (2015)

Form **1095-****B** Department of the
Treasury Internal Revenue
Service

Health Coverage

► Information about Form 1095-B and its separate instructions is at www.irs.gov/form1095b.☐ VOID☐ CORRECTED

560115

OMB No. 1545-2252

2015**Part I Responsible Individual**

1 Name of responsible individual		2 Social security number (SSN)	3 Date of birth (If SSN is not available)
4 Street address (including apartment no.)	5 City or town <input type="checkbox"/>	6 State or province	7 Country and ZIP or foreign postal code
8 Enter letter identifying Origin of the Policy (see instructions for codes): ►		9 Small Business Health Options Program (SHOP) Marketplace identifier, if applicable	

Part II Employer Sponsored Coverage (see instructions)

10 Employer name			11 Employer identification number (EIN)
12 Street address (including room or suite no.)	13 City or town	14 State or province	15 Country and ZIP or foreign postal code

Part III Issuer or Other Coverage Provider (see instructions)

16 Name		17 Employer identification number (EIN)	18 Contact telephone number
19 Street address (including room or suite no.)	20 City or town	21 State or province	22 Country and ZIP or foreign postal code

Part IV Covered Individuals (Enter the information for each covered individual(s).)

(a) Name of covered individual(s)	(b) SSN	(c) DOB (If SSN is not available)	(d) Covered all 12 months	(e) Months of coverage											
				Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
23			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
24			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
25			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
26			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
27			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
28															

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 60704B

Form **1095-B** (2015)

Instructions for Recipient

This Form 1095-B provides information needed to report on your income tax return that you, your spouse (if you file a joint return), and individuals you claim as dependents had qualifying health coverage (referred to as "minimum essential coverage") for some or all months during the year. Individuals who don't have minimum essential coverage and don't qualify for an exemption from this requirement may be liable for the individual shared responsibility payment.

Minimum essential coverage includes government-sponsored programs, eligible employer-sponsored plans, individual market plans, and other coverage the Department of Health and Human Services designates as minimum essential coverage. For more information on the requirement to have minimum essential coverage and what is minimum essential coverage, see www.irs.gov/Affordable-Care-Act/Individuals-and-Families/Individual-Shared-Responsibility-Provision.



Providers of minimum essential coverage are required to furnish only one Form 1095-B for all individuals whose coverage is reported on that form. As the recipient of this Form 1095-B, you should provide a copy to other individuals covered under the policy if they request it for their records.

Part I. Responsible Individual, lines 1–9. Part I reports information about you and the coverage.

Lines 2 and 3. Line 2 reports your social security number (SSN) or other taxpayer identification number (TIN), if applicable. For your protection, this form may show only the last four digits. However, the coverage provider is required to report your complete SSN or other TIN, if applicable to the IRS. Your date of birth will be entered on line 3 only if line 2 is blank.



If you don't provide your SSN or other TIN and the SSNs or other TINs of all covered individuals to the sponsor of the coverage, the IRS may not be able to match the Form 1095-B with the individuals to determine that they have complied with the individual shared responsibility provision.

Line 8. This is the code for the type of coverage in which you or other covered individuals were enrolled. Only one letter will be entered on this line.

- A. Small Business Health Options Program (SHOP)
- B. Employer-sponsored coverage
- C. Government-sponsored program
- D. Individual market insurance
- E. Multiemployer plan
- F. Other designated minimum essential coverage



If you or another family member received health insurance coverage through a Health Insurance Marketplace (also known as an Exchange), that coverage will be reported on a Form 1095-A rather than a Form 1095-B.

Line 9. This line will be blank for 2015.

Part II. Employer-Sponsored Coverage, lines 10–15. This part will be completed by the insurance company if an insurance company provides your employer-sponsored health coverage. It provides information about the employer sponsoring the coverage. This part may show only the last four digits of the employer's EIN. If your coverage isn't insured employer coverage, this part will be blank.

Part III. Issuer or Other Coverage Provider, lines 16–22. This part reports information about the coverage provider (insurance company, employer providing self-insured coverage, government agency sponsoring coverage under a government program such as Medicaid or Medicare, or other coverage sponsor). Line 18 reports a telephone number for the coverage provider that you can call if you have questions about the information reported on the form.

Part IV. Covered Individuals, lines 23–28. This part reports the name, SSN or other TIN, and coverage information for each covered individual. A date of birth will be entered in column (c) only if SSN or other TIN isn't 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 six covered individuals, see Part IV, Continuation Sheet(s), for information about the additional covered individuals.

Name of responsible individual	Social security number (SSN)	Date of birth (If SSN is not available)
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Part IV Covered Individuals — Continuation Sheet

(a) Name of covered individual(s)	(b) SSN	(c) DOB (If SSN is not available)	(d) Covered all 12 months	(e) Months of coverage											
				Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
29			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
30			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
31			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
32			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
33			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
34			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
35			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
36			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
37			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
38			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
39			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
40			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



Instructions for Forms 1094-C and 1095-C

Section references are to the Internal Revenue Code unless otherwise noted.

Future Developments

For the latest information about developments related to Form 1094-C, Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns, and Form 1095-C, Employer-Provided Health Insurance Offer and Coverage, and instructions, such as legislation enacted after they were published, go to www.irs.gov/form1094c and www.irs.gov/form1095c.

What's New

2015 filing requirements. All Applicable Large Employer Members (ALE Members) are required to file Forms 1094-C and 1095-C for 2015. For a definition of ALE Member, see the *Definitions* section.

Form revisions. For 2015, Form 1094-C was revised to move line 19 (Is this the Authoritative Transmittal for this ALE Member?) into Part I of the form and to allow for an entry in the "All 12 Months field" in Part III, line 23, column (b) Full-Time Employee Count for ALE Member. Form 1095-C was revised to include a first month of the plan year indicator (plan start month) in Part II and a Part III Covered Individuals Continuation Sheet.

Additional Information

For information related to the Affordable Care Act, visit www.irs.gov/uac/Affordable-Care-Act-Tax-Provisions-Home. For the final regulations under section 6056, Information Reporting by Applicable Large Employers on Health Insurance Coverage Offered Under Employer-Sponsored Plans, see T.D. 9661, 2014-13 I.R.B. 855, at www.irs.gov/irb/2014-13_IRB/ar09.html. For the final regulations under section 6055, Information Reporting on Minimum Essential Coverage, see T.D. 9660, 2014-13 I.R.B. 842, at www.irs.gov/irb/2014-13_IRB/ar08.html. For the final regulations under section 4980H, Shared Responsibility for Employers Regarding Health Coverage, see T.D. 9655, 2014-9 I.R.B. 541, at www.irs.gov/irb/2014-9_IRB/ar05.html. For answers to frequently asked questions regarding the employer shared responsibility provisions and related information reporting requirements, visit IRS.gov.

For FAQs specifically related to completing Forms 1094-C and 1095-C, 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.

General Instructions for Forms 1094-C and 1095-C

See *Definitions*, later, for key terms used in these instructions.

Purpose of Form

Employers with 50 or more full-time employees (including full-time equivalent employees) in the previous year use Forms 1094-C and 1095-C to report the information required under sections 6055 and 6056 about offers of health coverage and enrollment in health coverage for their employees. Form 1094-C must be used to report to the IRS summary information for each

employer and to transmit Forms 1095-C to the IRS. Form 1095-C is used to report information about each employee. In addition, Forms 1094-C and 1095-C are used in determining whether an employer owes a payment under the employer shared responsibility provisions under section 4980H. Form 1095-C is also used in determining the eligibility of employees for the premium tax credit.

Employers that offer employer-sponsored self-insured coverage also use Form 1095-C to report information to the IRS and to employees about individuals who have minimum essential coverage under the employer plan and therefore are not liable for the individual shared responsibility payment for the months that they are covered under the plan.

Who Must File

Applicable Large Employers, generally employers with 50 or more full-time employees (including full-time equivalent employees) in the previous year, must file one or more Forms 1094-C (including a Form 1094-C designated as the Authoritative Transmittal, whether or not filing multiple Forms 1094-C), and must file a Form 1095-C for each employee who was a full-time employee of the employer for any month of the calendar year. Generally, the employer is required to furnish a copy of the Form 1095-C (or a substitute form) to the employee. For information about transition relief for determining status as an Applicable Large Employer for 2015 (allowing an employer to determine the average number of full-time employees based on a period of at least six consecutive months during 2014), see section XV.D.3 of the preamble to the final regulations under section 4980H.



TIP For purposes of reporting on Forms 1094-C and 1095-C, an employee in a Limited Non-Assessment Period is not considered a full-time employee during that period.

Each employer has its own reporting obligation related to the health coverage the employer offered (or did not offer) to each of its full-time employees. An employer subject to the employer shared responsibility provisions under section 4980H generally refers to an employer with 50 or more full-time employees (including full-time equivalent employees) during the prior calendar year. For more information on which employers are subject to the employer shared responsibility provisions of section 4980H, see *Employer*, later in the *Definitions* section of these instructions. For more information on determining full-time employees, see *Full-Time Employee* in the *Definitions* section of these instructions, which includes information on the treatment of new hires and employees in Limited Non-Assessment Periods.

An employer that offers health coverage through an employer-sponsored self-insured health plan must complete Form 1095-C, Parts I, II, and III, for any employee who enrolls in the health coverage, whether or not the employee is a full-time employee for any month of the calendar year.

If the employee who enrolled in self-insured coverage is a full-time employee for any month of the calendar year, the employer must complete Part II (in addition to Parts I and III). If the employee who enrolled is not a full-time employee, for any months of the calendar year (meaning that for all 12 calendar

months the employee was not a full-time employee), the employer must complete Form 1095-C, Parts I and III and on Part II, must enter code 1G on line 14 in the "All 12 Months" column or in each separate monthly box (the employer need not complete Part II, lines 15 and 16 in this case).

If an employer is offering health coverage to employees other than under a self-insured plan, such as through an insured health plan or a multiemployer health plan, the issuer of the insurance or the sponsor of the plan providing the coverage is required to furnish the information about their health coverage to any enrolled employees, and the employer should not complete Form 1095-C, Part III, for those employees.

An employer that offers employer-sponsored self-insured health coverage but is not an applicable large employer subject to the employer shared responsibility provisions under section 4980H, should not file Forms 1094-C and 1095-C, but should instead file Forms 1094-B and 1095-B to report information for employees who enrolled in the employer-sponsored self-insured health coverage.

Substitute Statements to Recipients

If you are not using the official IRS form to furnish statements to recipients, see Pub. 5223, General Rules & Specifications for Affordable Care Act Substitute Forms 1094-B, 1095-B, 1094-C, and 1095-C and Certain Other Information, which explains the requirements for format and content of substitute statements to recipients. You may develop them yourself or buy them from a private printer.

Reporting of Enrollment Information for Non-Employees: Option to Use Forms 1094-B and 1095-B

Employers that offer employer-sponsored self-insured health coverage to non-employees who enroll in the coverage may use Forms 1094-B and 1095-B, rather than Form 1095-C, Part III, to report coverage for those individuals and other family members. For information on reporting with respect to non-employees enrolled in an employer-sponsored self-insured health plan using Forms 1094-B and 1095-B, see the instructions for those forms.

For employers that use Form 1095-C to report coverage information for non-employees enrolled in an employer-sponsored self-insured health plan, such as non-employee directors, an individual who was a retired employee during the entire year, or a non-employee COBRA beneficiary, see the specific instructions for Form 1095-C, Part III—Covered Individuals (Lines 17-22). The Form 1095-C may be used only if the individual identified on line 1 has an SSN.

Authoritative Transmittal for Employers Filing Multiple Forms 1094-C

A Form 1094-C must be filed when an employer files one or more Forms 1095-C. An employer may choose to file multiple Forms 1094-C, accompanied by Forms 1095-C for some of its employees, provided that a Form 1095-C is filed for each employee for whom the employer is required to file. In the case of an Aggregated ALE Group, each separate employer (referred to in these instructions as an ALE Member or employer) must file its own Authoritative Transmittal. Although an employer may file multiple Forms 1094-C, one "Authoritative Transmittal" Form 1094-C, identified on line 19, Part I as the Authoritative Transmittal, must be filed for each employer reporting aggregate employer-level data for all full-time employees of the employer. Specifically, one Authoritative Transmittal must be filed for each employer, even if multiple Forms 1094-C are filed by and on behalf of that single employer. For example, if an employer intends to file a separate Form 1094-C for each of its two

divisions to transmit Forms 1095-C for each division's full-time employees, one of the Forms 1094-C filed must be designated as the Authoritative Transmittal and report aggregate employer-level data for both divisions, as required in Parts II, III, and IV of Form 1094-C.

The same rules apply in the case of a Governmental Unit that has delegated its reporting responsibilities for some of its employees to another Governmental Unit—see *Designated Governmental Entity (DGE)* in the *Definitions* section of these instructions for more information. In the case of a Governmental Unit that has delegated its reporting responsibilities for some of its employees, the Governmental Unit must ensure that among the multiple Forms 1094-C filed by or on behalf of the Governmental Unit transmitting Forms 1095-C for the Governmental Unit's employees, one of the filed Forms 1094-C is designated as the Authoritative Transmittal and reports aggregate employer-level data for the Governmental Unit, as required in Parts II, III, and IV of Form 1094-C.

Example. County is an ALE made up of ALE Members School District, Police District, and County General Office. School District designates the state to report on behalf of the teachers and reports for itself for its remaining full-time employees. In this case, either the School District or the state must file an Authoritative Transmittal reporting aggregate employer-level data for the School District.

One Form 1095-C for Each Employee of Each Employer

For each full-time employee of an employer, there must be only one Form 1095-C filed for employment with that employer. For example, if an employer separately reports for each of its two divisions, the employer must combine the offer and coverage information for any employee who worked at both divisions during the calendar year so that a single Form 1095-C is filed for the calendar year for that employee which reports information for all twelve months of the calendar year from that employer.

In contrast, a full-time employee who works for more than one employer that is a member of the same Aggregated ALE Group (that is, works for two separate ALE Members) must receive a separate Form 1095-C from each employer, unless the ALE Member is not treated as the employer for any calendar month in the calendar year as described later. See the *Definitions* section of these instructions for a definition of ALE Member.

For any calendar month in which a full-time employee works for more than one ALE Member of an Aggregated ALE Group, only one ALE Member is treated as the employer and only that ALE Member reports for that employee for that calendar month (and the other ALE Member is not required to report for that employee for that calendar month). If under these rules, an ALE Member is not required to report for an employee for any month in the calendar year, the employer is not required to report for that full-time employee for that calendar year. For a description of the rules related to determining which ALE Member in an Aggregated ALE Group is treated as the employer for a month in this situation, see the definition of *Employee*, later.

When To File

You will meet the requirement to file Forms 1094-C and 1095-C if the forms are properly addressed and mailed on or before the due date. If the regular due date falls on a Saturday, Sunday, or legal holiday, file by the next business day. A business day is any day that is not a Saturday, Sunday, or legal holiday.

Generally, you must file Forms 1094-C and 1095-C by February 28 if filing on paper (or March 31 if filing electronically) of the year following the calendar year to which the return relates. For calendar year 2015, Forms 1094-C and 1095-C are

required to be filed by February 29, 2016, or March 31, 2016, if filing electronically.

See *Furnishing Forms 1095-C to Employees* for information on when Form 1095-C must be furnished.

How to File

The IRS strongly encourages the quality review of data before filing to prevent erroneous notices from being mailed to statement recipients (or others for whom information is being reported).

Shipping and mailing. If you are filing on paper, send the forms to the IRS in a flat mailing (not folded). If you are sending many forms, you may send them in conveniently sized packages. On each package, write your name, number the packages consecutively, and place Form 1094-C in package number one. Postal regulations require forms and packages to be sent by First-Class Mail.

Keeping copies. Generally, keep copies of information returns you filed with the IRS or have the ability to reconstruct the data for at least 3 years, from the due date of the returns.

Electronic Filing



If you are required to file 250 or more information returns, you must file electronically. The 250-or-more requirement applies separately to each type of form. For example, if you must file 500 Forms 1095-B and 100 Forms 1095-C, you must file Forms 1095-B electronically, but you are not required to file Forms 1095-C electronically. The electronic filing requirement does not apply if you apply for and receive a hardship waiver. The IRS encourages you to file electronically even though you are filing fewer than 250 returns.

Pub. 5165, Guide for Electronically Filing Affordable Care Act (ACA) Information Returns (AIR) for Software Developers and Transmitters (Processing Year 2016), specifies the communication procedures, transmission formats, business rules, and validation procedures for returns filed electronically for calendar year 2015 through the AIR system. To develop software for use with the AIR system, software developers, transmitters and issuers (employers filing their own Forms 1094-C and 1095-C) should use the guidelines provided in Pub. 5165 along with the Extensible Markup Language (XML) Schemas published on IRS.gov.

Where To File

Send all information returns filed on paper to the following:

If your principal business, office or agency, or legal residence in the case of an individual, is located in:

Use the following address:

Alabama, Arizona, Arkansas, Connecticut, Delaware, Florida, Georgia, Kentucky, Louisiana, Maine, Massachusetts, Mississippi, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, Texas, Vermont, Virginia, West Virginia

Department of the Treasury
Internal Revenue Service
Center
Austin, TX 73301

If your principal business, office or agency, or legal residence in the case of an individual, is located in:

Use the following address:

Alaska, California, Colorado, District of Columbia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Maryland, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, North Dakota, Oklahoma, Oregon, South Carolina, South Dakota, Tennessee, Utah, Washington, Wisconsin, Wyoming

Department of the Treasury
Internal Revenue Service
Center
Kansas City, MO 64999

If your legal residence or principal place of business or principal office or agency is outside the United States, file with the Department of the Treasury, Internal Revenue Service Center, Austin, TX 73301.

Substitute Returns Filed with the IRS

If you are filing your returns on paper, see Pub. 5223 for specifications for private printing of substitute information returns. You may not request special consideration. Only forms that conform to the official form and the specifications in Pub. 5223 are acceptable for filing with the IRS.

Extensions and Waivers

Extension. You can get an automatic 30-day extension of time to file by completing Form 8809, Application for Extension of Time To File Information Returns. The form may be submitted on paper, or through the FIRE System either as a fill-in form or an electronic file. No signature or explanation is required for the extension. However, you must file Form 8809 by the due date of the returns in order to get the 30-day extension. Under certain hardship conditions you may apply for an additional 30-day extension. See the instructions for Form 8809 for more information.

How to apply. As soon as you know that a 30-day extension of time to file is needed, file Form 8809. Follow the instructions on Form 8809 and mail it to the address listed in the instructions on the form or you can fax it. See the instructions for Form 8809 for more information. You can submit the extension request online through the FIRE System. You are encouraged to submit requests using the online fill-in form. See Pub. 1220, Part B, for more information on filing online or electronically.

Waiver. To receive a waiver from the required filing of information returns electronically, submit Form 8508, Request for Waiver From Filing Information Returns Electronically, at least 45 days before the due date of the returns. You cannot apply for a waiver for more than one tax year at a time. If you need a waiver for more than one tax year, you must reapply at the appropriate time each year. If a waiver for original returns is approved, any corrections for the same types of returns will be covered under the waiver. However, if you submit original returns electronically but you want to submit your corrections on paper, a waiver must be approved for the corrections if you must file 250 or more corrections. If you receive an approved waiver, do not send a copy of it to the service center where you file your paper returns. Keep the waiver for your records only.

If you are required to file electronically but fail to do so, and you do not have an approved waiver, you may be subject to a penalty of up to \$250 per return for failure to file electronically unless you establish reasonable cause. However, you can file up

to 250 returns on paper; those returns will not be subject to a penalty for failure to file electronically. The penalty applies separately to original returns and corrected returns.

Corrected Forms 1094-C and 1095-C



To file corrections for electronically filed forms, see section 7.1 of Pub. 5165.

Corrected Returns on Paper Forms

A corrected return should be filed as soon as possible after an error is discovered. File the corrected returns as follows:

Form 1094-C. If correcting information on the Authoritative Transmittal (identified on Part I, line 19, as the Authoritative Transmittal, which must be filed for each employer reporting aggregate employer-level data for all full-time employees of the employer), file a standalone fully completed Form 1094-C including the correct information and enter an "X" in the CORRECTED checkbox. Do not file a return correcting information on a Form 1094-C that is not the Authoritative Transmittal.



Do not file any other documents (e.g. Form 1095-C) with the corrected Authoritative Transmittal.

Form 1095-C. If correcting information on a Form 1095-C that was previously filed with the IRS, file a fully completed Form 1095-C including the correct information and enter an "X" in the CORRECTED checkbox. File a Form 1094-C Transmittal (DO NOT mark the CORRECTED checkbox on the Form 1094-C) with corrected Form(s) 1095-C. Furnish the employee a copy of the corrected Form 1095-C, unless the employer is eligible to use the Qualifying Offer Method or the Qualifying Offer Method Transition Relief for 2015. For more information, see *Alternative Method of Furnishing Form 1095-C to Employees under the Qualifying Offer Method* or *Alternative Method of Furnishing Form 1095-C to Employees under the Qualifying Offer Method Transition Relief*, later.

Note. Enter an "X" in the corrected checkbox only when correcting a Form 1095-C previously filed with the IRS. If you are correcting a Form 1095-C that was previously furnished to a recipient, but not filed with the IRS, write CORRECTED on the new Form 1095-C furnished to the recipient.

Correcting information affecting statement furnished to employee using an Alternative Furnishing Method. If an employer eligible to use the Qualifying Offer Method or the Qualifying Offer Method Transition Relief for 2015 had furnished the employee an alternative statement, the employer must furnish the employee a corrected statement if it filed a corrected Form 1095-C correcting the employer's name, EIN, address or contact name and telephone number. If the employer is no longer eligible to use an alternative furnishing method for the employee for whom it filed a corrected Form 1095-C, it must furnish a Form 1095-C to the employee and advise the employee that the Form 1095-C replaces the statement it had previously furnished.

Caution. If you fail to file correct information returns or fail to furnish a correct recipient statement, you may be subject to a penalty. Regulations section 301.6724-1 (relating to information return penalties) does not require you to file corrected returns for missing or incorrect TINs if you meet the reasonable cause criteria.



See the charts below for examples of errors and step by step instructions for filing corrected returns.

Original Authoritative Form 1094-C	
IF any of the following are incorrect	THEN ...
ALE Member or Designated Government Entity (Name and/or EIN)	<ol style="list-style-type: none"> 1. Prepare a new authoritative Form 1094-C 2. Enter an "X" in the "CORRECTED" box at the top of the form 3. Submit the standalone corrected transmittal with the correct information present
Total Number of Forms 1095-C filed by and/or on behalf of ALE Member	
Aggregated Group Membership	
Certifications of Eligibility	
Minimum Essential Coverage Indicator	
Full-Time Employee Count for ALE Member	
Aggregated Group Indicator	
Section 4980H Transition Relief Indicator	

Original Form 1095-C Submitted to IRS and Furnished to Employee	
IF any of the following are incorrect	THEN ...
Name, SSN, Employer EIN	<ol style="list-style-type: none"> 1. Prepare a new Form 1095-C 2. Enter an "X" in the "CORRECTED" box at the top of the form
Offer of Coverage	
Premium Amount	<ol style="list-style-type: none"> 3. Submit corrected Form 1095-Cs with a non-authoritative Form 1094-C transmittal to the IRS 4. Furnish a corrected Form 1095-C to the employee
Safe Harbor and Other Relief Codes	
Covered Individuals Information	

Original Alternative Method Statement Furnished to Employee	
IF any of the following are incorrect	THEN ...
Name, SSN, Employer EIN	<ul style="list-style-type: none"> • Submission to IRS: <ol style="list-style-type: none"> 1. Prepare a new Form 1095-C 2. Enter an "X" in the "CORRECTED" box at the top of the form 3. Submit corrected Form 1095-Cs with a non-authoritative Form 1094-C transmittal to the IRS • Furnish to employee If after the correction the employer is still eligible to use an alternative furnishing method, furnish the employee either a Form 1095-C or corrected statement. If the employer is no longer eligible to use an alternative furnishing method, furnish a Form 1095-C to the employee.
Offer of Coverage	
Premium Amount	

Furnishing Forms 1095-C To Employees

You will meet the requirement to furnish Form 1095-C to an employee if the form is properly addressed and mailed on or before the due date. If the regular due date falls on a Saturday, Sunday, or legal holiday, file by the next business day. A business day is any day that is not a Saturday, Sunday, or legal holiday.

An employer must furnish a Form 1095-C to each of its full-time employees by January 31 of the year following the year to which the Form 1095-C relates.

The first Forms 1095-C are due to individuals by February 1, 2016.

For more information on alternative furnishing methods for employers, see the *Qualifying Offer Method* and the *Qualifying Offer Method Transition Relief for 2015*, later.

Filers of Form 1095-C may truncate the social security number (SSN) of an individual (the employee or any family member of the employee receiving coverage) on Form 1095-C statements furnished to employees by showing only the last four digits of the SSN and replacing the first five digits with asterisks (*) or Xs. Truncation is not allowed on forms filed with the IRS. In addition, an ALE Member's employer identification number (EIN) may not be truncated on the statements furnished to employees or the forms filed with the IRS.

Statements must be furnished on paper by mail (or hand delivered), unless the recipient affirmatively consents to receive the statement in an electronic format. If mailed, the statement must be sent to the employee's last known permanent address, or if no permanent address is known, to the employee's temporary address.

Consent to furnish statement electronically. An employer is required to obtain affirmative consent to furnish a statement electronically. This requirement ensures that statements are furnished electronically only to individuals who are able to access them. An individual may consent on paper or electronically, such as by email. If consent is on paper, the individual must confirm the consent electronically. A statement may be furnished electronically by email or by informing the individual how to access the statement on the employer's website. Statements reporting coverage under an expatriate health plan, however, may be furnished electronically unless the recipient affirmatively refuses consent or requests a paper

statement. For more information on expatriate health plans, see Notice 2015-43, 2015-29 I.R.B. 73, at www.irs.gov/pub/irs-drop/n-15-43.pdf.

Extensions of time to furnish statement to recipients. You may request an extension of time to furnish the statements to recipients by sending a letter to Internal Revenue Service, Information Returns Branch, Attn: Extension of Time Coordinator, 240 Murall Drive, Mail Stop 4360, Kearneysville, WV 25430. The letter must include (a) filer name, (b) filer TIN, (c) filer address, (d) type of return, (e) a statement that extension request is for providing statements to recipients, (f) reason for delay, and (g) the signature of the filer or authorized agent. Your request must be postmarked by the date on which the statements are due to the recipients. If your request for an extension is approved, generally you will be granted a maximum of 30 extra days to furnish the recipient statements. For purposes of requesting an extension of time to furnish the statements, the term filer means the ALE Member, or the Designated Government Entity, if applicable.

Information reporting penalties. Employers subject to the employer shared responsibility provisions and ALE Members that sponsor self-insured group health plans that fail to comply with the applicable information reporting requirements may be subject to the general reporting penalty provisions for failure to file correct information returns and failure to furnish correct payee statements. For returns required to be made and statements required to be furnished after December 31, 2015, the following apply.

- The penalty for failure to file an information return generally is \$250 for each return for which such failure occurs. The total penalty imposed for all failures during a calendar year cannot exceed \$3,000,000.
- The penalty for failure to provide a correct payee statement is \$250 for each statement with respect to which such failure occurs, with the total penalty for a calendar year not to exceed \$3,000,000.
- Special rules apply that increase the per-statement and total penalties if there is intentional disregard of the requirement to furnish a payee statement.

Relief from penalties. For 2015 reporting, the IRS will not impose penalties on a filer for reporting incorrect or incomplete information if the filer can show that it made good faith efforts to comply with the information reporting requirements for 2015. No relief is provided in the case of reporting entities that cannot show a good faith effort to comply with the information reporting requirements or that fail to timely file an information return or furnish a statement. However, consistent with the existing information reporting rules, reporting entities that fail to timely meet the requirements still may be eligible for penalty relief if the IRS determines that the standards for reasonable cause under section 6724 are satisfied. For additional information on penalty relief, see the sections 6055 and 6056 FAQs at www.irs.gov/Affordable-Care-Act/Affordable-Care-Act-Tax-Provisions-Questions-and-Answers.

Specific Instructions for Form 1094-C

Part I—Applicable Large Employer Member (ALE Member)

Line 1. Enter employer's name.

Line 2. Enter the employer's EIN. An SSN may not be entered in lieu of an EIN. Enter the 9-digit EIN including the dash.



If you are filing Form 1094-C, a valid EIN is required at the time the form is filed. If a valid EIN is not provided, the Form 1094-C will not be processed. If you do not

have an EIN, you may apply for one online. Go to IRS.gov and enter "EIN" in the search box. You may also apply by faxing or mailing Form SS-4, Application for Employer Identification Number, to the IRS. See the Instructions for Form SS-4 for more information. See Pub. 1635, Employer Identification Number, for more information.

Lines 3–6. Enter the employer's complete address (including room or suite no., if applicable). This address should match the employer's address used on the Form 1095-C.

Lines 7 and 8. Enter the name and telephone number of the person to contact who is responsible for answering any questions.

Note. If you are a Designated Governmental Entity (DGE) filing on behalf of an employer, complete lines 9–16. If you are not a DGE filing on behalf of an employer do not complete lines 9–16. Instead skip to line 18. See *Designated Governmental Entity (DGE)* in the *Definitions* section of these instructions.

Line 9. If a DGE is filing on behalf of the employer, enter the name of the DGE.

Line 10. Enter the DGE's EIN (including the dash). An SSN may not be entered in lieu of an EIN.



If you are a DGE that is filing Form 1094-C, a valid EIN is required at the time the return is filed. If a valid EIN is not provided, the return will not be processed. If the DGE does not have an EIN when filing Form 1094-C it can get an EIN by applying online at IRS.gov or by faxing or mailing a completed Form SS-4, Application for Employer Identification Number. See Pub. 1635, Employer Identification Number, for more information.

Lines 11–14. Enter the DGE's complete address (including room or suite no., if applicable).

Lines 15 and 16. Enter the name and telephone number of the person to contact who is responsible for answering any questions related to the Form 1094-C.

Line 17. This line is reserved for future use.

Line 18. Enter the total number of Forms 1095-C submitted with this Form 1094-C transmittal.

Line 19. If this Form 1094-C transmittal is the Authoritative Transmittal that reports aggregate employer-level data for the employer, check the box on line 19 and complete Parts II, III, and IV, to the extent applicable. Otherwise, complete the signature portion of Form 1094-C and leave the remainder of the form (lines 20–22 of Part II, and all of Parts III and IV) blank.

There must be only one Authoritative Transmittal filed for each employer. If this is the only Form 1094-C being filed for the employer, this Form 1094-C must report aggregate employer-level data for the employer and be identified on line 19 as the Authoritative Transmittal. If multiple Forms 1094-C are being filed for an employer so that Forms 1095-C for all full-time employees of the employer are not attached to a single Form 1094-C transmittal (because Forms 1095-C for some full-time employees of the employer are being transmitted separately), one of the Forms 1094-C must report aggregate employer-level data for the employer and be identified on line 19 as the Authoritative Transmittal.

Part II—ALE Member Information

Reminder. Lines 20–22 should be completed only on the Authoritative Transmittal for the employer. For more information, see *Authoritative Transmittal for Employers Filing Multiple Forms 1094-C*, earlier.

Line 20. Enter the total number of Forms 1095-C that will be filed by and/or on behalf of the employer. This includes all Forms 1095-C that are filed with this transmittal including those filed for any individuals who enrolled in the employer-sponsored self-insured plan, and for any Forms 1095-C filed with a separate transmittal filed by or on behalf of the employer.

Line 21. If during any month of the calendar year the employer was a member of an Aggregated ALE Group, check "Yes." If you check "Yes," also complete the "Aggregated Group Indicator" in Part III, column (d), and then complete Part IV to list the other members of the Aggregated ALE Group. If, for all 12 months of the calendar year, the employer was not a member of an Aggregated ALE Group, check "No," and do not complete Part III, column (d), or Part IV.

Line 22. If the employer meets the eligibility requirements and is using one of the Offer Methods and/or one of the forms of Transition Relief indicated, it must check each applicable box. See the description of the *Offer Methods* and *Section 4980H Transition Relief*, later.

A. Qualifying Offer Method. Check this box if the employer is eligible to use and is using the Qualifying Offer Method to report the information on Form 1095-C for one or more full-time employees. To be eligible to use the Qualifying Offer Method for reporting, the employer must certify that it made a Qualifying Offer to one or more of its full-time employees for all months during the year in which the employee was a full-time employee for whom an employer shared responsibility payment could apply. Additional requirements described below must be met to be eligible to use the alternative method for furnishing Form 1095-C to employees under the Qualifying Offer Method.

Alternative Method of Completing Form 1095-C under the Qualifying Offer Method. If the employer reports using this method, it must not complete Form 1095-C, Part II, line 15, for any month for which a Qualifying Offer is made. Instead it must enter the Qualifying Offer code 1A on Form 1095-C, line 14, for any month for which the employee received a Qualifying Offer (or in the all 12 months box if the employee received a Qualifying Offer for all 12 months), and must leave line 15 blank for any month for which code 1A is entered on line 14.

An employer is not required to use the Qualifying Offer Method, even if it is eligible and instead may enter on line 14 the applicable offer code and then enter on line 15 the dollar amount required as an employee contribution for the lowest-cost employee-only coverage providing minimum value for that month.



If the employer is eligible to use the Qualifying Offer Method, it may report on Form 1095-C by entering the Qualifying Offer code 1A on Form 1095-C, line 14, for any month for which it made a Qualifying Offer to an employee, even if the employee did not receive a Qualifying Offer for all 12 calendar months. However, if an employee receives a Qualifying Offer for less than all 12 months, the employer must furnish a copy of Form 1095-C to the employee (rather than using the alternative method of furnishing Form 1095-C described below) unless the Qualifying Offer Method Transition Relief for 2015 described later applies.

Example. Employee's employment with Employer begins on January 1. Employee is in a health coverage waiting period (and an employer shared responsibility payment could not apply with respect to Employee, because Employee is in a Limited Non-Assessment Period) until April 1 and is a full-time employee for the remainder of the calendar year. Employer makes a Qualifying Offer to Employee for coverage beginning on April 1 and for the remainder of the calendar year. Employer is eligible to use the Qualifying Offer method because it has made a Qualifying Offer to at least one full-time employee for all months

in which both (1) the employee was a full-time employee and (2) an employer shared responsibility payment could apply with respect to the employee. Employer may use the alternative method of completing Form 1095-C under the Qualifying Offer Method for this Employee. However, unless Employer is eligible for the Qualifying Offer Method Transition Relief for 2015, Employer may not use the alternative method of furnishing Form 1095-C to Employee under the Qualifying Offer Method because Employee did not receive a Qualifying Offer for all 12 months of the calendar year.

Alternative Method of Furnishing Form 1095-C to Employees under the Qualifying Offer Method. An employer that is eligible to use the Qualifying Offer Method meets the requirement to furnish Form 1095-C to its full-time employees who received a Qualifying Offer for all 12 months of the calendar year, and who did not enroll in coverage that is self-insured coverage, if it furnishes each of those full-time employees either a copy of Form 1095-C as filed with the IRS or a statement containing the following information.

- Employer name, address, and EIN.
- Contact name and telephone number at which the employee may receive information about the offer of coverage and the information on the Form 1095-C filed with the IRS for that employee.
- Notification that, for all 12 months of the calendar year, the employee and his or her spouse and dependents, if any, received a Qualifying Offer and therefore are not eligible for a premium tax credit.
- Information directing the employee to see Pub. 974, Premium Tax Credit (PTC), for more information on eligibility for the premium tax credit.

For a full-time employee who, for all 12 months of the calendar year, received a Qualifying Offer for insured coverage (or a Qualifying Offer for self-insured coverage in which the employee did **not** enroll), the employer may provide the information to the employee by furnishing a copy of Form 1095-C as filed with the IRS (with or without the statement described above) or may provide only the statement described above.

For a full-time employee who received a Qualifying Offer and enrolled in self-insured coverage, the employer must furnish the information reporting enrollment in the coverage on Form 1095-C, Part III. The employer may **not** use the alternative method of furnishing Form 1095-C under the Qualifying Offer Method for that employee.

B. Qualifying Offer Method Transition Relief for 2015. Check this box if the employer is eligible for and is using the Qualifying Offer Method Transition Relief for the 2015 calendar year to report information on Form 1095-C for one or more full-time employees. To be eligible to use the Qualifying Offer Method Transition Relief, the employer must certify that it made a Qualifying Offer for one or more months of calendar year 2015 to at least 95% of its full-time employees. For this purpose, an employee in a Limited Non-Assessment Period is not included in the 95% calculation.

If an employer reports using this method, it must not complete Form 1095-C, Part II, line 15, for any month for which a Qualifying Offer is made or for which Qualifying Offer Method Transition Relief applies. An employer that reports using this method must enter on Form 1095-C, line 14, either the Qualifying Offer code 1A for any months for which the employee received a Qualifying Offer, or the Qualifying Offer Method Transition Relief code 1I for any months for which the employee did not receive a Qualifying Offer.

An employer is not required to use this method, even if it is eligible and the employer may report on line 14 the applicable offer code and on line 15 the dollar amount required as an employee contribution for the lowest-cost employee-only

coverage providing minimum value for that month. An employer may not, for any month, use code 1A or code 1I and also report the dollar amount on line 15.

Alternative Method of Furnishing Form 1095-C to Employees under the Qualifying Offer Method Transition Relief for 2015. Solely for 2015, for any employee of an employer eligible for the Qualifying Offer Method Transition Relief who does not receive a Qualifying Offer for all 12 calendar months, including employees who receive no offer, the employer may, in lieu of providing the employee with a copy of Form 1095-C, furnish a statement containing the following information.

- Employer name, address, and EIN.
- Contact name and telephone number at which the employee may receive information about the offer of coverage (if any) and the information on the Form 1095-C filed with the IRS for that employee.
- A notification indicating that the employee and his or her spouse and dependents, if any, may be eligible for a premium tax credit for one or more months of 2015.
- Information directing the employee to see Pub. 974 for more information on eligibility for the premium tax credit.

An employer that is eligible for the Qualifying Offer Method Transition Relief for any employee who receives a Qualifying Offer for all 12 months of the calendar year may, in lieu of furnishing the employee a copy of Form 1095-C, furnish a statement as described in *Alternative Method of Furnishing to Employees Under the Qualifying Offer Method*, earlier.

For a full-time employee who, for all 12 months of the calendar year, received a Qualifying Offer for insured coverage (or a Qualifying Offer for self-insured coverage in which the employee did **not** enroll), the employer may provide the information to the employee by furnishing a copy of Form 1095-C as filed with the IRS (with or without the notification described above) or may provide only the notification described above. For a full-time employee who received a Qualifying Offer and enrolled in self-insured coverage, the employer must furnish the information reporting enrollment in the coverage on Form 1095-C, Part III. The employer may **not** use the alternative method of furnishing Form 1095-C under the Qualifying Offer Method for that employee.

C. Section 4980H Transition Relief. Check this box if the employer is eligible for section 4980H Transition Relief under either:

1. 2015 Section 4980H Transition Relief for ALEs with Fewer Than 100 Full-Time Employees, Including Full-Time Equivalent Employees (50-99 Transition Relief), or
2. 2015 Transition Relief for Calculation of Assessable Payments Under Section 4980H(a) for ALEs with 100 or More Full-Time Employees, Including Full-Time Equivalent Employees (100 or More Transition Relief).

For a description of the relief, including which employers are eligible for the relief, see *Section 4980H Transition Relief for 2015*, later. If an employer checks this box, it must also complete Form 1094-C, Part III, column (e), Section 4980H Transition Relief Indicator, to indicate the type of section 4980H transition relief for which it is eligible.

D. 98% Offer Method. Check this box if the employer is eligible for and is using the 98% Offer Method. To be eligible to use the 98% Offer Method, an employer must certify that taking into account all months during which the individuals were employees of the employer and were not in a Limited Non-Assessment Period, the employer offered, affordable health coverage providing minimum value to at least 98% of its employees for whom it is filing a Form 1095-C employee statement, and offered minimum essential coverage to those employees' dependents. The employer is not required to identify which of the employees for whom it is filing were full-time

employees, but the employer is still required, under the general reporting rules, to file Forms 1095-C on behalf of all its full-time employees who were full-time employees for one or more months of the calendar year. To ensure compliance with the general reporting rules, an employer should confirm for any employee for whom it fails to file a Form 1095-C that the employee was not a full-time employee for any month of the calendar year. (For this purpose, the health coverage is affordable if the employer meets one of the section 4980H affordability safe harbors.)

Example. Employer has 325 employees. Of those 325 employees, Employer identifies 25 employees as not possibly being full-time employees because they are scheduled to work 10 hours per week and are not eligible for additional hours. Of the remaining 300 employees, 295 are offered affordable minimum value coverage for all periods during which they are employed other than any applicable waiting period (which qualifies as a Limited Non-Assessment Period). Employer files a Form 1095-C for each of the 300 employees (excluding the 25 employees that it identified as not possibly being full-time employees). Employer may use the 98% Offer Method because it makes an affordable offer of coverage that provides minimum value to at least 98% of the employees for whom Employer files a Form 1095-C. Using this method, Employer does not identify whether each of the 300 employees is a full-time employee. However, Employer must still file a Form 1095-C for all of its full-time employees. Employer chooses to file a Form 1095-C on behalf of all 300 employees, including the five employees to whom it did not offer coverage, because if one or more of those employees was, in fact, a full-time employee for one or more months of the calendar year, Employer would be required to have filed a Form 1095-C on behalf of those employees.

Note. If an employer uses this method, it is not required to complete the "Full-Time Employee Count" in Part III, column (b).

Part III—ALE Member Information—Monthly (Lines 23–35)

Column (a) Minimum Essential Coverage Offer Indicator.

- If the employer offered minimum essential coverage to at least 95% of its full-time employees and their dependents for the entire calendar year, enter "X" in the "Yes" checkbox on line 23 for "All 12 Months" or for each of the 12 calendar months.
- If the employer offered minimum essential coverage to at least 95% of its full-time employees and their dependents only for certain calendar months, enter "X" in the "Yes" checkbox for each applicable month.
- For the months, if any, for which the employer did not offer minimum essential coverage to at least 95% of its full-time employees and their dependents, enter "X" in the "No" checkbox for each applicable month.
- If the employer did not offer minimum essential coverage to at least 95% of its full-time employees and their dependents for any of the 12 months, enter "X" in the "No" checkbox for "All 12 Months" for each of the 12 calendar months.
- However, an employer that did not offer minimum essential coverage to at least 95% of its full-time employees and their dependents but is eligible for certain transition relief described in the instructions later under *Section 4980H Transition Relief for 2015* should enter an "X" in the "Yes" checkbox for Part III, line 23, column (a), as applicable. See the instructions later under *Section 4980H Transition Relief for 2015*.

Note. For purposes of column (a), an employee in a Limited Non-Assessment Period is not counted in determining whether minimum essential coverage was offered to at least 95% of an employer's full-time employees and their dependents.



An employee who is treated as having been offered health coverage for purposes of section 4980H (even though not actually offered) is treated as offered minimum essential coverage for this purpose. For example, for the months for which the employer is eligible for dependent coverage transition relief, non-calendar year transition relief, or multiemployer arrangement interim guidance (if the employer is contributing on behalf of an employee whether or not the employee is eligible for coverage under the multiemployer plan) with respect to an employee, that employee should be treated as having been offered minimum essential coverage for purposes of column (a). For different rules for purposes of reporting offers of coverage on Form 1095-C, see the specific instructions for Form 1095-C, Part II, line 14.



For purposes of column (a), if the employer offered minimum essential coverage to all but five of its full-time employees and their dependents, and five is greater than 5% of the number of full-time employees of the employer, the employer may report in column (a) as if it offered health coverage to at least 95% of its full-time employees and their dependents (even if it offered health coverage to less than 95% of its full-time employees and their dependents, for example to 75 of its 80 full-time employees and their dependents).

See *Definitions*, later, for more information on an offer of health coverage.

Column (b) Full-Time Employee Count for ALE Member.

Enter the number of full-time employees for each month, but do not count any employee in a Limited Non-Assessment Period. (If the number of full-time employees (excluding employees in a Limited Non-Assessment Period) for a month is zero, enter "0".)

Note. If the employer certified that it was eligible for the 98% Offer Method by selecting box D, on line 22, it is not required to complete column (b).

Column (c) Total Employee Count for ALE Member.

Enter the total number of all of your employees, including full-time employees and non-full-time employees and employees in a Limited Non-Assessment Period, for each calendar month. An employer must choose to use one of the following days of the month to determine the number of employees per month and must use that day for all months of the year: (1) the first day of each month; (2) the last day of each month; (3) the 12th day of each month; (4) the first day of the first payroll period that starts during each month; or (5) the last day of the first payroll period that starts during each month (provided that for each month that last day falls within the calendar month in which the payroll period starts). If the total number of employees was the same for every month of the entire calendar year, enter that number in line 23, column (c) "All 12 Months" or in the boxes for each month of the calendar year. If the number of employees for any month is zero, enter "0".

Column (d) Aggregated Group Indicator. An employer must complete this column if it checked "Yes" on line 21, indicating that, during any month of the calendar year, it was a member of an Aggregated ALE Group. If the employer was a member of an Aggregated ALE Group during each month of the calendar year, enter "X" in the "All 12 Months" box or in the boxes for each of the 12 calendar months. If the employer was not a member of an Aggregated ALE Group for all 12 months but was a member of an Aggregated ALE Group for one or more month(s), enter "X" in each month for which it was a member of an Aggregated ALE Group. If an employer enters "X" in one or more months in this column, it must also complete Part IV.

Column (e) Section 4980H Transition Relief Indicator. If the employer certifies by selecting box C on line 22, that it is eligible for Section 4980H Transition Relief and is eligible for the 50 to

99 Relief, enter code A. If the employer certifies by selecting box C on line 22, that it is eligible for Section 4980H Transition Relief and is eligible for the 100 or More Relief, enter code B. An employer will not be eligible for both types of relief.

Part IV—Other ALE Members of Aggregated ALE Group (Lines 36–65)

An employer must complete this section if it checks “Yes” on line 21. If the employer was a member of an Aggregated ALE Group for any month of the calendar year, enter the name(s) and EIN of up to 30 of the other Aggregated ALE Group members. If there are more than 30 members of the Aggregated ALE Group, enter the 30 with the highest monthly average number of full-time employees (using the number reported in Part III, column (b), if a number was required to be reported) for the year or for the number of months during which the ALE Member was a member of the Aggregated ALE Group. If any member of the Aggregated ALE Group uses the 98% Offer Method and thus is not required to identify which employees are full-time employees, all Aggregated ALE Group members should use the monthly average number of total employees rather than the monthly average number of full-time employees for this purpose. Regardless of the number of members in the Aggregated ALE Group, list only the 30 members in descending order listing first the member with the highest average monthly number of full-time employees (or highest average number of total employees, if any member of the Aggregated ALE Group uses the 98% Offer Method). The employer must also complete Part III, column (d), to indicate which months it was part of an Aggregated ALE Group.



If you are filing Form 1094-C, a valid EIN is required at the time it is filed. If a valid EIN is not provided, the Form 1094-C will not be processed. If you do not have an EIN, you may apply for one online. Go to IRS.gov and enter “EIN” in the search box. You may also apply by faxing or mailing Form SS-4, Application for Employer Identification Number, to the IRS. See the Instructions for Form SS-4 and Pub. 1635, Employer Identification Number, for more information.

Specific Instructions for Form 1095-C

Part I—Employee

Line 1. Enter the name of the employee (first name, middle initial, last name).

Line 2. Enter the 9-digit SSN of the employee including the dashes.

Lines 3–6. Enter the employee’s complete address (including apartment no., if applicable). A country code is not required for U.S. addresses.

Part I—Applicable Large Employer Member (Employer)

Line 7. Enter the name of the employer.

Line 8. Enter the employer’s EIN. Do not enter an SSN in lieu of an EIN. Enter the 9-digit EIN including the dash. The employer’s name and EIN should match the name and EIN of the employer reported on lines 1 and 2 of Form 1094-C.



If you are filing Form 1095-C, a valid EIN is required at the time it is filed. If a valid EIN is not provided, the Form 1095-C will not be processed. If you do not have an EIN, you may apply for one online. Go to IRS.gov and enter “EIN” in the search box. You may also apply by faxing or mailing Form SS-4, Application for Employer Identification Number, to the IRS. See the Instructions for Form SS-4 for more information.

See Pub. 1635, Employer Identification Number, for further information.

Lines 9 and 11–13. Enter the employer’s complete address (including room or suite no., if applicable). This address should match the address reported on lines 3–6 of the Form 1094-C.

Line 10. Enter the telephone number of the person to contact whom the recipient may call about the information reported on the form.

Part II—Employee Offer and Coverage

Plan Start Month. This box is optional for the 2015 Form 1095-C and the employer may leave it blank; it is anticipated that this box will be mandatory for the 2016 Form 1095-C. To complete the box, enter the two-digit number (01 through 12) indicating the calendar month during which the plan year begins of the health plan in which the employee is offered coverage (or would be offered coverage if the employee were eligible to participate in the plan). If more than one plan year could apply (for instance, if the employer changes the plan year during the year), enter the earliest applicable month. If there is no health plan under which coverage is offered to the employee, enter “00”.

Line 14. For each calendar month, enter the applicable code from Code Series 1. If the same code applies for all 12 calendar months, enter the applicable code in the “All 12 Months” box and do not complete the individual calendar month boxes, or complete all of the individual calendar month boxes.

An employer offers health coverage for a month only if it offers health coverage that would provide coverage for every day of that calendar month. Thus, if an employee terminates coverage before the last day of the month, the employee does not actually have an offer of coverage for that month. See line 16, code 2B later for how the employer may complete line 16 in the event an employee terminates coverage before the last day of the month.

A code must be entered for each calendar month January through December, even if the employee was not a full-time employee for one or more of the calendar months. Enter the code identifying the type of health coverage actually offered by the employer (or on behalf of the employer) to the employee, if any. Do not enter a code for any other type of health coverage the employer is treated as having offered (but the employee was not actually offered coverage). For example, do not enter a code for health coverage the employer is treated as having offered (but did not actually offer) under the dependent coverage transition relief, or non-calendar year transition relief, even if the employee is included in the count of full-time employees offered minimum essential coverage for purposes of Form 1094-C, Part III, column (a). If the employee was not actually offered coverage, enter Code 1H (no offer of coverage) on line 14.

For reporting offers of coverage for 2015, an employer relying on the multiemployer arrangement interim guidance should enter code 1H on line 14 for any month for which the employer enters code 2E on line 16 (indicating that the employer was required to contribute to a multiemployer plan on behalf of the employee for that month and therefore is eligible for multiemployer interim rule relief). For a description of the multiemployer arrangement interim guidance, see *Offer of health coverage* in the *Definitions* section. For reporting for 2015, Code 1H may be entered without regard to whether the employee was eligible to enroll or enrolled in coverage under the multiemployer plan. For reporting for 2016 and future years, ALE Members relying on the multiemployer arrangement interim guidance may be required to report offers of coverage made through a multiemployer plan in a different manner.

Indicator Codes for Employee Offer and Coverage (Form 1095-C, Line 14)

Code Series 1—Offer of Coverage. The Code Series 1 indicator codes specify the type of coverage, if any, offered to an employee, the employee's spouse, and the employee's dependents. The term "dependent" has the specific meaning set forth in the *Definitions* section of these instructions. In addition, for this purpose an offer of coverage is treated as made to an employee's dependents only if the offer of coverage is made to an unlimited number of dependents regardless of the actual number of dependents, if any, an employee has during any particular calendar month.

An offer of COBRA continuation coverage that is made to a former employee upon termination of employment should not be reported as an offer of coverage on line 14. For a terminated employee, code 1H (No offer of coverage) should be entered for any month for which the offer of COBRA continuation coverage applies.

An offer of COBRA continuation coverage that is made to an active employee (for instance, an offer of COBRA continuation coverage that is made due to a reduction in the employee's hours that resulted in the employee no longer being eligible for coverage under a plan) is reported in the same manner and using the same code as an offer of that type of coverage to any other active employee.

If the type of coverage, if any, offered to an employee was the same for all 12 months in the calendar year, enter the Code Series 1 indicator code corresponding to the type of coverage offered in the "All 12 Months" box or in each of the 12 boxes for the calendar months.

- **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).



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 employer may not use the Alternative Furnishing Method for an employee who did not receive a Qualifying Offer for all 12 calendar months (except in cases in which the employer is eligible for and reports using the Alternative Furnishing Method for 2015 Qualifying Offer Method Transition Relief as described in these instructions).

- **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; 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 (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.
- **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.** 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.

Line 15. 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. Enter the amount of the employee share of the lowest-cost monthly premium for self-only minimum essential coverage providing minimum value that is offered to the employee. Enter the amount including any cents. For purposes of determining the monthly employee contribution, an employer may divide the total employee share of the premium for the plan year by the number of months in the plan year to determine the monthly employee contribution for the plan year. This monthly employee contribution would then be reported for any months of that plan year that fall in the 2015 calendar year. For example, if the plan year begins January 1, the employer may determine the amount to report for each month by taking the total annual employee contribution for all 12 months and dividing by 12. If the plan year begins April 1, the employer may determine the amount to report for January through March, 2015 by taking the total annual employee contribution for the plan year ending March 31, 2015, and dividing by 12, and may determine the amount to report for April through December, 2015 by taking the total annual employee contribution for the plan year ending March 31, 2016, and dividing by 12. If the employee is offered coverage but is not required to contribute any amount towards the premium, enter "0.00" (do not leave blank). If the employee share of the lowest-cost monthly premium amount was the same amount for all 12 calendar months, enter that monthly amount in each monthly box or enter that monthly amount in the "All 12 Months" box and do not complete the monthly boxes. If the employee share of the lowest-cost monthly amount was not the same for all 12 months, enter the amount in each calendar month for which the employee was offered minimum value coverage.



For line 15, enter the lowest-cost monthly premium for self-only minimum essential coverage providing minimum value that is offered to the employee. This amount may 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.

Line 16. For each calendar month, enter the applicable code, if any, from Code Series 2. You may 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, enter the applicable code in each monthly box or enter the code in the "All 12 Months" box. 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 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 (but see the exception to this rule below, regarding the multiemployer interim rule relief). 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.

- **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 (other than code 2E) might also apply (for example, the code for a section 4980H affordability safe harbor). Do not enter 2C in line 16 if code 1G is entered in the All 12 Months Box in line 14 because the employee was not a full-time employee for any months of the calendar year. Do not enter code 2C in line 16 for any month in which a terminated employee is enrolled in COBRA continuation coverage (enter code 2A).

- **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, 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 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.

- **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 arrangement interim guidance, an employer 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 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.

Note. References to 9.5% in the affordability safe harbors and alternative reporting methods may be subject to change if future IRS guidance provides that the percentage is indexed in the same manner as that percentage is indexed for purposes of applying the affordability thresholds under Internal Revenue Code section 36B (the premium tax credit). In general this should not affect reporting for 2015, but taxpayers may visit IRS.gov for any related updates.

Part III—Covered Individuals (Lines 17–22)

Complete Part III ONLY if the employer 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.

An ALE Member with a self-insured major medical plan and a health reimbursement arrangement (HRA) is required to report the coverage of an individual enrolled in both types of minimum essential coverage in Part III under only one of the arrangements. An ALE Member with an insured major medical plan and an HRA is not required to report in Part III 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)).

If the employer is completing Part III, enter “X” in the check box in Part III. If the employer is not completing Part III, do not enter “X” in the check box in Part III.

This part **must** be completed by an employer 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.



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 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 Form 1095-C.

If two or more employees employed by the same employer are spouses or employee and 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 the Form 1095-C for the employee who enrolled in the coverage (but would report the other employee family members as covered individuals).

Coverage of Non-Employee. This part **may** be completed by an employer 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 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 the 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 box for each month of the calendar year.



In the case of a non-employee individual who enrolls in the coverage under a self-insured health plan, all family members that are covered individuals due to 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 (d), 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.



*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.

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 (MM/DD/YYYY) 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 months 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 terms not included in this section, see the final regulations under section 4980H, T.D. 9655, 2014-9 I.R.B. 541, and section 6056, T.D. 9661, 2014-13 I.R.B. 855.

Aggregated ALE Group. An Aggregated ALE Group refers to a group of ALE Members treated as a single employer under section 414(b), 414(c), 414(m), or 414(o). An ALE Member is a member of an Aggregated ALE Group for a month if it is treated as a single employer with the other members of the group on any day of the calendar month. If an ALE is made up of only one person or entity, that one ALE Member is not a part of an Aggregated ALE Group. Government entities and churches or conventions or associations of churches may apply a reasonable, good faith interpretation of the aggregation rules under section 414 in determining their status as an ALE or member of an Aggregated ALE Group.

Applicable Large Employer (ALE). An ALE is, for a particular calendar year, any single employer, or group of employers treated as an Aggregated ALE Group, that employed an average of at least 50 full-time employees (including full-time equivalent employees) on business days during the preceding calendar year. For purposes of determining an employer's average number of employees, disregard an employee for any month in which the employee has coverage under a plan described in section 4980H(c)(2)(F) (generally, TRICARE or Veterans Administration coverage). For 2015, an employer may determine its status as an ALE by reference to a period of at least six consecutive months during 2014 rather than the entire 2014 calendar year. See section XV.D.3 of the preamble to the final regulations under section 4980H. A new employer (that is, an employer that was not in existence on any business day in the prior calendar year) is an ALE for the current calendar year if it reasonably expects to employ, and actually does employ, an average of at least 50 full-time employees (including full-time equivalent employees) on business days during the current calendar year.

Applicable Large Employer Member (ALE Member). An ALE Member is a single person or entity that is an ALE, or if applicable, each person or entity that is a member of an Aggregated ALE Group. A person or entity that does not have employees or only has employees with no hours of service (for example, only employees whose entire service consists of work

outside of the United States that does not count as hours of service under section 4980H) is not an ALE Member.

Bona fide volunteer. A bona fide volunteer is an employee of a government entity or tax-exempt organization whose only compensation from that entity or organization is (1) reimbursement for (or reasonable allowance for) reasonable expenses incurred in the performance of services by volunteers, or (2) reasonable benefits (including length of service awards), and nominal fees, customarily paid by similar entities in connection with the performance of services by volunteers.

COBRA continuation coverage. COBRA continuation coverage is health coverage that is required to be offered under the Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA) in certain circumstances in which an employee or other individual covered under a health plan loses eligibility for coverage under that health plan (for example, because the employee terminates employment or has a reduction in hours). For purposes of these instructions, COBRA continuation coverage also includes coverage required under any other federal or state law that provides continuation coverage comparable to that provided under COBRA. For additional details, see section 4980B and Regulations sections 54.4980B-1 through 54.4980B-10.

Dependent. A dependent is an employee's child, including a child who has been legally adopted or legally placed for adoption with the employee, who has not reached age 26. A child reaches age 26 on the 26th anniversary of the date the child was born and is treated as a dependent for the entire calendar month during which he or she reaches age 26. For this purpose, a dependent does not include stepchildren, foster children, or a child that does not reside in the United States (or a country contiguous to the United States) and who is not a United States citizen or national. For this purpose, a dependent does not include a spouse.

Designated Governmental Entity (DGE). A DGE is a person or persons that are part of or related to the Governmental Unit that is the ALE Member and that is appropriately designated for purposes of these reporting requirements. In the case of a Governmental Unit that has delegated some or all of its reporting responsibilities to a DGE with respect to some or all of its employees, one Authoritative Transmittal must still be filed for that Governmental Unit reporting aggregate employer-level data for all employees of the Governmental Unit (including those for whom the Governmental Unit has delegated its reporting responsibilities). For more information, see *Authoritative Transmittal for Employers Filing Multiple Forms 1094-C*.

Eligible Employer-Sponsored Plan. An eligible Employer-Sponsored Plan refers to group health insurance coverage for employees under (1) a governmental plan, such as the Federal Employees Health Benefits Program (FEHB), (2) an insured plan or coverage offered in the small or large group market within a state, (3) a grandfathered health plan offered in a group market, or (4) a self-insured group health plan for employees.

Employee. For this purpose, an employee is an individual who is an employee under the common-law standard for determining employer-employee relationships. An employee does not include a sole proprietor, a partner in a partnership, an S corporation shareholder who owns at least 2-percent of the S corporation, a leased employee within the meaning of section 414(n) of the Code, or a worker that is a qualified real estate agent or direct seller. If an employee is an employee of more than one employer of the same Aggregated ALE Group during a calendar month, the employee is treated as an employee of the employer for whom the employee has the greatest number of hours of service for that calendar month; if the employee has an equal number of hours of service for two or more employers of

the same Aggregated ALE Group for the calendar month, those employers must treat one of the employers as the employer of that employee for that calendar month. See *One Form 1095-C for Each Employee of Each Employer* for a discussion of reporting in these circumstances. See Pub.15-A, Employer's Supplemental Tax Guide, for more information on determining who is an employee.

Note. In certain circumstances, an employee may have a break in service (including a break in service due to a termination of employment) during which the individual does not earn hours of service, but upon beginning to earn hours of service again the employer must treat the individual as a continuing employee rather than a new hire for purposes of certain rules under the section 4980H regulations. See Regulations sections 54.4980H-3(c)(4) and 54.4980H-3(d)(6). These rules do not impact whether the individual was an employee during the break in service, so the individual should only be treated as an employee during the break in service for purposes of reporting if the individual remained an employee during that period (and had not terminated employment with the employer). For example, an employee on unpaid leave during the break in service would be treated as an employee for reporting purposes during the break in service, while a former employee whose employment had been terminated during the break in service would not be treated as an employee for reporting purposes.

Employer. For purposes of these instructions, an employer is the person that is the employer of an employee under the common-law standard for determining employer-employee relationships and that is subject to the employer shared responsibility provisions of section 4980H (these employers are referred to as ALE Members). For more information on which employers are ALE Members, see the definition of Applicable Large Employer Member (ALE Member).

Full-time employee. A full-time employee is an employee who, for a calendar month, is employed an average of at least 30 hours of service per week with the employer. For this purpose, 130 service hours in a calendar month is treated as the monthly equivalent of at least 30 hours per week. An employer must complete information for all twelve months of the calendar year for any of its employees who were full-time employees for one or more months of the calendar year. For more information on the identification of full-time employees, see Regulations sections 54.4980H-1(a)(21) and 54.4980H-3 and Notice 2014-49, 2014-41 I.R.B. 66 (which describes a proposed approach to the application of the look-back measurement method in situations in which the measurement period applicable to an employee changes).

Note. A retiree (meaning an individual who was not an employee during the applicable period) is not a full-time employee. However, if the retiree was a full-time employee for any month of the calendar year (for example, before retiring mid-year), the employer must complete information in Part II of Form 1095-C for all twelve months of the calendar year, using the appropriate codes.



An employer need not file a Form 1095-C for an individual who for each month of a calendar year is either not an employee of the employer or is an employee in a Limited Non-Assessment Period. However, for the months in which the employee was an employee of the employer, such an employee would be included in the total employee count reported on Form 1094-C, Part III, Column (c). Also, if during the Limited Non-Assessment Period the employee enrolled in coverage under a self-insured employer-sponsored plan, the employer must file a Form 1095-C for the employee to report coverage information for the year.

Full-time equivalent employee. A combination of employees, each of whom individually is not treated as a full-time employee because he or she is not employed on average at least 30 hours of service per week with an employer, but who, in combination, are counted as the equivalent of a full-time employee solely for purposes of determining whether the employer is an ALE. For rules on how to determine full-time equivalent employees, see Regulations section 54.4980H-2(c).

Governmental Unit and Agency or Instrumentality of a Governmental Unit. A Governmental Unit is the government of the United States, any State or political subdivision thereof, or any Indian tribal government (as defined in section 7701(a)(40)) or subdivision of an Indian tribal government (as defined in section 7871(d)). For purposes of these instructions, references to a Governmental Unit include an Agency or Instrumentality of a Governmental Unit. Until guidance is issued that defines the term Agency or Instrumentality of a Governmental Unit for purposes of section 6056, an entity may determine whether it is an Agency or Instrumentality of a Governmental Unit based on a reasonable and good faith interpretation of existing rules relating to agency or instrumentality determinations for other federal tax purposes.

Health coverage. As used in these instructions, health coverage refers to minimum essential coverage, unless otherwise indicated.

Hours of service. An hour of service is each hour for which an employee is paid, or entitled to payment, for the performance of duties for the employer, and each hour for which an employee is paid, or entitled to payment, for a period of time during which no duties are performed due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty, or leave of absence. An hour of service does not include any hour of service performed as a Bona Fide Volunteer of a government entity or tax-exempt entity, as part of a Federal Work-Study Program (or a substantially similar program of a State or political subdivision thereof) or to the extent the compensation for services performed constitutes income from sources without the United States. See www.irs.gov/irb/2014-13_IRB/ar09.html for a discussion of determination of hours of service for categories of employees for whom the general rules for determining hours of service may present special difficulties (including adjunct faculty and commissioned salespeople) and certain categories of work hours associated with some positions of employment, including layover hours (for example, for certain airline employees), on-call hours, and work performed by an individual who is subject to a vow of poverty as a member of a religious order.

Limited Non-Assessment Period. A Limited Non-Assessment Period generally refers to a period during which an ALE Member will not be subject to an assessable payment under section 4980H(a), and in certain cases section 4980H(b), for a full-time employee, regardless of whether that employee is offered health coverage during that period.

The first five periods described below are Limited Non-Assessment Periods only if the employee is offered health coverage by the first day of the first month following the end of the period, and are Limited Non-Assessment Periods for section 4980H(b) only if the health coverage that is offered at the end of the period provides minimum value. For more information on Limited Non-Assessment Periods and the application of section 4980H, see Regulations section 54.4980H-1(a)(26).

- **First Year as ALE Period.** January through March of the first calendar year in which an employer is an ALE, but only for an employee who was not offered health coverage by the employer at any point during the prior calendar year. For this purpose, 2015 is not the first year an employer is an ALE, if that employer was an ALE in 2014 (notwithstanding that transition relief

provides that no employer shared responsibility payments under section 4980H will apply for 2014 for any employer).

- **Waiting Period under the Monthly Measurement Method.** If an employer is using the monthly measurement method to determine whether an employee is a full-time employee, the period beginning with the first full calendar month in which the employee is first otherwise (but for completion of the waiting period) eligible for an offer of health coverage and ending no later than two full calendar months after the end of that first calendar month.

- **Waiting Period under the Look-Back Measurement Method.** If an employer is using the look-back measurement method to determine whether an employee is a full-time employee and the employee is reasonably expected to be a full-time employee at his or her start date, the period beginning on the employee's start date and ending not later than the end of the employee's third full calendar month of employment.

- **Initial Measurement Period and Associated Administrative Period under the Look-Back Measurement Method.** If an employer is using the look-back measurement method to determine whether a new employee is a full-time employee, and the employee is a variable hour employee, seasonal employee or part-time employee, the initial measurement period for that employee and the administrative period immediately following the end of that initial measurement period.

- **Period Following Change in Status that Occurs During Initial Measurement Period Under the Look-Back Measurement Method.** If an employer is using the look-back measurement method to determine whether a new employee is a full-time employee, and, as of the employee's start date, the employee is a variable hour employee, seasonal employee or part-time employee, but, during the initial measurement period, the employee has a change in employment status such that, if the employee had begun employment in the new position or status, the employee would have reasonably been expected to be a full-time employee, the period beginning on the date of the employee's change in employment status and ending not later than the end of the third full calendar month following the change in employment status. If the employee is a full-time employee based on the initial measurement period and the associated stability period starts sooner than the end of the third full calendar month following the change in employment status, this Limited Non-Assessment Period ends on the day before the first day of that associated stability period.

- **First Calendar Month of Employment.** If the employee's first day of employment is a day other than the first day of the calendar month, then the employee's first calendar month of employment is a Limited Non-Assessment Period.

Minimum essential coverage (MEC). Although various types of health coverage may qualify as minimum essential coverage, for purposes of these instructions, minimum essential coverage refers to health coverage under an eligible employer-sponsored plan. For more details on minimum essential coverage, see *Minimum essential coverage* in Pub. 974.

Minimum value. A plan provides minimum value if the plan pays at least 60 percent of the costs of benefits for a standard population and provides substantial coverage of inpatient hospitalization services and physician services. An offer of coverage under a plan that fails to provide substantial coverage of inpatient hospitalization and physician services should be reported on Form 1095-C as not providing minimum value, even if an employer qualifies for the section 4980H transition rule under Notice 2014-69.

Offer of health coverage. An employer makes an offer of coverage to an employee if it provides the employee an effective opportunity to enroll in the health coverage (or to decline that coverage) at least once for each plan year. An employer makes an offer of health coverage to an employee for the plan year if it

continues the employee's election of coverage from a prior year but provides the employee an effective opportunity to opt out of the health coverage. If an employer provides health coverage to an employee but does not provide the employee an effective opportunity to decline the coverage, the employer is treated as having made an offer of health coverage to the employee only if that health coverage provides minimum value and does not require an employee contribution for the coverage for any calendar month of more than 9.5 percent of a monthly amount determined as the mainland federal poverty line for a single individual for the applicable calendar year, divided by 12.

For purposes of reporting, an offer to a spouse includes an offer to a spouse that is subject to a reasonable, objective condition, regardless of whether the spouse meets the reasonable, objective condition. For example, an offer of coverage that is available to a spouse only if the spouse certifies that the spouse does not have access to health coverage from another employer is treated as an offer of coverage to the spouse for reporting purposes. Note that this treatment is for reporting purposes only, and generally will not affect the spouse's eligibility for the premium tax credit if the spouse did not meet the condition and therefore did not have an actual offer of coverage. For 2016 and future years, new codes may be added for use on Form 1095-C to indicate that an offer to a spouse was subject to a reasonable, objective condition.

An employer offers health coverage for a month only if it offers health coverage that would provide coverage for every day of that calendar month. For reporting purposes, this means that an offer of coverage does not occur for a month if an employee's employment terminates before the last day of a calendar month and the health coverage also ends before the last day of that calendar month (or for an employee who did not enroll in coverage, the coverage would have ended if the employee had enrolled in coverage). However, see the description of Code Series 2—Section 4980H Safe Harbor Codes and Other Relief for Employers, code 2B which may be applicable in these circumstances to indicate that the employer is treated as having offered coverage for the entire month for purposes of section 4980H.

An employer offers health coverage to an employee if it, or another employer in the Aggregated ALE Group, or a third party such as a multiemployer or single employer Taft-Hartley plan, a multiple employer welfare arrangement (MEWA), or, in certain cases, a staffing firm, offers health coverage on behalf of the employer.



Interim Guidance Regarding Multiemployer Arrangements. *An employer is treated as offering health coverage to an employee if the employer is required by a collective bargaining agreement or related participation agreement to make contributions for that employee to a multiemployer plan that offers, to individuals who satisfy the plan's eligibility conditions, health coverage that is affordable and provides minimum value, and that also offers health coverage to those individuals' dependents or is eligible for the section 4980H transition relief regarding offers of coverage to dependents. For more information, see section XV.E of the preamble to the final regulations under section 4980H. This relief is referred to as the multiemployer arrangement interim guidance and the multiemployer interim rule relief in these instructions.*

Qualifying Offer. A Qualifying Offer is an offer of MEC providing minimum value to one or more full-time employees for all calendar months during the calendar year for which the employee was a full-time employee for whom a section 4980H assessable payment could apply, at an employee cost for employee-only coverage for each month not exceeding 9.5 percent of the mainland single federal poverty line divided by 12, provided that the offer includes an offer of MEC to the

employee's spouse and dependents (if any). For purposes of the *Qualifying Offer Method Transition Relief for 2015*, a qualifying offer may also include an offer that satisfies the definition above except that it is not offered to an employee for all the calendar months of 2015 for which the employee was a full-time employee for whom a section 4980H assessable payment could apply.

Section 4980H Transition Relief for 2015

This section describes various types of section 4980H transition relief and how an employer reports its eligibility for any particular type of relief. For more details regarding this, and other section 4980H transition relief, see section XV of the preamble to the final regulations under section 4980H.

The transition relief described in this section is solely for the employer for purposes of section 4980H and does not affect the employee's potential eligibility for the premium tax credit. Accordingly, regardless of whether the employer is eligible for relief under section 4980H for an employee for one or more months, the Form 1095-C for that employee must accurately report the health coverage offered to that employee (if any) during that period, including, if applicable, the required employee contribution.

2015 Section 4980H Transition Relief Based on Number of Full-Time Employees (Form 1094-C, Line 22, Box C, and Form 1094-C, Lines 23-35, Column (e))

An employer may be eligible for one of the two types of 2015 transition relief under section 4980H based on the employer's number of full-time employees (and full-time equivalent employees) if certain conditions described below are met. One of these two types of 2015 transition relief under section 4980H is for employers with 50 to 99 full-time employees and the other type of relief is for employers with 100 or more full-time employees (in each case including full-time equivalent employees). Eligibility for this transition relief is reported on Form 1094-C, line 22, box C, and the specific form of relief for which the employer is eligible must be reported on Form 1094-C, Lines 23-35, column (e), using either code A (50-99 Transition Relief) or code B (100 or more Transition Relief). An employer eligible for this relief is still subject to the Forms 1094-C and 1095-C reporting requirements for 2015 with respect to its full-time employees.

For purposes of determining eligibility for either of these types of section 4980H transition relief, the number of full-time employees (including full-time equivalent employees) for 2015 is determined in the same way that an employer determines whether it is an ALE (including using employment and hours of service data from 2014) and is calculated for the Aggregated ALE Group (rather than for each employer).

1. 2015 Section 4980H Transition Relief for ALEs with Fewer Than 100 Full-Time Employees, Including Full-Time Equivalent Employees (50-99 Transition Relief)

For an employer that is eligible for this 2015 transition relief, no assessable payment under section 4980H(a) or (b) will apply for any calendar month during 2015 and, if the employer has a non-calendar-year plan, will not apply for the portion of the 2015 plan year that falls in 2016. To certify that an employer is eligible for this transition relief it must have met the following conditions:

- The employer is an ALE or is part of an Aggregated ALE Group that had 50 to 99 full-time employees, including full-time equivalent employees, on business days in 2014;
- During the period of February 9, 2014, through December 31, 2014, the ALE or the Aggregated ALE Group of which the employer is a member did not reduce the size of its workforce or

reduce the overall hours of service of its employees in order to qualify for the transition relief; and

- During the period of February 9, 2014, through December 31, 2015 (or, if the employer has a non-calendar-year plan(s)), ending on the last day of the 2015 plan year) the ALE or Aggregated ALE Group of which the employer is a member does not eliminate or materially reduce the health coverage, if any, it offered as of February 9, 2014.

Example. As of February 9, 2014, Employer A (which is an ALE with only one ALE Member) sponsors a group health plan with a calendar year plan year under which 40 of its full-time employees are offered health coverage that provides minimum value and with an employer contribution of \$300 per month for employee-only coverage. The offer of health coverage is affordable for some, but not all, of Employer A's full-time employees. During the period from February 9, 2014, through December 31, 2014, two of Employer A's employees voluntarily terminate employment and Employer A terminates three employees because of the non-renewal of a customer contract but does not otherwise reduce the size of its workforce or reduce any employee's hours of service. Had those five employees continued in employment throughout 2014, the employer would have had an average of 100 full-time employees (including full-time equivalent employees) on business days in 2014. However, as a result of the terminations, it had an average of only 97 full-time employees (including full-time equivalent employees) for business days in 2014. During the period of February 9, 2014, through December 31, 2015, Employer A does not change the eligibility requirements for the group health plan (including not amending it to eliminate its existing health coverage for dependents) and continues to make an employer contribution of \$300 per month toward the cost of employee-only coverage that provides minimum value. Employer A certifies in a timely manner as to its eligibility for the transition relief; Employer A is eligible for the transition relief.

2. 2015 Transition Relief for Calculation of Assessable Payments Under Section 4980H(a) for ALEs with 100 or More Full-Time Employees, Including Full-Time Equivalent Employees (100 or More Transition Relief). As 2015 transition relief, for each month in 2015 (and, in addition, for the portion of the 2015 plan year that ends in 2016 if the employer has a non-calendar year plan), if an employer is an ALE or is part of an Aggregated ALE Group that had 100 or more full-time employees (including full-time equivalent employees) on business days in 2014, and is subject to an assessable payment under section 4980H(a), the assessable payment under section 4980H(a) is calculated by reducing the employer's number of full-time employees by that employer's allocable share of 80 (rather than by the employer's standard allocable share of 30). For the rules on how the 80 employee reduction is allocated among the employers in an Aggregated ALE Group, see Regulations section 54.4980H-4(e).

2015 Section 4980H(a) Transition Relief if an Offer of Health Coverage is Made to at least 70 Percent of Full-Time Employees (Form 1094-C, Lines 23–35, Column (a))

For each calendar month during 2015 (and any calendar months during the 2015 plan year that occur in 2016, if the employer has a non-calendar year plan), an employer that offers health coverage to at least 70 percent of its full-time employees (and their dependents) may, on Form 1094-C, lines 23–35, column (a), enter an "X" in the "Yes" checkbox either for "All 12 Months" or for the month(s) during which it met that 70-percent threshold, as applicable.

2015 Section 4980H(a) Transition Relief for Certain Arrangements that do not Offer Health Coverage for Dependents (Form 1094-C, Lines 23–35, Column (a))

For the 2014 and 2015 plan years, for an employee who was not offered dependent health coverage during the 2013 or 2014 plan years, an employer may treat, solely for purposes of section 4980H, an offer of health coverage to a full-time employee but not his or her dependents, as an offer of health coverage to the full-time employee and his or her dependents, if the employer takes steps during the 2014 or 2015 plan year (or both) to extend coverage under the plan to dependents not offered coverage during the 2013 or 2014 plan year (or both). An employer using this transition relief for a calendar year is not eligible to report using the Qualifying Offer Method (or the Qualifying Offer Transition Relief Method) for that calendar year.

2015 Section 4980H(a) Transition Relief for Employers with Non-Calendar Year Plans (Form 1094-C, Lines 23–35, Column (a))

An employer that sponsored a non-calendar year health plan as of December 27, 2012 (or two or more health plans with the same non-calendar year plan year), may be eligible for certain transition relief. The relief would apply for some or all of its employees for the period during 2015 before the beginning of the 2015 plan year (for example, the months January, February, and March 2015 for an employer with a plan year starting April 1, 2015). In certain circumstances described below, this relief applies so that an employee and his or her dependents may be treated for purposes of section 4980H(a) as offered minimum essential coverage during that period even if not actually offered minimum essential coverage. An employer that is eligible for the relief may treat the employee and his or her dependents as offered minimum essential coverage for purposes of Form 1094-C, Part III, column (a), (and specifically for purposes of determining whether to enter an "X" in the "Yes" or "No" checkbox for the months during that period). See instructions for *2015 Section 4980H(b) Transition Relief for Employers with Non-Calendar Year Plans (Form 1095-C, line 16)*, later.

Treatment of full-time employees eligible for the non-calendar year plan. For an employee of the employer (whenever hired) who was eligible for health coverage under that non-calendar year health plan effective beginning on the first day of the 2015 plan year under the eligibility terms of the plan as in effect on February 9, 2014, for purposes of Form 1094-C, Part III, column (a), the employer may treat the employee (and his or her dependents) as having been offered coverage for the months in 2015 prior to the 2015 plan year if the employee was offered health coverage no later than the first day of the 2015 plan year.

Treatment of full-time employees not eligible for the non-calendar year plan—Significant percentage transition guidance (all employees). For purposes of Form 1094-C, Part III, column (a), Minimum Essential Coverage Offer Indicator, the employer may treat an employee who was not offered coverage for the months in 2015 prior to the 2015 plan year (and his or her dependents) as having been offered coverage for that period if the employee was offered health coverage no later than the first day of the 2015 plan year, if the employer:

1. Had at least 1/4 of its employees enrolled in health coverage under the non-calendar year plan as of any date in the 12 months ending on February 9, 2014, or
2. Offered health coverage under the non-calendar year plan to at least 1/3 of its employees during the open enrollment period that ended most recently before February 9, 2014.

Treatment of full-time employees not eligible for the non-calendar year plan—Significant percentage transition guidance (full-time employees). For purposes of Form 1094-C, Part III, column (a), Minimum Essential Coverage Offer Indicator, the employer may treat an employee (and his or her dependents) as having been offered coverage for the months in 2015 prior to the 2015 plan year if the employee was offered health coverage no later than the first day of the 2015 plan year if the employer:

- 1. Had at least 1/3 of its full-time employees enrolled in health coverage under the non-calendar year plan as of any date in the 12 months ending on February 9, 2014, or
- 2. Offered health coverage under the plan to at least 1/2 of its full-time employees during the open enrollment period that ended most recently before February 9, 2014.

2015 Section 4980H(b) Transition Relief for Employers with Non-Calendar Year Plans (Form 1095-C, Line 16, Code 2I)

Relief under section 4980H(b) for an employee for the months in 2015 prior to the 2015 plan year is available for an employer that met the conditions described above under 2015 Section 4980H(a) Transition Relief for Employers with Non-Calendar Year Plans (Form 1094-C, Lines 23-35, column (a)), if the coverage offered to the employee by the beginning of the 2015 plan year was affordable and provided minimum value. In that case, the employee may be treated for purposes of section 4980H(b) as offered minimum essential coverage providing minimum value that is affordable for the months prior to the 2015 plan year. An employer that meets these requirements reports its eligibility on the Form 1095-C, line 16, code 2I for each full-time employee for which the employer is eligible for this relief.

Section 4980H Transition Relief for Health Coverage for January 2015 (Form 1094-C, Lines 23-24, Column (a) and Form 1095-C, Line 14)

Solely for January 2015, if an employer offers health coverage to an employee no later than the first day of the first payroll period that begins in January 2015, the employer is treated as having offered health coverage for January 2015. An employer that is eligible for this transition relief for an employee for January 2015 should treat that employee as having been offered minimum essential coverage for January 2015 for purposes of Form 1094-C, line 23 or 24 (whichever is applicable), column (a). An employer that is eligible for this transition relief would report on Form 1095-C, line 14, that it did not offer its employee health coverage for the month of January (using code 1H). However, it would report on Line 16 using code 2B that it is eligible for this relief with respect to the employee if the coverage offered was affordable for purposes of the employer shared responsibility provisions under section 4980H and provided minimum value.

Interim guidance regarding multiemployer arrangements. For a description of multiemployer arrangement interim guidance which relates to the treatment of certain coverage provided through a multiemployer arrangement, see *Offer of health coverage* in the *Definitions* section.

Privacy Act and Paperwork Reduction Act Notice. We ask for the information on these forms to carry out the Internal Revenue laws of the United States and the Patient Protection and Affordable Care Act. Our legal right to ask for the information on this form is Internal Revenue Code sections 6055, 6056, 4980H and their regulations. We request it to confirm that you are providing your employees offers of, and enrollment in, health coverage and to determine the employer shared responsibility payments and eligibility of your employees for premium tax credits. If you do not provide this information, we may be unable to determine whether your employees are entitled to premium tax credits. Providing false or fraudulent information may subject you to penalties. We may disclose this information to the Department of Justice for civil or criminal litigation and to cities, states, and the District of Columbia for use in administering their tax laws. We may also disclose this information to other countries under a tax treaty, to Federal and state agencies to enforce Federal nontax criminal laws, or to Federal law enforcement and intelligence agencies to combat terrorism.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any internal revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

Form 1094-C	4 hrs.
Form 1095-C	12 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Do not send the form to this office. Instead, see *Where To File*, earlier.



Instructions for Forms 1094-B and 1095-B

Section references are to the Internal Revenue Code unless otherwise noted.

Future Developments

For the latest information about developments related to Forms 1094-B, Transmittal of Health Coverage Information Returns, and 1095-B, Health Coverage, and the instructions, such as legislation enacted after they were published, go to www.irs.gov/form1094b and www.irs.gov/form1095b.

What's New

Filing requirements. Providers of minimum essential coverage are required to file Forms 1094-B and 1095-B for 2015 in accordance with the forms and these instructions to report coverage in 2015.

Form revisions. For 2015, Form 1095-B, Part III, was revised to include Covered Individuals Continuation Sheet(s) used when there are more than six covered individuals.

Additional Information

For information related to the Affordable Care Act, visit www.irs.gov/ACA.

For the final regulations relating to Form 1095-B reporting, see T.D. 9660, 2014-13 I.R.B. at www.irs.gov/irb/2014-13_IRB/ar08.html.

For information related to reporting by Providers of Minimum Essential Coverage, go to www.irs.gov/Affordable-Care-Act/Employers/Information-Reporting-by-Providers-of-Minimum-Essential-Coverage.

General Instructions for Forms 1094-B and 1095-B

Purpose of Form

Form 1095-B is used to report certain information to the IRS and to taxpayers about individuals who are covered by minimum essential coverage and therefore aren't liable for the individual shared responsibility payment.

Minimum essential coverage includes government-sponsored programs, eligible employer-sponsored plans, individual market plans, and other coverage the Department of Health and Human Services designates as minimum essential coverage. Minimum essential coverage is described in more detail under *Who Must File*, later. Additional information about minimum essential coverage and the individual shared responsibility provision is at www.irs.gov/affordable-care-act/individuals-and-families/individuals-shared-responsibility-provision.



Minimum essential coverage doesn't include coverage consisting solely of excepted benefits. Excepted benefits include vision and dental coverage not part of a comprehensive health insurance plan, workers' compensation coverage, and coverage limited to a specified disease or illness.

Who Must File

Every person that provides minimum essential coverage to an individual during a calendar year must file an information return reporting the coverage. Filers will use Form 1094-B (transmittal) to submit Forms 1095-B (returns). However, employers (including government employers) subject to the employer shared responsibility provisions sponsoring self-insured group health plans generally will report information about the coverage in Part III of Form 1095-C instead of on Form 1095-B. These filers may use Form 1095-B instead of Form 1095-C to report coverage of individuals who aren't full-time employees for any month during the year. In general, employers with 50 or more full-time employees (including full-time equivalent employees) during the prior calendar year are subject to the employer shared responsibility provisions. See the instructions for Forms 1094-C and 1095-C for more information about who must file Forms 1094-C and 1095-C. Small employers that aren't subject to the employer shared responsibility provisions sponsoring self-insured group health plans will use Forms 1094-B and 1095-B to report information about covered individuals.

Insured coverage. Health insurance issuers and carriers must file Form 1095-B for most health insurance coverage, including individual market coverage and insured coverage sponsored by employers. However, insurance issuers and carriers don't report coverage under the Children's Health Insurance Program (CHIP), Medicaid, Medicare (including Medicare Advantage), or the Basic Health Program provided through health insurance companies. These types of coverage are reported by the government sponsors of those programs.

In addition, insurance issuers and carriers aren't required to file Form 1095-B to report coverage in individual market qualified health plans that individuals enroll in through Health Insurance Marketplaces. This coverage generally is reported by Marketplaces on Form 1095-A. However, health insurance issuers will file Form 1095-B to report on coverage for employees obtained through the Small Business Health Options Program (SHOP). Beginning with coverage in 2016 (filing in 2017), health insurance issuers and carriers will report coverage in catastrophic health plans enrolled in through the Marketplace. For coverage in 2015 (filing in 2016), health insurance issuers and carriers are encouraged to report on coverage in catastrophic health plans.

Eligible Employer-Sponsored Plans

Eligible employer-sponsored plans include:

1. Group health insurance coverage for employees under:
 - a. A governmental plan, such as the Federal Employees Health Benefits program.
 - b. An insured plan or coverage offered in the small or large group market within a state.
 - c. A grandfathered health plan offered in a group market.
2. A self-insured group health plan for employees.

Health insurance issuers or carriers will file Form 1095-B for all insured employer coverage. Plan sponsors are responsible for reporting self-insured employer coverage. Plan sponsors that are employers subject to the employer shared responsibility provisions generally must report the coverage on Form 1095-C and other plan sponsors (such as employers not subject to the employer shared responsibility provisions and sponsors of multiemployer plans) report the coverage on Form 1095-B.

Plan sponsors of self-insured employer coverage include:

- Each participating employer (for its own employees) in a plan or arrangement established or maintained by more than one employer;
- The association, committee, joint board of trustees, or similar group of representatives who establish or maintain a multiemployer plan;
- The employee organization for a plan or arrangement maintained solely by an employee organization; and
- Each participating employer (for its own employees) for a plan or arrangement maintained by a Multiple Employer Welfare Arrangement.

A government employer may designate another government entity to report coverage of its employees. Generally, a designated government entity will file Form 1095-B on behalf of a government employer that sponsors or maintains a self-insured group health plan for its employees only if that government employer isn't subject to the employer shared responsibility provisions, which would require reporting on Form 1095-C. The 2015 instructions for Forms 1094-C and 1095-C contain further information on reporting options for self-insured government entities.

Government-Sponsored Programs

Government-sponsored programs that are minimum essential coverage are:

1. Medicare Part A.
2. Medicaid, except for the following programs:
 - a. Optional coverage of family planning services.
 - b. Optional coverage of tuberculosis-related services.
 - c. Coverage of pregnancy-related services in states that don't provide full Medicaid benefits on the basis of pregnancy.

- d. Coverage of medical emergency services.
 - e. Coverage of medically-needy individuals.
 - f. Coverage under a section 1115 demonstration waiver program.
3. The Children's Health Insurance Program (CHIP).
 4. The TRICARE program, except for the following options:
 - a. Coverage on a space-available basis in a military treatment facility for individuals who aren't eligible for TRICARE coverage for private sector care.
 - b. Coverage for a line of duty related injury, illness, or disease for individuals who have left active duty.
 5. Coverage administered by the Department of Veterans Affairs that is:
 - a. Coverage consisting of the medical benefits package for eligible veterans.
 - b. CHAMPVA.
 - c. Comprehensive health care for children suffering from spina bifida who are the children of Vietnam veterans and veterans of covered service in Korea.
 6. Coverage for Peace Corps volunteers.
 7. The Nonappropriated Fund Health Benefits Program of the Department of Defense.

In general, the government agency sponsoring the program will file Form 1095-B. The State agency that administers a Medicaid or CHIP program will file Form 1095-B for coverage under those programs.

Coverage designated as minimum essential coverage. The Department of Health and Human Services has designated the following health benefit plans or arrangements as minimum essential coverage:

1. Medicare Part C (Medicare Advantage).
2. Refugee Medical Assistance.
3. Coverage provided to business owners who aren't employees.
4. Coverage under a group health plan provided through insurance regulated by a foreign government if:
 - a. A covered individual is physically absent from the U.S. for at least 1 day during the month; or
 - b. A covered individual is physically present in the U.S. for a full month and the coverage provides health benefits within the U.S. while the individual is outside the U.S.
5. The Basic Health Program.
6. Specific programs listed at www.cms.gov/CCIIO/Programs-and-Initiatives/Health-Insurance-Market-Reforms/minimum-essential-coverage.html (click on the link for "approved plans.")

Providers of these and later designated programs will file Form 1095-B. The sponsor for the Basic Health

Program is the State government agency administering the program.

Coverage in More Than One Type of Minimum Essential Coverage

If an individual is covered by more than one type of minimum essential coverage, reporting is required of only one of the types, if one of the following rules applies.

- If an individual is covered by more than one type of minimum essential coverage provided by the same provider, the provider is required to report only one of the types of coverage.
- A provider of minimum essential coverage generally is not required to report coverage for which an individual is eligible only if the individual is covered by other minimum essential coverage for which reporting is required. (For employer-sponsored coverage, this exception applies only if both types of coverage are under group health plans of the same employer).

Under the first exception, if an individual is covered by a self-insured major medical plan and a health reimbursement arrangement (HRA) provided by the same employer, the employer is the provider of both types of coverage and therefore is required to report the coverage of the individual under only one of the arrangements.

The second exception applies in the following situations.

- An insurance company offering a Medicare or TRICARE supplement for which only individuals enrolled in Medicare or TRICARE are eligible is not required to report coverage under the Medicare or TRICARE supplement.
- A state Medicaid agency is not required to report Medicaid coverage for which only individuals enrolled in other minimum essential coverage, such as employer-sponsored coverage or a qualified health plan, are eligible.
- An employer with an insured major medical plan and HRA coverage for which an individual is eligible because the individual enrolls in the insured major medical plan is not required to report the coverage under the HRA for an individual covered by both arrangements.



If an individual is covered by an HRA sponsored by one employer and a non-HRA group health plan sponsored by another employer (such as spousal coverage), each employer must report the coverage the employer provides.

When to File

The return and transmittal form must be filed with the IRS on or before February 28 (March 31 if filed electronically) of the year following the calendar year of coverage.

You will meet the requirement to file if the form is properly addressed and mailed on or before the due date. If the regular due date falls on a Saturday, Sunday, or legal holiday, file by the next business day. A business day is any day that isn't a Saturday, Sunday, or legal holiday.

For forms filed in 2016 reporting coverage provided in calendar year 2015, Forms 1094-B and 1095-B are

required to be filed by February 29, 2016, or March 31, 2016, if filing electronically.

Extension of Time to File

You can get an automatic 30-day extension of time to file by completing Form 8809, Application for Extension of Time to File Information Returns, and filing it with the IRS on or before the due date for the Form 1094-B and 1095-B. The forms may be submitted on paper or through the FIRE System either as a fill-in form or an electronic file. No signature or explanation is required for the extension. However, you must file these forms by the due date of the returns in order to get the 30-day extension. Under certain hardship conditions you may apply for an additional 30-day extension. See Form 8809 and the instructions for more information about extensions of time to file.

How to apply. File Form 8809 as soon as you know that a 30-day extension of time to file is needed. Follow the instructions on Form 8809, which provide information on where to mail it. You can also submit the extension request online through the FIRE System. You are encouraged to submit requests using the online fill-in form. See Pub. 1220, Specifications for Electronic Filing of Form 1097, 1098, 1099, 3921, 3922, 5498 and W-2G, Part B, for more information on filing online or electronically. See the instructions for Form 8809 for more information.

Where to File

Send all information returns filed on paper to the following:

If your principal business, office or agency, or legal residence in the case of an individual, is located in:

Use the following address:

Alabama, Arizona, Arkansas, Connecticut, Delaware, Florida, Georgia, Kentucky, Louisiana, Maine, Massachusetts, Mississippi, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, Texas, Vermont, Virginia, West Virginia

Department of the Treasury
Internal Revenue Service
Center
Austin, TX 73301

Alaska, California, Colorado, District of Columbia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Maryland, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, North Dakota, Oklahoma, Oregon, South Carolina, South Dakota, Tennessee, Utah, Washington, Wisconsin, Wyoming

Department of the Treasury
Internal Revenue Service
Center
Kansas City, MO 64999

If your legal residence or principal place of business or principal office or agency is outside the United States, file with the Department of the Treasury, Internal Revenue Service Center, Austin, TX 73301.

How To File

The IRS strongly encourages the quality review of data before filing to prevent erroneous notices from being mailed to statement recipients (or others for whom information is being reported).

Filing Returns with the IRS

Shipping and mailing. If you're filing on paper, send the forms to the IRS in a flat mailing (not folded). If you're sending many forms, you may send them in conveniently-sized packages. On each package, write your name, number the packages consecutively, and place Form 1094-B in package number one. Postal regulations require forms and packages to be sent by first-class mail.

Keeping copies. Generally, keep copies of information returns you filed with the IRS or maintain the ability to reconstruct the data for at least 3 years, from the due date of the returns.



If you're required to file 250 or more information returns, you must file

electronically. The 250-or-more requirement applies separately to each type of form. For example, if you must file 500 Forms 1095-B and 100 Forms 1095-C, you must file Forms 1095-B electronically, but you aren't required to file Forms 1095-C electronically. The electronic filing requirement doesn't apply if you apply for and receive a hardship waiver. The IRS encourages you to file electronically even if you're filing fewer than 250 returns.

To receive a waiver from the required filing of information returns electronically, submit Form 8508, Request for Waiver from Filing Information Returns Electronically, at least 45 days before the due date of the returns. You can't apply for a waiver for more than one tax year at a time. If you need a waiver for more than one tax year, you must reapply at the appropriate time each year. An approved waiver for original returns will cover corrections only for the same type of return. If you receive an approved waiver, don't send a copy of it to the service center where you file your paper returns. Keep the waiver for your records only.

If you are required to file electronically but fail to do so, and you don't have an approved waiver, you may be subject to a penalty of up to \$250 per return unless you establish reasonable cause. However, you can file up to 250 returns on paper, which won't be subject to a penalty for failure to file electronically. The penalty applies separately to original returns and corrected returns.

Pub. 5165, Guide for Electronically Filing Affordable Care Act (ACA) Information Returns (AIR) for Software Developers and Transmitters (Processing Year 2016), will specify the communication procedures, transmission formats, business rules and validation procedures for returns filed electronically for calendar year 2015 through the AIR system. To develop software for use with the AIR system, software developers, transmitters and issuers (carriers filing their own Forms 1094-B and 1095-B) should use the guidelines provided in Pub. 5165 along with the Extensible Markup Language (XML) Schemas

published on IRS.gov. For more information, see Pub. 5165 (Early Look for Processing Year 2015) available at www.irs.gov/PUP/for_taxpros/software_developers/information_returns/Draft_Pub_5165_04_2015.pdf.

Substitute Returns Filed with the IRS

See Pub. 5223, General Rules and Specifications for Affordable Care Act Substitute Forms 1095-A, 1094-B, 1095-B, 1094-C, and 1095-C, for specifications for private printing of substitute information returns. You may not request special consideration. Only forms that conform to the official form and the specifications in Pub. 5223 are acceptable for filing with the IRS.

Void Box

Don't use this box on Form 1095-B.

Corrected Forms 1094-B and 1095-B

If you filed a Form 1095-B with the IRS on paper and later determine there was an error on it, you must file a corrected return as soon as possible. File corrected returns as follows:

- Form 1095-B: Fully complete Form 1095-B and enter an "X" in the CORRECTED checkbox. File a Form 1094-B Transmittal with the corrected Forms 1095-B.
- Recipient's statement: A copy of the corrected Form 1095-B must be furnished to the individual who received the original Form 1095-B.

Note. Enter an "X" in the CORRECTED checkbox only when correcting a Form 1095-B previously filed with the IRS. If you are correcting a Form 1095-B that was previously furnished to a recipient, but not filed with the IRS, write CORRECTED on the new Form 1095-B furnished to the recipient.



See the chart below for examples of errors and step-by-step instructions for filing corrected returns.

Original Form 1095-B Filed with the IRS and Furnished to the Recipient	
IF any of the following are incorrect ...	THEN ...
Name of responsible individual (Part I)	1. Fully complete a new Form 1095-B and enter an "X" in the CORRECTED checkbox 2. File a Form 1094-B Transmittal with the corrected Form 1095-B 3. Furnish a copy of the corrected Form 1095-B to the person identified as the responsible individual
Social security number (SSN) or taxpayer identification number (TIN) (Part I)	
Origin of the policy (Part I)	
Employer-Sponsored Coverage Information (Part II)	
Issuer or Other Coverage Provider (Part III)	
Covered Individuals Information (Part IV)	

If you must make a correction to Form 1095-B filed electronically, see Pub. 5165.



You must file a corrected return to report retroactive changes in coverage.

Example 1. Tim enrolls in health insurance with Ace Insurance Company in January 2015. Tim fails to pay his premiums for November and December 2015 and January 2016. Ace sends Tim a Form 1095-B on January 31, 2016, reporting coverage for every month in 2015. On February 1, 2016, Ace cancels Tim's coverage effective November 1, 2015. Ace must send Tim a corrected Form 1095-B reporting that Tim was covered only for January through October 2015. If Ace filed the Form 1095-B with the IRS it must file a corrected Form 1095-B with the IRS reporting coverage only for January through October.

Example 2. Sharon is enrolled in Medicaid for January through September 2015. The Medicaid agency files a Form 1095-B and furnishes a statement to Sharon reporting coverage for January through September 2015. In April 2016, Sharon is approved for Medicaid coverage beginning on November 1, 2015. The Medicaid agency must file a corrected Form 1095-B with the IRS and furnish Sharon a corrected statement reporting coverage for January through September and November through December 2015.

Statements Furnished to Individuals

Filers of Form 1095-B must furnish a copy by January 31, 2016, to the person identified as the "responsible individual" on the form.

The "responsible individual" is the person who, based on a relationship to the covered individuals, the primary name on the coverage, or some other circumstances,

should receive the statement. Generally, the statement recipient should be the taxpayer (tax filer) who would be liable for the individual shared responsibility payment for the covered individuals, if that person is known. A statement recipient may be a parent if only minor children are covered individuals, a primary subscriber for insured coverage, an employee or former employee in the case of employer-sponsored coverage, a uniformed services sponsor for TRICARE, or another individual who should receive the statement. Filers may, but aren't required to, furnish a statement to more than one recipient.

Copies of Form 1095-B furnished to recipients may include a truncated SSN or other TIN, if applicable, of the statement recipient and covered individuals by showing only the last four digits of the SSN or other TIN and replacing the first five digits with asterisks (*) or Xs. Copies of Form 1095-B furnished to recipients also may truncate the EIN of an employer reported in Part II. The filer's EIN may not be truncated on the statement. Truncation of TINs, including EINs, is not allowed on returns filed with the IRS.

In general, statements must be furnished on paper by mail (or hand delivered), unless the recipient affirmatively consents to receive the statement in an electronic format. Statements reporting coverage under an expatriate health plan, however, may be furnished electronically unless the recipient affirmatively refuses consent or requests a paper statement. For more information on expatriate health plans, see Notice 2015-43. If mailed, the statement must be sent to the recipient's last known permanent address, or, if no permanent address is known, to the recipient's temporary address.

Consent to furnish statement electronically. The requirement to obtain affirmative consent to furnish a statement electronically ensures that statements are sent electronically only to individuals who are able to access them. The consent must relate specifically to receiving Form 1095-B electronically. A recipient may consent on paper or electronically, such as by e-mail. If consent is on paper, the recipient must confirm the consent electronically. A statement may be furnished electronically by e-mail or by informing the recipient how to access the statement on the filer's website.

Extension of Time to Furnish Statement to Recipients

You may request an extension of time to furnish statements to recipients by sending a letter to Internal Revenue Service, Information Returns Branch, Attn: Extension of Time Coordinator, 240 Murall Drive, Mail Stop 4360, Kearneysville, WV 25430. The letter must include (a) filer name, (b) filer TIN, (c) filer address, (d) type of return, (e) a statement that the extension request is for providing statements to recipients, (f) reason for delay, and (g) the signature of the filer or authorized agent. Your request must be postmarked by the date on which the statements are due to the recipients. If your request for an extension is approved, generally you will be granted a maximum of 30 extra days to furnish the recipient statements.

Substitute Statements to Recipients

If you aren't using the official IRS form to furnish statements to recipients, see Pub. 5223, which explains the requirements for format and content of substitute statements to recipients. You may develop them yourself or buy them from a private printer.

Information Reporting Penalties

A provider of minimum essential coverage that fails to comply with the information reporting requirements may be subject to the general information penalty provisions for failure to file correct information returns and failure to furnish correct payee statements.

- The penalty for failure to file an information return generally is \$250 for each return for which such failure occurs. The total penalty imposed for all failures during a calendar year can't exceed \$3,000,000.
- The penalty for failure to provide a correct payee statement is \$250 for each statement for which the failure occurs, with the total penalty for a calendar year not to exceed \$3,000,000.
- Special rules apply that increase the per-statement and total penalties if there is intentional disregard of the requirement to furnish a payee statement.

The waiver of penalty and special rules, including abatement of information return penalties for reasonable cause, also apply.

Relief From Penalties

For 2015 reporting, the IRS won't impose penalties for reporting incorrect or incomplete information, including TINs or dates of birth, on filers that can show that they have made good faith efforts to comply with the information reporting requirements for coverage in 2015. For example, a filer for coverage under an insured group health plan that makes a reasonable effort to obtain the employer identification number (EIN) of the employer sponsoring the coverage won't be subject to penalties if the filer fails to enter an EIN or enters an incorrect EIN in Part II of Form 1095-B.

Specific Instructions for Form 1094-B

Line 1. Enter the filer's complete name.

Line 2. Enter the filer's nine-digit employer identification number (EIN). If you don't have an EIN, you may apply for one online. Go to IRS.gov and enter "EIN" in the search box. You may also apply by faxing or mailing Form SS-4 to the IRS. See the instructions for Form SS-4 for more information. See Pub. 1635, Employer Identification Number, for further information.

Lines 3 and 4. Enter the name and telephone number, including area code, of the person to contact who is responsible for answering any questions.

Lines 5–8. Enter the filer's complete address where all correspondence will be sent. If mail is delivered to a P.O. Box and not a street address, enter the box number instead of the street address.

Line 9. Enter the total numbers of Forms 1095-B that are transmitted with Form 1094-B.

Specific Instructions for Form 1095-B

Part I—Responsible Individual

Line 1. Enter the name of the responsible individual (statement recipient). See the description of who is a "responsible individual" in *Statements Furnished to Individuals*, earlier.

Line 2. Enter the nine-digit social security number (SSN) of the responsible individual (111-11-1111). Enter a taxpayer identification number (TIN), rather than an SSN, if the responsible individual doesn't have an SSN. No SSN or other TIN is required if the responsible individual isn't a covered individual identified in Part IV. See *Statements Furnished to Individuals*, earlier, for information on truncating the SSN or other TIN.

Line 3. Enter the responsible individual's date of birth (MM/DD/YYYY) only if line 2 is blank.

Lines 4–7. Enter the complete mailing address of the responsible individual. If mail isn't delivered to the street address and the responsible individual has a P.O. Box, enter the box number instead of the street address.

Line 8. Enter the letter identifying the origin of the policy.

- A.** Small Business Health Options Program (SHOP).
- B.** Employer-sponsored coverage.
- C.** Government-sponsored program.
- D.** Individual market insurance.
- E.** Multiemployer plan.
- F.** Other designated minimum essential coverage.

Line 9. For 2015, leave this line blank.

Part II—Employer-Sponsored Coverage

This part is completed only by issuers or carriers of insured group health plans, including coverage purchased through the SHOP.



Insurance companies entering codes A or B on line 8 will complete Part II. Employers reporting self-insured group health plan coverage on Form 1095-B enter code B on line 8, but don't complete Part II. If you entered code B for self-insured coverage, skip Part II and go to Part III.

Lines 10–15. Enter the name, EIN, and complete mailing address for the employer sponsoring the coverage. If mail isn't delivered to the street address and the employer has a P.O. Box, enter the box number instead of the street address. See *Statements Furnished to Individuals*, earlier, for information on truncating the EIN. If the employer is a member of a controlled group, enter information for the specific controlled group member that is the covered employee's employer. If the coverage is provided through an association or a Multiple Employer Welfare Arrangement, enter information for the participating employer of the covered employee. Don't complete Part II if the coverage is provided through a multiemployer plan.

Part III—Issuer or Other Coverage Provider

Lines 16–22. Enter your name, EIN, and complete mailing address. The provider of the coverage is the issuer or carrier of insured coverage, sponsor of a

self-insured employer plan, government agency providing government-sponsored coverage, or other coverage sponsor. Enter on line 18 the telephone number an individual seeking additional information may call to speak to a person.

Part IV—Covered Individuals

Column (a). Enter the name of each covered individual.

Column (b). Enter the nine-digit SSN or other TIN for each covered individual (111-11-1111). The field may be left blank if the covered individual does not have a TIN. See *Statements Furnished to Individuals*, earlier, for information on truncating the SSN or other TIN.

Column (c). Enter a date of birth (MM/DD/YYYY) for the covered individual only if an SSN or other TIN isn't entered in column (b).

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 wasn't covered for all 12 months, check the applicable box(es) for the months in which the individual was covered for at least one day. If there are more than six covered individuals, complete this information for the additional covered individuals on Part IV, Continuation Sheet(s).

Privacy Act and Paperwork Reduction Act Notice.

We ask for the information on these forms to carry out the Internal Revenue laws of the United States and the Patient Protection and Affordable Care Act. Our legal right to ask for the information on this form is Internal Revenue Code 6055 and its regulations. We request it to confirm that insured individuals are covered by minimum essential coverage and therefore aren't liable for the individual shared responsibility payment. If you don't provide this information, we may be unable to determine whether

covered individuals are liable for the individual shared responsibility payment; providing false or fraudulent information may subject you to penalties. We may disclose this information to the Department of Justice for civil or criminal investigation, and to cities, states, and the District of Columbia for use in administering their tax laws. We may also disclose this information to other countries under a tax treaty, to Federal and state agencies to enforce Federal nontax criminal laws, or to Federal law enforcement and intelligence agencies to combat terrorism.

You aren't required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete the following forms will vary depending on individual circumstances. The estimated average time is:

Form 1094-B	10 min.
Form 1095-B	1 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Internal Revenue Service; Tax Forms and Publications Division; SE:W:CAR:MP:T, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Don't send the form to this office. Instead, see *Where To File*, earlier.