

A close-up photograph of a silver stethoscope resting on a white document. The document has the words "Affordable Care" and "ACA" printed on it in a large, bold, black serif font. The stethoscope's chest piece is in the upper right, and its tubing curves across the top and left. The background is a dark, textured surface.

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# 1095-C Coding Glossary

Affordable Care  
ACA





Under the Affordable Care Act (ACA), Form 1095-C is a tax form used by certain employers to report information about the health insurance coverage they offer to their full-time employees. The form is filed with the Internal Revenue Service (IRS) and provided to employees, enabling them to complete their individual tax returns.

Here are some key points about Form 1095-C:

- **Reporting Employer-Provided Health Coverage:** Form 1095-C is used by applicable large employers (ALEs) to report information about the health coverage they offer to full-time employees and their dependents.
- **Employee-Specific Information:** Each Form 1095-C is specific to an individual employee and provides details about the health coverage they were offered or enrolled in during the tax year.
- **Distribution to Employees:** ALEs must furnish a copy of Form 1095-C to each full-time employee by January 31st of the following year. Employees may use the information on the form to verify whether they and their family members had minimum essential coverage throughout the tax year.
- **Employee Tax Reporting:** Employees who receive Form 1095-C must retain it for their records and may need to use the information on the form when completing their individual tax returns.

# Sample Form 1095-C

Part I Employee & ALE Member Information

Part II: Employee Coverage Information

Form <b>1095-C</b> Department of the Treasury Internal Revenue Service		<b>Employer-Provided Health Insurance Offer and Coverage</b>				<input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED		600120 OMB No. 1545-2251 <b>2021</b>					
<b>Part I Employee</b> 1 Name of employee (first name, middle initial, last name)		2 Social security number (SSN)		<b>Applicable Large Employer Member (Employer)</b> 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 or ZIP or foreign postal code		11 City or town		12 State or province		13 Country and ZIP or foreign postal code			
<b>Part II Employee Offer of Coverage</b>				<b>Employee's Age on January 1</b>				<b>Plan Start Month (Enter 2-digit number):</b>					
	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
14 Offer of Coverage (enter required code)													
15 Employee Required Contribution (see instructions)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
16 Section 4980H Safe Harbor and Other Relief (enter code, if applicable)													
17 ZIP Code													
For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.										Form 1095-C (2021)			

# Sample Form 1095-C: Part III

## Part III: Covered Individuals Information

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**Part III Covered Individuals**  
 If Employer provided self-insured coverage, check the box and enter the information for each covered individual enrolled in coverage, including the employee.

	(a) Name of covered individual(s) First name, middle initial, last name	(b) SSN or other TIN	(c) DOB (if SSN or other TIN is not available)	(d) Covered all 12 months	(e) Months of Coverage											
					Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
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"/>
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"/>

Form 1095-C (2021)

# Sample Completed Form 1095-C

Form <b>1095-C</b> Department of the Treasury Internal Revenue Service		<b>Employer-Provided Health Insurance Offer and Coverage</b> ▶ Do not attach to your tax return. Keep for your records. ▶ Go to <a href="http://www.irs.gov/Form1095C">www.irs.gov/Form1095C</a> for instructions and the latest information.				<input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED		<b>600120</b> OMB No. 1545-2251 <b>2021</b>					
<b>Part I Employee</b>					<b>Applicable Large Employer Member (Employer)</b>								
1 Name of employee (first name, middle initial, last name) Paula F Curtis			2 Social security number (SSN) 000-00-0000		7 Name of employer A and O Express			8 Employer identification number (EIN) 451234567					
3 Street address (including apartment no.) 1700 E 23rd St					9 Street address (including room or suite no.) 407 S. 27th Avenue, Company1			10 Contact telephone number 123-456-7890					
4 City or town Fremont		5 State or province NE		6 Country or ZIP or Foreign postal code 68025-2416		11 City or town Omaha		12 State or province NE		13 Country and ZIP or foreign postal code 68131			
<b>Part II Employee Offer of Coverage</b>				<b>Employee's Age on January 1</b>				<b>Plan Start Month (Enter 2-digit number): 01</b>					
	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
14 Offer of Coverage (enter required code)		1H	1H	1H	1H	1E	1E	1E	1E	1E	1E	1E	1E
15 Employee Required Contribution (see instructions)	\$	\$	\$	\$	\$	\$ 90.00	\$ 90.00	\$ 90.00	\$ 90.00	\$ 90.00	\$ 90.00	\$ 90.00	\$ 90.00
16 Section 4980H Safe Harbor and Other Relief (enter code, if applicable)		2A	2A	2D	2D	2C	2C	2C	2C	2C	2C	2C	2C
17 ZIP Code													
For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.										Form <b>1095-C</b> (2021)			

## 1095-C Codes

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**1A:** This code indicates that a Qualifying Offer was made in accordance with the Employer Mandate requirements for Minimum Essential Coverage, Minimum Value, and affordability for a dependent to enroll. This code conveys a favorable message to the IRS.

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**1B:** A 1B code informs the IRS that the type of coverage offered satisfies both Minimum Essential Coverage and Minimum Value requirements but was only made available to the employee and not their dependents. This code could result in IRS penalties for employers.

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**1C:** The 1C code indicates that Minimum Essential Coverage and Minimum Value health coverage were offered to the employee and their dependent children, but not to the employee's spouse.

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**1D:** This code indicates that the employee and spouse were offered Minimum Essential Coverage and Minimum Value health coverage, but their children were not.

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**1E:** A 1E code indicates that the employee, their dependents, and their spouse were provided with Minimum Essential Coverage and Minimum Value health coverage. It is important to distinguish between codes 1A and 1E, as code 1E may indicate that an offer of coverage was not deemed affordable or was affordable under an applicable IRS safe harbor, excluding the federal poverty line (FPL) safe harbor.

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**1F:** This code informs the IRS that the offered coverage satisfies only Minimum Essential Coverage and not Minimum Value.

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**1G:** The 1G code denotes that coverage was extended to a non-full-time employee under the Affordable Care Act. Therefore, no individual should have a 1G code on line 14 of the 1094-C for a 12-month period, as only full-time employees are required to be reported.



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**1H:** This code could be the most detrimental for an employer because it informs the IRS that no offer of coverage was made or that an offer was made but did not include Minimum Essential Coverage.

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**1L:** The 1L code indicates that an individual coverage health reimbursement arrangement (HRA) was offered to an employee and the employee's primary residence ZIP code was used to determine affordability.

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**1M:** Similar to code 1L, code 1M informs the IRS that an HRA with individual coverage was offered to the employee and his or her dependent(s). The affordability is determined using the principal ZIP code of the employee.

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**1N:** The 1N code informs the IRS that the employee, their spouse, and their dependent(s) were offered individual coverage HRA, with affordability determined by the employee's primary residence ZIP code.

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**1O:** The 1O code is similar to the 1L code in that an individual coverage HRA was offered to the employee, but affordability is determined using the employee's primary employment location ZIP code.

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**1P:** The 1P code informs the IRS that an individual HRA was offered to the employee and his or her dependent(s), but not the employee's spouse. The affordability is determined using the ZIP code of the employee's primary place of employment.

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**1Q:** A 1Q code notifies the IRS that an HRA with individual coverage was offered to the employee, their spouse, and/or their dependent(s), with affordability determined using the employee's primary employment location ZIP code.

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**1R:** The 1R code indicates that the Individual coverage HRA offered to the employee, employee and spouse or dependent(s), or employee, spouse, and dependent(s) is NOT affordable.

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**1S:** The 1S code should be utilized when an HRA for individual coverage is offered to a non-full-time employee.

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**1T:** This code indicates that a Qualifying Offer was made in accordance with the Employer Mandate requirements for Minimum Essential Coverage, Minimum Value, and affordability for a dependent to enroll. This code conveys a favorable message to the IRS.

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**1U:** A 1B code informs the IRS that the type of coverage offered satisfies both Minimum Essential Coverage and Minimum Value requirements but was only made available to the employee and not their dependents. This code could result in IRS penalties for employers.

**Line 15:** Enter the lowest cost for self-only Minimum Essential Coverage (MEC) that meets the Minimum Value (MV) requirement. Include the excess amount that the employee is responsible for paying after reimbursement if the organization offers HRAs to employees who have individual coverage. The coverage used to calculate the excess employee balance should be the silver plan with the lowest cost.

In addition to Line 14, employers are required to enter codes on Line 16 that provide additional context regarding the type of coverage offered or the reason(s) why no offer was made.





## Line 16 Codes

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**2A:** This code is straightforward; it indicates that the employee was not employed. It is accompanied by a 1H on line 14.

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**2B:** The 2B code indicates that the employee did not work full-time.

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**2C:** This code indicates that the employee enrolled in the coverage offered, regardless of whether the coverage offered complied with the Affordable Care Act. If there is a choice between 2C and another code and either could be used in good faith, the employer should use this code.

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**2D:** This code is applicable if an employee is in a Limited Non-assessment Period or "LNAP" and their ACA status has not yet been determined.

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**2E:** 2E is the code for multi-employer relief. This code is typically applied if a portion of the workforce is unionized, and a multi-employer plan is in place.

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**2F:** The 2F code signifies that the W-2 safe harbor was used to determine the employee's affordability. Employers should take note that if this safe harbor code was used, it is the only code used for this particular employee during this reporting year.

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**2G:** The 2G code signifies that the Federal Poverty Line was used to demonstrate that the offered coverage was affordable.

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**2H:** The 2H code indicates that the Rate of Pay safe harbor was utilized to demonstrate the affordability of the offered coverage.

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## Line 17 Explanation

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Line 17 of the 1095-C pertains to ICHRAs, and the method used to calculate the affordability of reimbursement coverage. If you are relying on location, you must enter a zip code on Line 17 so the IRS can assess the location-specific costs associated with it.





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