



Affordable Care Act (ACA) Reporting Toolkit

2025 1094-C/1095-C Forms

Updated 11/1/2025



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Overview

The Affordable Care Act (ACA) changed the landscape of employer-sponsored benefits. Along with many prohibitions on restricting or curtailing coverage, the ACA created the Employer Shared Responsibility (ESR) mandate, also known as “Pay or Play.” The ESR mandate requires Applicable Large Employers (ALEs) to offer at least minimum essential coverage to substantially all of their full-time employees and dependents or be at risk for significant IRS tax penalties. ALEs are also required to offer affordable, minimum-value health coverage to all full-time employees.

Employer Shared Responsibility (ESR) Mandate

Applicable Large Employer (ALE)

Penalty A – IRC Section 4980H(a)

Did you offer **Minimum Essential Coverage (MEC)** to at least **95%** of your full-time employees and their dependents?



\$241.67 per month (\$2,900 per year)*
per total number of full-time employees (minus 30) if
one employee receives a Premium Tax Credit (PTC)

Penalty B – IRC Section 4980H(b)

Did you offer **Minimum Value (MV) Coverage** to **all** full-time employees
and was it **affordable**?



\$362.50 per month (\$4,350 per year)* for
each full-time employee who receives a
Premium Tax Credit (PTC)

**reflects 2025 ESR penalty amounts*



Additional Resources:

- **Employer Shared Responsibility Provisions** | *Internal Revenue Service (irs.gov)*

Affordable Care Act (ACA) Reporting Requirements

The ACA created reporting requirements under Internal Revenue Code Sections 6055 and 6056. Under these rules, certain employers must provide information to the IRS about the health plan coverage they offer (or do not offer) to their employees.

IRC Section 6056 - Applicable Large Employer (ALE) Reporting Requirement

The ACA requires an ALE to offer affordable, minimum-value health coverage to their full-time employees and dependents or risk a tax penalty. An ALE is an employer that employs, on average, at least 50 full-time employees, including full-time equivalent employees during the preceding calendar year.

It is critical for you to understand whether your company is an ALE each calendar year because that will determine whether you must comply with the ESR mandate as well as whether you must file the annual Section 6056 tax filings. An ALE must complete and file a 1094-C transmittal form, along with a 1095-C form (Parts I and II) for each employee who was determined to be full-time eligible for any month during the year.¹

The IRS uses the information from these forms to determine whether an ALE is subject to an ESR mandate tax penalty and whether an individual taxpayer is eligible for a premium tax credit for an Exchange policy.

Steps to determine your status as an ALE.²

1. Determine how many full-time employees you had each month of the prior calendar year. Under the ACA, a full-time employee for any calendar month is one who has, on average, at least 30 hours of service per week, or at least 130 hours per calendar month. There are exceptions for seasonal workers and employees with medical coverage under TRICARE or the Department of Veterans Affairs.
2. Determine how many full-time equivalent employees you had each month of the prior calendar year. To do this, combine the number of hours of service of all non-full-time employees for the month – and divide that total by 120. Make sure you do not include more than 120 hours of service per employee. The same exceptions above for seasonal workers and workers with coverage under TRICARE or the Department of Veterans Affairs apply when determining the number of full-time equivalent employees.
3. For each calendar month, add your full-time and full-time equivalent employees for a monthly total. Add the monthly totals. Divide the sum of the monthly totals by 12. If the result is 50 or more employees, you are an ALE.

Note: The law treats employers in an aggregated group as a single employer for determining ALE status. You are part of an aggregated group if you have a certain level of common ownership or are otherwise related to other employers. These employers must add together all full-time employees of the aggregated group, including full-time equivalent employees, to determine the status of the combined group of employers as an ALE. Generally, each individual ALE member is responsible for its own employer-shared responsibility payment.



Additional Resources:

- [Applicable Large Employers \(ALEs\) Subject to the Pay or Play Rules](#)

¹ On December 23, 2024, President Biden signed the Paperwork Reduction Act which allows employers to now only furnish 1095-C forms to employees upon request. Employers must provide clear and conspicuous notice informing employees that they may request a copy of the form.

² <https://www.irs.gov/pub/irs-pdf/p5208.pdf>

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IRC Section 6055 - Self-Insured Plan Sponsor Reporting Requirement

Self-insured plan sponsors and health insurance carriers must comply with Section 6055 by filing information with the IRS and providing a statement to covered individuals about who is covered under the employer’s plan.²

It is important to note that level-funded plans, Health Reimbursement Arrangements (HRAs)³ offered with a fully insured plan, and Individual Coverage Health Reimbursement Arrangements (ICHRA) are generally considered to be self-insured plans.

Non-ALEs:

If your company is not an ALE (averaged fewer than 50 full-time employees during the prior calendar year) and offers a self-insured plan, you will meet your Section 6055 reporting requirements by filing 1094-B and 1095-B forms.⁴ The “B” forms are relatively straightforward and not discussed in detail in this toolkit.

ALEs:

If your company is an ALE and offers a self-insured plan, you may use a single combined 1095-C form for reporting the information required under both Section 6055 and Section 6056. An ALE that sponsors a self-insured plan will complete all sections (Parts I, II and III) of the 1095-C forms. Part III of the 1095-C forms will indicate whether the employee and their dependents were covered during each month of the year.

An ALE may also use the 1095-C form to report on non-employees enrolled in self-insured coverage, such as COBRA participants who terminated employment during a previous year.

Small Employer (Fully Insured Plan)	Small Employer (Self-Insured Plan)	ALE (Fully Insured Plan)	ALE (Self-Insured plan)
NOTHING <ul style="list-style-type: none">Insurer responsible for Section 6055 reportingSection 6056 does not apply	Section 6055	Section 6056	Sections 6055 and 6056
	Form 1094-B Form 1095-B	Form 1094-C Form 1095-C (Parts I and II)	Form 1094-C Form 1095-C (Parts I, II and III)
	Information about individuals covered under the plan	Information about offer of coverage to FT employees	Information about: <ul style="list-style-type: none">Individuals covered under the plan ANDOffer of coverage to FT employees



Additional Resources:

- **Questions and Answers on Information Reporting by Health Coverage Providers (Section 6055)**
Internal Revenue Service (irs.gov)

² This purpose of the Section 6055 reporting requirement was to help the IRS administer the individual mandate, which no longer holds a tax penalty and essentially no longer applies. However, the IRS still requires employers to comply with 6055 reporting.

³ If an employer offers both a fully insured plan and an HRA for which an employee is eligible only if enrolled in the fully insured plan, and an employee enrolls in both, the employer is not required to report the employee’s coverage under the HRA. If an individual is enrolled in a self-insured group health plan provided by an employer and also is enrolled in an HRA provided by the same employer, the employer is required to report only one type of coverage for that individual.

⁴ A non-ALE self-insured employer is also required to provide 1095-B forms to covered individuals. On December 23, 2024, President Biden signed the Paperwork Reduction Act which allows employers to now only furnish 1095-B forms to employees upon request. Employers must provide clear and conspicuous notice informing employees that they may request a copy of the form.

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Employers are No Longer Required to Automatically Furnish 1095-C Form to Employees / Covered Individuals

On December 23, 2024, President Biden signed the Paperwork Reduction Act which allows employers to now only furnish 1095-C forms to employees upon request. Employers must provide clear and conspicuous notice informing employees that they may request a copy of the form. Upon request, employers must provide a copy of the 1095-C form by January 31, or within 30 days of the request (whichever is later).

If clear and conspicuous notice is not provided, employers are required to furnish forms by March 2, 2026.

Employers must still prepare and file the 1095-C forms, along with their 1094-C form, with the IRS by the applicable deadlines.

Electronic Filing Now Required for Most Employers

The IRS has lowered the 250-return threshold for mandatory electronic reporting to 10 returns (aggregated count includes all information returns). This means almost every employer is now required to complete their ACA reporting electronically.

An employer may apply for an electronic filing hardship waiver by submitting IRS Form 8508. Among other factors, the IRS will consider whether the cost of filing the return electronically creates an undue hardship. Employers are encouraged to file the Form 8508 at least 45 days before the due date of the returns, but no later than the due date of the return.

Deadline



Deadline for **Filing with the IRS – Electronic Filing**. . . . **March 31, 2026**

**An ALE may receive an automatic 30-day extension of time to file with the IRS by completing and filing IRS Form 8809 before the due date; however, there is no available extension for the furnishing of individual statements.*

Potential Reporting Penalties

Penalties for failure to file and/or furnish 1094-C and 1095-C forms fall under IRC Sections 6721 and 6722. The IRS can also assess penalties for late filings and incorrect coding. The IRS good faith transitional relief for incorrect codes and/or errors on 1094-C and 1095-C forms is no longer available to employers.

Penalties are determined using the date on which the returns are due. For 2025 returns with deadlines falling in 2026, the adjusted penalty amounts are:

Penalty Type	Per Violation	Annual Maximum	Annual Maximum for Employers with ≤\$5 Million in Gross Receipts
For returns due in:	2026	2026	2026
General	\$340	\$4,098,500	\$1,366,000
Corrected within 30 days	\$60	\$683,000	\$239,000
Corrected after 30 days, but before Aug 1	\$130	\$2,049,000	\$683,000
Intentional Disregard	\$680	No Max	No Max

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Completing the Forms – A Step-By-Step Guide

IRS Form 1095-C

This is not intended as tax or legal advice or to replace IRS tax form instructions. Employers should review the form instructions available [here](#) and speak with tax or legal advisors as appropriate.

1095-C, General Form Information

Form 1095-C Department of the Treasury Internal Revenue Service	Employer-Provided Health Insurance Offer and Coverage Do not attach to your tax return. Keep for your records. Go to www.irs.gov/Form1095C for instructions and the latest information.	<input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED	OMB No. 1545-2251 2025
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The forms must be completed by all Applicable Large Employers (ALEs), including members of an aggregated ALE. You are part of an aggregated ALE group if you have a certain level of common ownership or are otherwise related to other employers (per IRS definition). These employers must add together all full-time employees of the aggregated group, including full-time equivalent employees, to determine the status of the combined group of employers as an aggregated ALE. Generally, each individual ALE member is responsible for its own 1094-C and 1095-C reporting.

The form must be:

1. Completed for every employee who was considered full-time for at least one month of the 2025 calendar year (Section 6056). “Full-time” is defined as an employee expected to work, on average, at least 30 hours per week, or 130 hours per month (not in a limited non-assessment period, i.e., waiting period or initial measurement period); and
2. Completed for any individual regardless of full-time status, who enrolled for at least one day of the 2025 calendar year in an self-insured ALE’s plan providing at least minimum essential coverage (Section 6055).
3. The deadline to furnish the form to employees and/or covered individuals is March 2, 2026; however, the Paperwork Reduction Act allows an employer to only provide the form upon employee request. Employer must provide clear and conspicuous notice of the right to receive a form.
4. Filed with the IRS, along with the 1094-C form. The deadline to file the forms electronically with the IRS is March 31, 2026. Reminder: The IRS released a final rule lowering the 250-return threshold for mandatory electronic reporting to 10 returns (aggregated count includes all information returns). This means almost every employer is now required to complete their ACA reporting electronically.

Individual Coverage HRAs (ICHRAs) are not discussed in detail in this toolkit. ICHRAs are relatively uncommon. Refer to your ICHRA TPA for information if needed.

Forms change from year to year; make sure you are using the 2025 form.

Recipients (employees/covered individuals) may use information in the form to complete their tax returns but are not required to include this form with their taxes unless there are state specific filing requirements.

The void box is only for the IRS.

The “Corrected” box should only be used when correcting forms that were already sent to the recipient and the IRS.

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1095-C, Part I

Part I provides identifying information about the employee and the ALE.

Part I Employee			Applicable Large Employer Member (Employer)		
1 Name of employee (first name, middle initial, last name)		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

- 1 Use the employee's legal name.
- 2 You may truncate the SSN and just use the last four digits (XXX-XX-1234 or ***-**-1234) on the employee's form; however, truncation is not permitted on the form filed with the IRS.
- 3-6 Employee's mailing address.
- 7 Use the employer's legal name. Check with your tax advisor to see what name is normally used for tax purposes.
- 8 You may not truncate the employer ID number (EIN). For members of an aggregated ALE, make sure the EIN corresponds to the EIN that employs this particular employee (i.e., the EIN on the employees' W-2).
- 9, 11-13 Employer's mailing address.
- 10 Enter a contact number for an individual (or department) who can answer questions about this form from the employee or IRS.

1095-C, Part II

Part II provides information on the type of coverage offered, to whom, and at what cost.

Part II Employee Offer of Coverage	Employee's Age on January 1						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 Required Contribution (see instructions)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
16 Section 4980H Safe Harbor and Other Relief (enter code, if applicable)													
17 ZIP Code													

Employee's Age: This line is only used if the employee was offered an ICHRA. Enter the employee's age on January 1, 2025. For non-calendar year plans or employees who become eligible midyear, discuss the appropriate age to enter with your counsel or TPA administering the ICHRA.

Plan Start Month: Enter a 2-digit number for the first month of the plan year of the health plan offered to the employee (e.g., "01" for January). If no health plan was offered to the employee, enter "00." Do not leave it blank.

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1095-C, Line 14 – Offer of Coverage

Line 14 must be completed for all employees receiving a 1095-C form; you may not leave it blank for any month.

	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
14 Offer of Coverage (enter required code)													

Alphanumeric 1-series codes are used to tell the IRS whether the ALE offered minimum essential and/or minimum value coverage, and whether it was offered to the employee only or also to spouses and dependent children.

See: [1095-C Line 14, Cheat Sheet](#)

Use the code that reflects the broadest coverage offered to the employee, regardless of the coverage in which the employee actually enrolled. For example, if the employee was offered minimum value coverage and had the option to enroll the entire family, the code should reflect this family offer, even if the employee elected only individual coverage.

Use either the 'All 12 Months' box or enter a code in the box for every month. Every month must be accounted for even if an employee wasn't employed every month of the year. Line 16 provides a place to explain why an offer was not made.

Use a code indicating an offer of coverage was made only if the offer applied for every day of the calendar month. There is a corresponding code available for scenarios where coverage wasn't offered every day of the month because the employee was hired or terminated mid-month. This code will be entered on line 16.

Self-insured employers using the form to report coverage enrollment to non-employees can use Code 1G, but it must apply for all months of the year to be used.

1095-C, Line 15 – Employee Required Contribution

Line 15 tells the IRS what the employee would pay for the lowest cost, employee-only, coverage option providing minimum value (i.e., the required payroll deduction without regard to the plan's copays or deductibles).

15 Employee Required Contribution (see instructions)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
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It may not reflect what the employee actually paid if the employee elected an option other than the lowest cost, employee-only, coverage option providing minimum value.

If you offer different coverage options to different groups of employees, make sure you enter the lowest cost, employee-only, coverage option providing minimum value available to this specific employee.

The IRS will use this amount to determine whether coverage was affordable.

Use the 'All 12 Months' box if contributions remained the same; use the individual month boxes if contributions changed during the year or if the employee was not offered coverage every month.

You should only fill in boxes where the corresponding box on line 14 contains codes 1B, 1C, 1D, 1E, 1J, 1K or when the employer is offering an ICHRA (codes 1L through 1U).

If you are not filling in a box, leave it blank (i.e. do not insert "N/A" or "none").

If the cost of coverage was 100% employer paid, enter \$0.00 in each applicable month.

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1095-C, Line 16 – Section 49890H Safe Harbor and Other Relief

Line 16 lets an employer enter codes (if applicable) to tell the IRS whether you are using any safe harbors, explaining the codes entered on line 14.

[illegible]

Alphanumeric 2-series codes are used to tell the IRS various things, such as whether an employee accepted an offer of coverage, why an offer of coverage was not made, or to describe how the employer determined that coverage was affordable.

See: **1095-C Line 16, Cheat Sheet**

You will need to know – for each employee for whom you are completing a 1095-C form – whether the person was employed each month, whether the person was considered a full-time employee, whether the person was enrolled in coverage, whether coverage was affordable (and if so, under what safe harbor), and whether any limited non-assessment periods apply to this employee for any month of the year (i.e., waiting periods or initial measurement periods for employers using the look-back measurement method).

There is no code available to indicate that an employee waived (declined) coverage; however, if an employee waived an offer of affordable coverage it is important to tell the IRS if the ALE was using an approved affordability safe harbor. The IRS provides three optional affordability safe harbors: the federal poverty line (FPL), the W-2, or the rate of pay.

Coverage is considered affordable if the employee's required contribution for self-only coverage is ≤ 9.02 percent of the employee's household income for the year (2025)

W-2 – Code 2F	Box 1 of 2025 W-2 / 12 x 9.02% Example: \$20,000 / 12 X 9.02% <= \$150.33/month
Federal Poverty Line – Code 2G	FPL x 9.02% / 12 months Jan 2025 Renewal <= \$113.20/month Feb – Dec 2025 Renewal <= \$117.63/month
Rate of Pay – Code 2H	Hourly Rate x 130 hrs x 9.02% Example: \$15.00 x 130 x 9.02% <= \$175.89

It is possible that no code will apply. If no code applies, you should leave line 16 blank.



- For more information on IRS-approved ways to determine full-time status (i.e., monthly and look-back measurement methods), see: **Identifying Full-time Employees** | *Internal Revenue Service (irs.gov)*
- For more information on IRS-approved affordability safe harbors (i.e., Federal Poverty Line safe harbor, W-2 safe harbor or rate of pay safe harbor), see: **McGriff Compliance Q&A: 2025 Affordability Safe Harbors**

1095-C, Line 17 – Zip Code

Line 17 is only completed if the ALE is offered an ICHRA – these are uncommon and not discussed in this toolkit. Leave line blank unless ICHRA was offered.

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1095-C, Part III – Covered Individuals

Part III should only be completed if you offered self-insured coverage and the individual named on line 1 was enrolled in that coverage for at least one day during the year.

Part III Covered Individuals

If Employer provided self-insured coverage, check the box and enter the information for each 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"/>
						<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"/>

If applicable, check the box indicating that you offered self-insured, minimum essential coverage. Do not check the box if the only self-insured coverage was an HRA that was integrated with your fully insured group medical plan. In that case, the carrier will file a 1095-B form for the insurance coverage, and you don't need to report the self-insured HRA component.

This section may also be used if you are completing the form for non-employees enrolled in your self-insured coverage (e.g., non-employee directors, a former employee who terminated prior to January 1, 2025 and enrolled in COBRA).

The covered employee's information should be entered on line 18, and the other lines should contain information about enrolled family members of the employee.

Check the 'Covered All 12 Months' box or check the individual month boxes for each month an individual was enrolled.

If you have requested dependent Social Security numbers (SSNs) or Taxpayer Identification Numbers (TINs) from the employee and have been unable to obtain those numbers, you may use the date of birth for the dependents.

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IRS Form 1094-C

This is not intended as tax or legal advice or to replace form instructions. Employers should review the form instructions available [here](#) and speak with tax or legal advisors as appropriate.

General Form Information

Form 1094-C Department of the Treasury Internal Revenue Service	Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns Go to www.irs.gov/Form1094C for instructions and the latest information.	<input type="checkbox"/> CORRECTED	OMB No. 1545-2251 2025
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The form must be completed by all ALEs, including members of an aggregated ALE. You are part of an aggregated ALE group if you have a certain level of common ownership or are otherwise related to other employers (per IRS definition). These employers must add together all full-time employees of the aggregated group, including full-time equivalent employees, to determine the status of the combined group of employers as an aggregated ALE. Generally, each individual ALE member is responsible for its own 1094-C and 1095-C reporting.

The IRS uses the information on this form to consolidate data about the employer and its employee populations and coverage offers.

This data is used to help determine whether employer penalties will be assessed and whether individual premium tax credits are valid.

An ALE must submit this 1094-C “transmittal form” to the IRS along with all associated 1095-C forms.

The deadline to submit the form electronically to the IRS is March 31, 2026. Reminder: The IRS released a final rule lowering the 250-return threshold for mandatory electronic reporting to 10 returns (aggregated count includes all information returns). This means almost every employer is now required to complete their ACA reporting electronically.

Forms change from year to year; make sure you are using the 2025 form.

The “Corrected” box should only be used when correcting forms that were already sent to the IRS.

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1094-C, Part I

Part I provides identifying information about the employer.

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		
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		

For Official Use Only

XXXXXXXXXX

- 1
- Use the employer's legal name. Check with your tax advisor to see what name is normally used for tax purposes.
- 2
- You may not truncate the employer ID number (EIN). For controlled group members, make sure the EIN corresponds to the EIN for the particular ALE member company.
- 3 - 6
- Employer's mailing address
- 7 - 8
- Enter a contact name and telephone number for an individual (or department) who can answer questions about this form from the IRS.
- 9 - 16
- Only use if the employer is a governmental unit and has designated some of its reporting responsibilities for some employees to another governmental unit.
- 17
- Reserved for IRS use. Skip this line.
- 18
- Enter the total number of 1095-C forms submitted with this 1094-C form. Unless you are submitting your 1095-C forms in batches with multiple 1094-C forms, this number will generally correspond to the total number of 1095-C forms you are submitting for the company.
- 19
- The authoritative transmittal is the version of the 1094-C form which reports aggregate data for all employees, as applicable, for the ALE member. Unless you are submitting 1095-C forms in batches, this will be the authoritative transmittal and you can check 'Yes.' If the answer is 'No', skip down to the signature section in Part II and leave the rest of the 1094-C form blank.

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1094-C, Part II

Complete lines 20-22 only if this 1094-C is the Authoritative Transmittal.

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. Reserved

C. Reserved

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

- 20

Enter the total number of 1095-C forms filed on behalf of the ALE member. This number should match line 18 if this is the only 1094-C form being submitted for the employer. If you are filing multiple 1094-C forms, then this line should reflect the sum of all 1095-C forms being filed with all 1094-C forms for this ALE member.
- 21

If during any month of the calendar year you are a member of a controlled group that met the ALE threshold when employees for the related companies were added together, you are a member of an ‘Aggregated ALE’ and should check ‘Yes.’ Check with your tax/legal advisors if you are unsure whether you are part of a controlled group. If you check ‘Yes,’ you will also complete Part IV of the 1094-C form.
- 22

Line 22 indicates to the IRS whether an ALE is eligible for an Offer Method. This line is optional, and you should only check the box if you are actually using an Offer Method.

A. Qualifying Offer Method	B. and C. Reserved	D. 98% Offer Method
<div>To be eligible, the employer must have made a qualifying offer (an offer of coverage that is minimum essential, minimum value coverage, and affordable, based on the federal poverty line safe harbor) to employees for every month when an ESR mandate penalty could have applied.</div> <div>Employers eligible for the qualifying offer method are allowed some reporting relief on the 1095-C form.</div> <div>See 1095-C Line 14, Coding Cheat Sheet.</div>	<div>Reserved for the IRS.</div> <div>Do not use.</div>	<div>To be eligible, the employer must have offered affordable health coverage providing minimum value to at least 98% of the employees for whom it is filing a 1095-C form and offered minimum essential coverage to dependent children.</div> <div>To determine the 98%, it must consider all months when the 1095-C form recipients were employees and were not in a limited non-assessment period. Affordability in this context refers to any of the safe harbor options provided by the IRS (W-2, rate of pay, or federal poverty line).</div> <div>An employer who checks this option can skip column (b) in Part III of Form 1094-C.</div>

The last part of this section requires the signature and title of the responsible individual signing this form, along with the date.

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1094-C, Part III

Errors in completing Part III are the most common triggers for IRS ‘Pay or Play’ penalty letters!

Part III ALE Member Information – Monthly							
		(a) Minimum Essential Coverage Offer Indicator		(b) Section 4980H Full-Time Employee Count for ALE Member	(c) Total Employee Count for ALE Member	(d) Aggregated Group Indicator	(e) Reserved
		Yes	No				
23	All 12 Months	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
24	Jan	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
25	Feb	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
26	Mar	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
27	Apr	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
28	May	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
29	June	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
30	July	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	

For this section, if the information is the same for every month of the year, complete line 23 for the ‘All 12 Months’ option. Otherwise, complete every month of the year (lines 24 through 35).

Column (a)	Column (b)	Column (c)	Column (d)
<p>Check ‘Yes’ for each month (or All 12 Months) if you offered minimum essential coverage* to at least 95% of your full-time employees (not counting those in a limited non-assessment period) and their dependent children for those months. Otherwise, check ‘No.’</p> <p>*If the employer offered minimum value coverage, it will also qualify as minimum essential coverage.</p>	<p>Skip this column if you checked option D on line 22 of this form. Otherwise, enter the total number of full-time employees (not counting those in a limited non-assessment period) for each month of the calendar year.</p>	<p>Enter the total number of employees for each month of the calendar year. This total includes all full-time and non-full-time employees. You must obtain the count on the same date of each month using one of the following options: (1) 1st day of each month; (2) last day of each month; (3) 12th day of each month; (4) 1st 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 the last day falls in the same month the payroll period started).</p>	<p>Only applies to ALE members of Aggregated ALEs/ controlled groups. If you were an ALE member of an aggregated group, check the box for each month of the year in which you were a member. You will also have to complete Part IV of this form.</p>

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1094-C, Part IV

You should only complete this section if you are a member of an aggregated ALE and checked ‘yes’ in Part III, column (d).

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	

A member of an aggregated ALE must enter the name and EIN for each of the other members of the aggregated ALE in descending order according to the number of employees.

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Coding Cheat Sheets

1095-C Line 14, Coding Cheat Sheet

Every month should have a corresponding “1” code. Do not leave line 14 blank for any month.

***Potential red flag for IRS penalty unless safe harbor applies.

Code	Description	Notes and Tips
1A	Qualifying Offer: Employee offered minimum value (MV) coverage that is affordable based on FPL and minimum essential coverage (MEC) offered to spouse and dependents	Do not use code 1A if employee required contribution for employee-only coverage exceeded the allowed percentage of mainland single federal poverty line (e.g., for calendar year renewals in 2025, employee-only coverage providing MV could not exceed \$113.20/month; February through December renewals, could not exceed \$117.63/month). If using 1A, the ALE is not required to complete line 15; however, although allowed, we do not recommend skipping line 16. Employer should use code 2C (if accepted) or code 2G (if waived).
1B	MV coverage offered to employee only ***	
1C	MV coverage offered to employee and at least MEC offered to dependent(s) (not spouse)	
1D	MV coverage offered to employee and at least MEC offered to spouse (not dependent(s))***	If coverage for the spouse was offered conditionally (e.g., offer was conditioned on spouse not being eligible for coverage under another employer's plan), do not use code 1D. Instead use code 1J.
1E	MV coverage offered to employee and at least MEC offered to dependent(s) and spouse	If coverage for the spouse was offered conditionally (e.g., offer was conditioned on spouse not being eligible for coverage under another), do not use code 1E. Instead use code 1K.
1F	MEC NOT providing MV offered ***	
1G	Offer of coverage to non-full-time employee who enrolled in self-insured coverage for one or more months	Only applies to an ALE member that self-insures coverage. Code 1G applies for the entire year or not at all. Use for covered retirees who were retired for full year, COBRA participants who terminated previous year, non-employee board of director plan participants, or part-time employees (not full-time during any month of the year) enrolled in the plan.
1H	No offer of coverage (employee was not offered any health coverage, or employee was offered coverage that is not MEC)***	Use for any month employee was not offered coverage, (e.g., months when employee not employed, in waiting period or initial measurement period, or not eligible for coverage). Use this code to report offer of COBRA to former employee who termed during the calendar year.

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1I	Reserved	Do not use. Code no longer applies.
1J	MV coverage offered to employee, at least MEC conditionally offered to spouse (not dependent(s))***	Use only if coverage for the spouse was offered conditionally (e.g., conditioned on spouse not being eligible for other coverage under another employer's plan).
1K	MV coverage offered to employee, at least MEC offered to dependents, and conditionally offered to spouse	Use only if coverage for the spouse was offered conditionally (e.g., conditioned on spouse not being eligible for other coverage under another employer's plan).
1L	Individual coverage HRA offered to employee only with affordability determined by using employee's primary residence location ZIP code	IHCRA only Must enter ZIP
1M	Individual coverage HRA offered to employee and dependent(s) (not spouse) with affordability determined by using employee's primary residence location ZIP code	IHCRA only Must enter ZIP
1N	Individual coverage HRA offered to employee, spouse, and dependent(s) with affordability determined by using employee's primary residence location ZIP code	IHCRA only Must enter ZIP
1O	Individual coverage HRA offered to employee only using the employee's primary employment site ZIP code affordability safe harbor	IHCRA only Must enter ZIP
1P	Individual coverage HRA offered to employee and dependent(s) (not spouse) using the employee's primary employment site ZIP code affordability safe harbor	IHCRA only Must enter Zip
1Q	Individual coverage HRA offered to employee, spouse, and dependent(s) using employee's primary employment site ZIP code affordability safe harbor	IHCRA only Must enter ZIP
1R	Individual coverage HRA that is NOT affordable offered to employee; employee and spouse, or dependent(s); or employee, spouse and dependents***	IHCRA only
1S	Individual coverage HRA offered to an individual who was not a full-time employee	IHCRA only
1T	Individual coverage HRA offered to employee and spouse (not dependents) with affordability determined using employee's primary residence location ZIP code	IHCRA only Must enter ZIP
1U	Individual coverage HRA offered to employee and spouse (not dependents) using employee's primary employment site ZIP code affordability safe harbor	IHCRA only Must enter ZIP

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1095-C Line 16 – Coding Cheat Sheet

If no “2” safe harbor code applies, leave line 16 blank for that month.

Code	Description	Notes and Tips
2A	Employee not employed during the month	Do not use code 2A if the individual was an employee of the ALE on any day of that calendar month. Do not use code 2A for the month during which an employee terminates employment mid-month.
2B	Employee not a full-time employee	Use if the employee was not a full-time employee for the month (i.e., was a part-time employee) if offer was made but employee waived. Use if employee was not full-time and did not receive an offer of coverage due to part-time status (but received 1095-C because was full-time at some time during the year). Use if the employee was a full-time employee for the month, but 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 that month. Do not enter code 2B for any month that employee was in an initial measurement period (i.e., did not yet meet definition of full-time employee). In that scenario, use code 2D.
2C	Employee enrolled in coverage offered	Code 2C should be used for any month in which the employee enrolled in the coverage, regardless of whether any other code could also apply (other than code 2E). Do not use if coverage is not MEC (i.e., only offers excepted benefits). Do not use if 1G is entered on line 14. Do not use for any month in which a terminated employee is enrolled in COBRA.
2D	Employee in a Limited Non-Assessment Period	If an employee is in a waiting period, or in an initial measurement period if the ALE is using the lookback measurement method, enter code 2D.
2E	Multiemployer interim rule relief (ALE contributed to a qualified multiemployer plan)	For any month in which the multiemployer interim rule relief applies, enter code 2E – even if other codes may apply.
2F	Employee declined coverage affordable under the Form W-2 Affordability Safe Harbor	To meet the W-2 safe harbor, the monthly cost of employee-only coverage providing MV could not exceed [Box 1 of 2025 W-2 / 12 X 9.02%]. If an ALE Member uses the W-2 safe harbor for an employee, it must be used for all months of the calendar year for which they are offered coverage.
2G	Employee declined coverage affordable under the Federal Poverty Line Affordability Safe Harbor	For calendar-year renewals in 2025, to meet the FPL safe harbor, employee-only coverage providing MV could not exceed \$113.20/month. For February through December non-calendar year renewals in 2025, employee-only coverage providing MV could not exceed \$117.63/month.
2H	Employee declined coverage affordable under the Rate of Pay Affordability Safe Harbor	To meet the rate of pay safe harbor, the monthly cost of employee-only coverage providing MV could not exceed [employee’s hourly rate x 130 hours x 9.02%].

Important Note: An affordability safe harbor code (2F, 2G or 2H) cannot be used if the ALE did not offer MEC to at least 95% of full-time employees and their dependents (i.e., any month for which the ALE member checked the “No” box on Form 1094-C, Part III, column (a)).

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Examples of Coding Scenarios

Example 1: Qualifying Offer and Enrolled All 12 Months

Mel's Diner, an ALE, offers one fully insured medical plan to employees, spouses, and dependents. The employee's share of the monthly premium is \$90 for individual coverage and \$400 for dependent coverage.

Alice has been a full-time employee and **enrolled in dependent coverage all 12 months** of the calendar year. How is Alice's Form 1095-C coded?

Part I Employee		Applicable Large Employer Member (Employer)																							
1 Name of employee (first name, middle initial, last name) Alice Hyatt		2 Social security number (SSN) 987-65-4321		7 Name of employer Mel's Diner				8 Employer identification number (EIN) 12-3456789																	
3 Street address (including apartment no.) 1095 Main Street		6 Country and ZIP or foreign postal code 98012		9 Street address (including room or suite no.) 1130 Bush Highway				10 Contact telephone number 602-123-4567																	
4 Offer to employee, spouse & dependents using FPL Safe Harbor = 1A		5 Employee's Age on January 1		11 City or town Phoenix				12 State or province AZ		13 Country and ZIP or foreign postal code 98012															
14 Offer of Coverage (enter required code) 1A		15 Employee Required Contribution (see instructions) \$		16 Section 4980H Safe Harbor and Other Relief (enter code, if applicable) 2C		17 Z		Plan Start Month (enter 2-digit number): 01																	
All 12 months		Jan		Feb		Mar		Apr		May		June		July		Aug		Sept		Oct		Nov		Dec	

Example 1: Alternate Method

Part I Employee		Applicable Large Employer Member (Employer)																							
1 Name of employee (first name, middle initial, last name) Alice Hyatt		2 Social security number (SSN) 987-65-4321		7 Name of employer Mel's Diner				8 Employer identification number (EIN) 12-3456789																	
3 Street address (including apartment no.) 1985 Main Street		6 Country and ZIP or foreign postal code 98012		9 Street address (including room or suite no.) 1130 Bush Highway				10 Contact telephone number 602-123-4567																	
4 Offer to employee, spouse & dependents = 1E		5 Employee's Age on January 1		11 City or town Phoenix				12 State or province AZ		13 Country and ZIP or foreign postal code 98012															
14 Offer of Coverage (enter required code) 1E		15 Employee Required Contribution (see instructions) \$ 90.00		16 Section 4980H Safe Harbor and Other Relief (enter code, if applicable) 2C		17 Z		Plan Start Month (enter 2-digit number): 01																	
All 12 months		Jan		Feb		Mar		Apr		May		June		July		Aug		Sept		Oct		Nov		Dec	

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Example 2: Full-time Employee Hired Mid-Year – Enrolled in Coverage

ABC Chocolate Factory, an ALE, offers two self-funded medical plans to employees, spouses, and dependents. The employee's share of the monthly premium for individual coverage, using the Rate of Pay Safe Harbor, is \$244 for the PPO and \$150 for the HMO. Coverage on the medical plan is effective on the 91st day of employment.

Lucy began employment on May 10 as a chocolate sorter and, as of her hire date, was expected to be full-time. Lucy earns \$15.00 per hour.

How is Lucy's Form 1095-C coded if she elected **dependent PPO coverage** effective August 9?

Part I Employee				Applicable Large Employer Member (Employer)												
1 Name of employee (first name, middle initial, last name)		2 Social security number (SSN)		7 Name of employer				8 Employer identification number (EIN)								
Lucille E Ricardo		321-54-9876		ABC Choco												
3 Street address (including apartment no.)				9 Street address												
623 East 68th Street Apt 3D				101 3rd Str												
4 City or town		5 State or province		11 City or town												
New York		NY		New York												
Part II Employee Offer of Coverage				Plan start Month (enter 2-digit number): 01												
				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	1H	1H	1H	1H	1E	1E	1E	1E
15 Employee Required Contribution (see instructions)				\$	\$	\$	\$	\$	\$	\$	\$	\$	150	150	150	150
16 Section 4980H Safe Harbor and Other Relief (enter code, if applicable)					2A	2A	2A	2A	2D	2D	2D	2D	2C	2C	2C	2C
17 ZIP Code																

No offer of coverage = 1H

Coverage not offered EVERY day of August – No offer of coverage = 1H

Offer of coverage to EE, spouse & dependents = 1E

Employee's share of cost for individual coverage on lowest-cost MV plan

Not employed any day during the month = 2A

Limited Non-Assessment Period/Waiting Period = 2D

Enrolled in coverage = 2C

Part III Covered Individuals										Enrolled in coverage at least one day during the month											
If Employer provided self-insured coverage, check the box and enter the information for each 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	Lucille	E	Ricardo	123-45-6789			<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 checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
19	Ricky		Ricardo	321-54-9876			<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 checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
20	Ricardo	E	Ricardo Jr	546-78-9321			<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 checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	

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Example 4: Existing Full-time Employee Enrolled Mid-Year

ABC Chocolate Factory, an ALE, offers two self-funded medical plans to employees, spouses, and dependents. The employee's share of the monthly premium for individual coverage, using the Rate of Pay Safe Harbor, is \$244 for the PPO and \$150 for the HMO. Coverage on the medical plan is effective on the 91st day of employment.

Lucy has been employed all year and earns \$15.00 per hour. She waived coverage during open enrollment; however, on August 15 Lucy had a baby and enrolled the family in ABC's PPO medical coverage, with coverage effective August 15. How is Lucy's Form 1095-C coded?

Part I Employee				Applicable Large Employer Member (Employer)																																											
1 Name of employee (first name, middle initial, last name)		2 Social security number (SSN)		7 Name of employer				8 Employer identification number (EIN)																																							
Lucille E Ricardo		321-54-9876		ABC Chocolate Factory				98-1234567																																							
3 Street address (including apartment no.)				9 Street address (including room or suite no.)				10 Contact telephone number																																							
623 East 68th Street Apt 3D				101 3rd Street				212-678-4321																																							
6 Country and ZIP or foreign postal code				11 City or town		12 State or province		13 Country and ZIP or foreign postal code																																							
10001				New York		NY		10001																																							
Employee had offer of coverage all 12 months = 1E				Employee's Age on January 1				Plan Start Month (enter 2-digit number): 01																																							
				Feb				Mar				Apr				May				June				July				Aug				Sept				Oct				Nov				Dec			
14 Offer of Coverage (enter required code)				1E																																											
15 Employee Required Contribution (see instructions)				\$ 150																																											
16 Section 4980H Safe Harbor and Other Relief (enter code, if applicable)				2H				2H				2H				2H				2H				2H				2H				2C				2C				2C				2C			
17 ZIP Code																																															

Employee's share of cost for individual coverage on lowest-cost MV plan

Declined coverage but had affordable offer using Rate of Pay Safe Harbor = 2H

Enrolled in coverage following mid-year qualifying event = 2C

Part III Covered Individuals					Enrolled in coverage at least one day during the month															
If Employer provided self-insured coverage, check the box and enter the information for each individual enrolled in coverage, including the month of enrollment.																				
(a) Name of covered individual(s)			(b) SSN or other TIN		(c) DOB (if SSN or other TIN is not available)		(d) Covered all 12 months		(e) Months of coverage											
First name, middle initial, last name									Jan Feb Mar Apr May June July Aug Sept Oct Nov Dec											
18 Lucille E Ricardo			123-45-6789				<input type="checkbox"/>		<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>											
19 Ricky Ricardo			321-54-9876				<input type="checkbox"/>		<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>											
20 Ricardo E Ricardo Jr			546-78-9321				<input type="checkbox"/>		<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>											

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Example 5: Look-back Measurement Periods – Mid-Year Offer at End of Initial Measurement Period

ABC Chocolate Factory, an ALE, offers two self-funded medical plans to employees, spouses, and dependents. The employee's share of the monthly premium for individual coverage, using the Rate of Pay Safe Harbor, is \$244 for the PPO and \$150 for the HMO. ABC uses the **look-back measurement method** (6-month measurement period/6-month stability period) to determine the full-time status of its hourly employees.

Lucy began employment on January 15 as a chocolate sorter on a variable hour schedule. How is Lucy's Form 1095-C coded if Lucy is determined to be a **full-time employee at the end of her initial measurement period**?

Measurement Period = 6 Months

2/1 – 7/31

Administrative Period = 1 Month

8/1 – 8/31

Stability Period = 6 Months

9/1 – 2/28 of following year

Part I Employee				Applicable Large Employer Member (Employer)												
1 Name of employee (first name, middle initial, last name)		2 Social security number (SSN)		7 Name of employer						8 Employer identification number (EIN)						
Lucille E Ricardo		321-54-9876		ABC Chocolate Factory						98-1234567						
3 Street address (including apartment no.)				9 Street address (including room or suite no.)						10 Contact telephone number						
623 East 68th Street Apt 3D				101 3rd Street						212-432-1234						
4 City or town		5 State		6 Country and ZIP or foreign postal code		11 City or town		12 State or		13 ZIP or foreign postal code		14				
New York		NY		10001		New York		NY		10001		01				
Part II Employee Offer of Coverage				Employee's Age on January 1				Plan St								
				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	1H	1H	1H	1H	1E	1E	1E	1E
15 Employee Required Contribution (see instructions)				\$	\$	\$	\$	\$	\$	\$	\$	\$	150	150	150	150
16 Section 4980H Safe Harbor and Other Relief (enter code, if applicable)					2D	2D	2D	2D	2D	2D	2D	2D	2C	2C	2C	2C
17 ZIP Code																

No offer of coverage = 1H

Offer of coverage to EE, spouse & dependents = 1E

Employee's share of cost for individual coverage on lowest-cost MV plan

Limited Non-Assessment Period/Waiting Period = 2D

Enrolled in coverage = 2C

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Example 6: Employee Never Completed Waiting Period

ABC Chocolate Factory, an ALE, offers two self-funded medical plans to employees, spouses, and dependents. The employee's share of the monthly premium for individual coverage, using the Rate of Pay Safe Harbor, is \$244 for the PPO and \$150 for the HMO. Coverage on the medical plan is effective on the 91st day of employment.

Lucy began employment on May 10 but **terminated on July 15, prior to completing 90 days of employment**. How is Lucy's Form 1095-C coded?

Part III	Employee Offer of Coverage				Employee's Age on January 1				Plan Start Month (enter 2-digit number):											
	None	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)																				
Other Code																				

A Form 1095-C should not be created for Lucy. Form 1095-C should only be created for employees who were full-time for at least one month of the calendar year. An employee in a Limited Non-Assessment Period/Waiting Period is not considered full-time during that period for ACA purposes.

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Example 7: Wellness Incentive – Annual Health Screenings

ABC Chocolate Factory, an ALE, offers one fully insured medical plan to employees, spouses, and dependents – which includes a **wellness incentive**. An employee who completes an **annual health risk assessment and biometric testing** contributes \$110 per month for individual coverage, while an employee who declines to participate in the wellness program contributes \$150 per month for individual coverage.

Lucy began employment on May 10 as a full-time chocolate sorter and enrolled in coverage on August 9. How is Lucy's Form 1095-C coded if she elects individual coverage and **participates** in ABC's annual health screenings and wellness program?

Part I Employee				Applicable Large Employer Member (Employer)											
1 Name of employee (first name, middle initial, last name) Lucille E Ricardo		2 Social security number (SSN) 321-54-9876		7 Name of employer ABC Chocolate Factory				8 Employer identification number (EIN) 12-3456789							
3 Street address (including apartment no.) 623 East 68th Street Apt 3D				9 Street address 101 3rd Street				11 City or town New York							
4 City or town New York		5 State or province NY		10 Foreign postal code				12							

Part II Employee Offer of Coverage		Employee's Age on January 1											
	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	1H	1H	1H	1H	1E	1E	1E	1E
15 Employee Required Contribution (see instructions)	\$	\$	\$	\$	\$	\$	\$	\$	\$	150	150	150	150
16 Section 4980H Safe Harbor and Other Relief (enter code, if applicable)		2A	2A	2A	2A	2D	2D	2D	2D	2C	2C	2C	2C
17 ZIP Code													

Plan	Start Month (enter 2-digit number)
1	01

No offer of coverage = 1H

Coverage not offered EVERY day of August – No offer of coverage = 1H

Offer of coverage to EE, spouse & dependents = 1E

Must assume employee *fails* to satisfy requirements of wellness program

Not employed any day during the month = 2A

Limited Non-Assessment Period/Waiting Period = 2D

Enrolled in coverage = 2C

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Example 8: Wellness Incentive – Non-Tobacco Discounts

ABC Chocolate Factory, an ALE, offers one fully insured medical plans to employees, spouses, and dependents – which includes a **non-tobacco wellness incentive**. Non-tobacco users (or employees who complete a tobacco cessation program) contribute \$110 per month for individual coverage, while tobacco users contribute \$150 per month for individual health coverage.

Lucy began employment on May 10 as a full-time chocolate sorter and enrolled in coverage on August 9. How is Lucy's 1095-C coded if she elects individual coverage as a **tobacco user**?

Part I Employee				Applicable Large Employer Member (Employer)											
1 Name of employee (first name, middle initial, last name)		2 Social security number (SSN)		7 Name of employer (include full name of the employer, not just the division or department)											
Lucille E Ricardo		321-54-9876		ABC Chocolate Factory											
3 Street address (including apartment no.)				9 Street address (including apartment no.)											
623 East 68th Street Apt 3D				101 3rd Street											
4 City or town		5 State or province		6 Foreign postal code		11 City or town		12 State or province		13 Foreign postal code		14 ZIP Code			
New York		NY				New York		NY		10001		10001			
Part II Employee Offer of Coverage				Employee's Age on January 1											
	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	1H	1H	1H	1H	1E	1E	1E	1E		
15 Employee Required Contribution (see instructions)	\$	\$	\$							110	110	110	110		
16 Section 4980H Safe Harbor and Other Relief (enter code, if applicable)		2A	2A	2A	2A	2D	2D	2D	2D	2C	2C	2C	2C		
17 ZIP Code															

No offer of coverage = 1H

Coverage not offered EVERY day of August – No offer of coverage = 1H

Offer of coverage to EE, spouse & dependents = 1E

May assume that the employee meets the requirements of a wellness program related to tobacco usage

Not employed any day during the month = 2A

Limited Non-Assessment Period/Waiting Period = 2D

Enrolled in coverage = 2C

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Example 9: Mid-Year Termination and COBRA

Mel's Diner, an ALE, offers one fully insured medical plan to employees, spouses, and dependents. The employee's share of the monthly premium for individual coverage is \$110.

Flo told Mel to "kiss my grits" and was terminated on March 15. Flo's coverage ended on her last day of employment, March 15. How is Flo's Form 1095-C coded, **regardless of whether she elects or declines COBRA?**

Part I Employee				Applicable Large Employer Member (Employer)											
1 Name of employee (first name, middle initial, last name) Florence J. Castleberry				2 Social Security number (SSN) 123-45-6789	7 Name of employer Mel's Diner				8 Employer identification number (EIN) 12-3456789						
3 Street address (including apartment no.) 123 Henrietta Lane				9 Street address (including room or suite no.) 1130 Bush Highway				10 Contact telephone number 602-123-4567							
4 City or town Phoenix				11 City or town Phoenix				13 Country and ZIP or foreign postal code 98012							
Part II Employee		Employee's Age on January 1													
		All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	
14 Offer of Coverage (enter required code)		1E	1E	1H	1H	1H	1H	1H	1H	1H	1H	1H	1H	1H	
15 Employee Required Contribution (see instructions)		\$	\$ 110	\$ 110	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
16 Section 4980H Safe Harbor and Other Relief (enter code, if applicable)		2C	2C	2B	2A	2A	2A	2A	2A	2A	2A	2A	2A	2A	
17 ZIP Code															

Coverage not offered EVERY day of March – No offer of coverage = 1H

Offer of coverage to EE, spouse & dependents = 1E

No offer of coverage = 1H

Employee's share of cost for individual coverage on lowest-cost MV plan

Enrolled in coverage = 2C

Terminated and lost coverage mid-month = 2B

Not employed any day during the month = 2A

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Example 10: Mid-Year Termination and Rehire

Mel's Diner, an ALE, offers one fully-insured medical plan to employees, spouses, and dependents. The employee's share of the monthly premium for individual coverage is \$110.

Flo told Mel to "kiss my grits" and was terminated on March 15. Flo's coverage ended on her last day of employment, March 15. Flo is then rehired on May 20 (within 13 weeks of separation).

Mel's Diner uses the look-back measurement method, and Flo was in a stability period when she terminated that runs through December 31. Based on ACA rehired rules, coverage should have been offered by June 1; however, Mel accidentally applied a new waiting period and did not make an offer of coverage until August 1, when Flo re-enrolled. How is Flo's Form 1095-C coded?

Part I Employee			Applicable Large Employer Member (Employer)												
1 Name of employee (first name, middle initial, last name) Florence J. Castleberry			2 Social Security Number (SSN) 3			7 Name of employer Mel's Diner			8 Employer identification number (EIN) 12-3456789						
3 Street address (including apartment no.) 123 Henrietta Lane			6 Country and ZIP or foreign postal code US 012			9 Street address (including room or suite no.) 1130 Bush Highway			10 Telephone number 555-4567						
4 City or town Phoenix			5 State or province AZ			11 State or province AZ			12 State or province AZ						
Part II Employee		Employee's Age		Plan Start Month											
	All 12 Months	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec			
14 Offer of Coverage (enter required code)	1E	1E	1H	1H	1H	1H	1H	1E	1E	1E	1E	1E			
15 Employee Required Contribution (see instructions)	\$ 110	\$ 110						\$ 110	\$ 110	\$ 110	\$ 110	\$ 110			
16 Section 4980H Safe Harbor and Other Relief (enter code, if applicable)	2C	2C	2B	2A	2D			2C	2C	2C	2C	2C			
17 ZIP Code															

Coverage not offered EVERY day of March – No offer of coverage = 1H

Offer of coverage to EE, spouse & dependents = 1E

No offer of coverage = 1H

Offer of coverage to EE, spouse & dependents = 1E

Not employed during month = 2A

June/July – Coverage should have been offered; no safe harbor applies

Enrolled in coverage = 2C

Terminated and lost coverage mid-month = 2B

Partial First Month (Limited Non-Assessment Period) = 2D

Enrolled in coverage = 2C

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Example 11: Mid-Year Reduction in Hours with Loss of Coverage and COBRA

Mel's Diner, an ALE, offers one fully insured medical plan to employees, spouses, and dependents. The employee's share of the monthly premium for individual coverage is \$110.

On March 31, Flo reduced her hours and **converted to part-time status**. Mel's Diner uses the **monthly measurement method**. Flo's individual coverage is terminated March 31 and COBRA is offered. The cost of individual COBRA coverage is \$450 per month. How is Flo's Form 1095-C coded if she **declined COBRA**?

Part I Employee				Applicable Large Employer Member													
1 Name of employee (first name, middle initial, last name) Florence J Castleberry			2 Social security number (SSN) 879-56-2413			7 Name of employer Mel's Diner						<div>Offer of COBRA coverage following reduction in hours is concerned an offer – code should reflect only QBs who received an offer; so, EE-only offer = 1B</div>					
3 Street address (including apartment no.) 123 Henrietta Lane						9 Street address (including room or suite no.) 1130 Bush Highway											
4 City or town Phoenix			6 Country and ZIP or foreign postal code 98012			11 City or town Phoenix			12 State or province AZ								
Part II Employee's Age on January 1				Plan Start Month (enter 2-digit number)													
				01													
14 Offer of Coverage (enter required code)				<div>Offer of coverage to EE, spouse & dependents = 1E</div>													
15 Employee Required Contribution (see instructions)				<div>Lowest cost COBRA option for individual coverage</div>													
16 Section 4980H Safe Harbor and Other Relief (enter code, if applicable)				<div>Enrolled in coverage = 2C</div>													
17 ZIP Code				<div>Not FT and not enrolled in coverage = 2B</div>													

IMPORTANT: If Mel's Diner used the **look-back measurement method** and if Flo was classified as full-time and in a **stability period** when she reduced her hours, Flo would generally remain classified as full-time and eligible for coverage for the remainder of the stability period under the ACA. This would change the coding illustrated above.

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Example 12: Prior-Year Termination and Coverage of Non-Employees (COBRA/Retirees) – Self-Funded Plans

NYC Vaudeville is an entertainment entity with 250 employees and sponsors a self-funded medical plan that covers active employees as well as retirees. A participant's share of the monthly premium for self-only coverage is \$125.

Fred Mertz retired from NYC Vaudeville two years ago and has **continued dependent coverage through the employer's retiree plan**. Does Fred receive a Form 1095-C and, if so, how is it coded?

Part I Employee				Applicable Large Employer Member (Employer)													
1 Name of employee (first name, middle initial, last name)		2 Social security number (SSN)		7 Name of employer				8 Employer identification number (EIN)									
Frederick H Mertz		112-33-4455		NYC Vaudeville				45-678901									
3 Street address (including apartment no.)				9 Street address (including room or suite no.)				10 Contact telephone number									
623 Broadway				100 Broadway				212-709-6342									
4 City or town		6 Country and ZIP or foreign postal code		11 City or town		12 State or province		13 Country and ZIP or foreign postal code									
New York		10001		New York		NY		01234									
14 Offer of Coverage (enter required code)				Employee's Age on January 1				Plan Start Month (enter 2-digit number):									
1G				All 12 months				Jan Feb Mar Apr May June July Aug Sept Oct Nov Dec									
15 Employee Required Contribution (see instructions)																	
\$																	
16 Section 4980H Safe Harbor and Other Relief (enter code, if applicable)				2A													
17 ZIP																	
Part III Covered Individuals If Employer provided self-insured coverage, check the box and enter the information for each individual enrolled in coverage, including the employee. <input type="checkbox"/>																	
(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	Frederick	H Mertz	112-33-4455		<input checked="" 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	Ethel	Mertz	012-43-9876		<input checked="" 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"/>

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State Individual Mandate Reporting Requirements

While health insurance is no longer required at the federal level, number of jurisdictions, including California, Massachusetts, New Jersey, Rhode Island and Washington, D.C., have enacted their own individual mandates requiring residents to maintain qualifying health coverage or face a state tax penalty.

What this means for employers is that there still may be state reporting requirements even though the Paperwork Reduction Act now allows employers to only provide a 1095-C form to employees upon request.

Jurisdiction	Distribution to Employees		Reporting to the State
California	What:	Federal 1095-B or 1095-C	Federal 1094/1095-B or 1094/1095-C
	When:	January 31, 2026	March 31, 2026
Massachusetts	What:		Health Insurance Responsibility Disclosure
	When:		December 15, 2025
	What:	Form MA 1099-HC	Form MA 1099-HC
	When:	January 31, 2026	January 31, 2026
New Jersey	What:	Federal 1095-B or 1095-C or State NJ-1095	Federal 1095-B or 1095-C or State NJ-1095
	When:	March 2, 2026	March 31, 2026
Rhode Island	What:	Federal 1095-B or 1095-C	Federal 1095-B or 1095-C or State File
	When:	March 2, 2026	March 31, 2026
Vermont	Individual Mandate but currently no employer state reporting requirement		
District of Columbia	What:	Federal 1095-B or 1095-C	Federal 1094/1095-B or 1094/1095-C
	When:	March 2, 2026	April 30, 2026

Employers should proactively assess whether they have employees residing in a state with an individual mandate and carefully determine whether they have state-specific obligations.

For fully insured plans, the health coverage provider (insurer) will often complete this reporting on behalf of the employer. However, since it is ultimately the employer's responsibility to ensure compliance, employers must confirm the state's specific requirements and the insurer's role well in advance of the filing deadlines. Self-insured employers are responsible for their own state reporting.



Additional Resources:

- [State ACA Health Coverage Reporting Deadlines](#)



Links to McGriff and Governmental Resources

- [2025 Instructions for Forms 1094-C and 1095-C](#)
- [Employer Shared Responsibility Provisions](#)
- [Determining if an Employer is an Applicable Large Employer](#)
- [Applicable Large Employers Subject to the Pay or Play Rules](#)
- [Questions and Answers on Information Reporting by Health Coverage Providers \(Section 6055\)](#)
- [Employer Reporting of Health Coverage - Sections 6055 and 6056](#)
- [Identifying Full-time Employees](#)
- [McGriff Compliance Q&A: 2025 Affordability Safe Harbors](#)
- [State ACA Health Coverage Reporting Deadlines](#)

Please reach out to your McGriff Benefits Consultant with questions about the ACA's Employer Shared Responsibility mandate and Sections 6055 and 6056 reporting requirements.



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