ACA: FAQs ON FORM 1095-C

This FAQ provides guidance on employer compliance with ACA reporting requirements under IRC Sections 6055 and 6056. As background, to fulfill the IRC Section 6056 requirement, Forms 1094-C and 1095-C are to be used by applicable large employers (ALEs), which are those with 50 or more full-time employees (FTEs), including full-time-equivalent employees, in the preceding calendar year. Form 1094-C is used for transmitting Form 1095-C. Self-insured ALEs will combine Sections 6055 and 6056 reporting on Form 1095-C.

This document is meant to provide more specific guidance to ALEs on how to properly complete Part II of Form 1095-C, specifically Lines 14, 15 and 16.

Below is a quick reference guide to help clarify the meaning of codes and acronyms used throughout the FAQ. For further information about ACA reporting requirements, as well as a helpful compendium of FAQs, see the PPI publications **ACA: Employer Mandate Reporting Requirements** and **ACA: FAQs for Employer Reporting Under Sections 6055 and 6056**.

A QUICK REFERENCE GUIDE TO REPORTING CODES

Line 14 requires an ALE to enter the applicable code from Series 1 that identifies the type of health coverage actually offered by the ALE (or on behalf of the ALE) to the employee, their spouse or domestic partner and any dependents. This information also relates to eligibility for coverage subsidized by the premium tax credit.

Indicator Codes for Employee Offer and Coverage:

1A: Qualifying offer, for all months during which the employee was employed full-time, employer offered minimum essential coverage (MEC) providing minimum value (MV) that was affordable according to the federal poverty line (FPL) safe harbor. At least MEC offered to spouse or domestic partner and dependent(s).

1B: MEC providing MV offered to employee only. No coverage offered to spouse or domestic partner and dependents.

1C: MEC providing MV offered to employee. MEC offered to dependent(s). No coverage offered to spouse or domestic partner.

1D: MEC providing MV offered to employee. MEC offered to spouse or domestic partner. No coverage offered to dependent(s).

1E: MEC providing MV offered to employee. MEC offered to spouse or domestic partner and dependent(s).

1F: MEC not providing MV offered to employee and spouse or domestic partner and/or dependent(s).

1G: Offer to employee who was not full-time and enrolled in self-insured plan for one or more months.

1H: No offer of coverage.

1J: MEC providing MV offered to employee and at least MEC conditionally offered to spouse or domestic partner; MEC not offered to dependent(s).

1K: MEC providing MV offered to employee; at least MEC offered to dependents; and at least MEC conditionally offered to spouse or domestic partner.

New codes applicable for employers who offer Individual Coverage HRAs (ICHRAs) beginning for 2020 reporting (and thereafter)

1L: ICHRA offered to employee only; affordability determined by using employee's primary residence location ZIP code.

1M: ICHRA offered to employee and dependent(s) (not spouse or domestic partner); affordability determined by using employee's primary residence location ZIP code.

1N: ICHRA offered to employee, spouse or domestic partner and dependent(s); affordability determined by using employee's primary residence location ZIP code.

1O: ICHRA offered to employees only using the employee's primary employment site ZIP code affordability safe harbor.

1P: ICHRA offered to employee and dependent(s) (not spouse or domestic partner) using the employee's primary employment site ZIP code affordability safe harbor.

1Q: Individual coverage HRA offered to the employee, spouse or domestic partner and dependent(s) using the employee's primary employment site ZIP code affordability safe harbor.

1R: Individual coverage HRA that is NOT affordable offered to the employee; employee and spouse or domestic partner or dependent(s); or employee, spouse or domestic partner and dependents.

1S: Individual coverage HRA offered to an employee who was not a full-time worker.

On Line 15: If code 1B, 1C, 1D or 1E is entered on Line 14, an ALE is required to enter the dollar amount (including cents) of the employee monthly cost-share for the lowest-cost self-only MEC providing MV that is offered to the employee. This is true regardless of the coverage actually enrolled in by the employee, e.g., if the employee chose to enroll in more expensive coverage such as family coverage.

Line 16 provides the IRS with information to administer the employer mandate penalties. The purpose of Line 16 is to indicate that under a rule or safe harbor, the employer is not subject to Penalty B for that month (i.e., that the health coverage offered will be treated as affordable for that month).

Section 4980H Safe Harbor Codes and Other Relief for Employers (Series 2 Codes)

2A: Employee not employed during the month.

2B: Employee was employed, but not full-time.

2C: Employee enrolled in coverage offered.

2D: Employee is in a limited non-assessment period (measurement period, waiting period).

2E: Multiemployer interim rule relief. Use this code for any employee where a fee is paid by the employer pursuant to a collective bargaining agreement.

2F: Form W-2 affordability safe harbor.

2G: FPL affordability safe harbor.

2H: Rate of Pay affordability safe harbor.

1. EMPLOYER REPORTING ON AN OFFER OF COVERAGE TO FTEs

Q1. On Part II of Form 1095-C, how should ALEs report whether an offer of coverage was made to an FTE?

A. ALEs should use Line 14 to report whether an offer of coverage was made to an FTE for each month of the year by entering the Series 1 indicator code that reflects the type of coverage offered. Importantly, an offer of coverage is considered to have been made for a month only if it would provide coverage for every day of that month. If an FTE was offered the same coverage for the entire calendar year, then an ALE would enter the applicable indicator code in the "All 12 Months" column on Line 14 or in each of the 12 boxes for the calendar months.

Q2. How are mid-month new hires reported?

A. Line 14 – 1H
Line 15 – No Entry
Line 16 – 2D

For the first partial month of employment, the ALE should report that the FTE was not offered coverage by entering code 1H on Line 14. Again, unless the offer of coverage extended to every day of that calendar month for the FTE, the offer is not considered to have been made for that month. No entry is required on Line 15 for that first calendar month. Although the ALE reports that no offer of coverage was made, the ALE is entitled to relief from employer mandate penalties for that calendar month. For the first three months after an employee first becomes an FTE, they may be treated as being in a limited non-assessment period if all applicable conditions are satisfied. This is reported as code 2D on Line 16.

For example, if a newly hired FTE starts employment on January 15, and the offer of coverage (if accepted) provides coverage starting on January 15 (i.e., date of hire), then the ALE should indicate that the FTE was not offered coverage for the month of January.

If the ALE offers a self-insured health plan and the FTE enrolls in the plan and obtains coverage for any day during the first partial month of employment, the FTE (and any other individuals such as a spouse or domestic partner and dependents who obtained coverage through the FTE's enrollment) should be reported as having coverage for that month on Part III of Form 1095-C, but that doesn't change what the ALE reports on Lines 14-16.

Q3. How are mid-month terminations reported?

A. Line 14 – 1H (No offer of coverage)
Line 15 – No Entry
Line 16 – 2B

If an FTE terminates employment on any day other than the last day of a month and the coverage or offer of coverage expires upon termination of employment, then the ALE should report that the FTE was not offered coverage for the final month of employment by entering code 1H on Line 14. No entry is required on Line 15 for that final month. However, if the terms of the plan stipulate that coverage ends on the last day of the calendar month in which employment ends, then applicable offer of coverage should be reported on Line 14, with corresponding entry for Line 15 and 16.

If coverage would have continued if the FTE had not terminated employment with the ALE prior to the last day of the month, then the ALE will be treated as having offered coverage to the FTE and will be eligible for relief from penalty for the FTE's final month of employment. In that case, the ALE would enter code 2B on Line 16 for that month.

Q4. Is an ALE always required to enter a code on Line 16 of Form 1095-C in order to avoid a penalty under the employer mandate?

A. No. ALEs are not required to make an entry on Line 16. So, if no code is applicable for a given month, Line 16 should be left blank. However, ALEs should enter the appropriate Series 2 code on Line 16, if applicable, to indicate whether they qualified for an exception from the assessable employer mandate penalty for a given month.

Q5. If an ALE is required to recognize paid FMLA leave for an FTE, and the ALE makes an offer of affordable, MV coverage to the FTE, spouse or domestic partner and dependents, how does the ALE report when only the FTE enrolls in coverage for a calendar month during the leave of absence?

A. Line 14 – 1E (MEC providing MV offered to employee. MEC offered to spouse or domestic partner and dependents).
Line 15 – Enter employee share of lowest-cost monthly premium.
Line 16 – 2C (Employee enrolled in coverage).

For the month during the paid FMLA leave of absence, the ALE should enter code 1E on Line 14 and code 2C on Line 16 to report that the FTE was enrolled in coverage under the plan. The ALE should report on Line 15 the employee contribution for the lowest-cost monthly premium for self-only MEC providing MV offered under the plan.

Since the FTE is being paid for hours worked and the compensation is treated similarly to other employees (subject to W-2 reporting, employment taxes, etc.), then the FTE would appear to be an employee and treated similarly. This means that if the FTE is expected to regularly work an average of 30 hours or more per week, then he/she would be treated as an FTE and offered coverage, which must be reported on Form 1095-C.

2. EMPLOYER REPORTING ON AN OFFER OF COVERAGE TO FTEs AND DEPENDENTS

Q6. If an ALE offers affordable MV MEC to FTEs, their spouses or domestic partners and dependents, and only an FTE enrolls, how should the ALE report this?

A. Line 14 – 1E

Line 15 – Enter employee monthly cost-share for the lowest-cost self-only coverage

Line 16 – 2C

The ALE should enter code 1E on Line 14 and code 2C on Line 16 to report that the FTE enrolled in coverage under the plan.

The ALE should report on Line 15 the employee monthly cost-share for the lowest-cost self-only MEC providing MV offered under the plan to active FTEs. ALEs will complete Line 15 only if code 1B, 1C, 1D, 1E, 1J, 1K, 1L, 1M, 1N, 1O, 1P, or 1Q is entered on Line 14 in either the "All 12 Months" box or in any of the monthly boxes.

The ALE should enter code 2C on Line 16 for any month in which the FTE enrolled in health coverage offered by the ALE for each day of the month, regardless of whether any other Series 2 code might also apply.

Q7. How should an ALE report an FTE who waives coverage?

A. Line 14 – 1E

Line 15 – Enter employee monthly cost-share for the lowest-cost self-only coverage

Line 16 – 2F, 2G or 2H (depending on affordability safe harbor used), or if unaffordable, leave blank

The ALE should still enter code 1E on Line 14 and should enter one of the affordability safe harbors represented by codes 2F, 2G and 2H on Line 16 to report that the FTE did not enroll in coverage under the plan. The ALE should still report on Line 15 the employee contribution for the lowest-cost monthly premium for self-only MEC providing MV offered under the plan to the FTE to show that the FTE was an active employee who was offered coverage.

Q8. How should an ALE report enrollment for self-insured coverage provided to an FTE's former spouse or domestic partner who was not an employee on any day of the prior calendar year?

A. Line 14 – 1G

Line 15 – No Entry

Line 16 – No Entry

The ALE may report enrollment information for an FTE's former spouse or domestic partner by entering code 1G on Line 14 for all 12 months and completing Part III of Form 1095-C. No entry is required on Lines 15 or 16 for this non-employee.

Form 1095-C requires the recipient's SSN on Line 2 in all instances, so Form 1095-C cannot be used for the FTE's former spouse or domestic partner if they have not previously provided an SSN to the ALE, regardless of whether the ALE has properly requested the SSN. In that case, the ALE would use Form 1095-B rather than Form 1095-C to report on the FTE's spouse or domestic partner. Form 1095-B allows for the use of the spouse's or domestic partner's date of birth instead of an SSN when proper request procedures are followed by the ALE.

Q9. If an ALE offers affordable MV MEC to FTEs, and conditionally offers at least MEC to spouses or domestic partners, how should the ALE report this?

A. Line 14 – 1J (if MEC not offered to dependents); 1K (if MEC offered to dependents)

Line 15 – Enter employee monthly cost-share for the lowest-cost self-only coverage

Line 16 – 2C

The ALE will enter 1J on Line 14 if MV coverage is offered to the employee, no MEC is offered to dependents, and a conditional offer of MEC if made to the spouse or domestic partner. On the other hand, if MV coverage is offered to the employee, MEC is offered to dependents, and a conditional offer of MEC is made to the spouse or domestic partner, then the ALE will enter 1K on line 14.

Under both scenarios, the ALE will report the employee monthly cost-share for the lowest-cost self-only coverage in Line 15 and will enter 2C in Line 16 to indicate that the employee is enrolled in coverage.

3. EMPLOYER REPORTING ON COBRA PARTICIPANTS

A. COBRA DUE TO TERMINATION OF EMPLOYMENT

Q10. How should an ALE report on an FTE who terminates employment during a calendar year and receives an offer of COBRA continuation coverage?

A. While a fully insured employer will need to report that the employee was an FTE during the part of the year when the employee was an active employee, the reporting obligation ends upon termination of employment, even if the employee is offered and elects COBRA continuation coverage. Self-insured plans are required to report COBRA participants as covered individuals — see Q12 for more information.

Example 1:

The FTE receives an offer of coverage providing MV for an employee, spouse or domestic partner and dependents (family coverage) under an ALE's self-insured health plan. The FTE enrolled in family coverage under the ALE plan effective January 1. On May 15 of the same calendar year, the FTE terminated employment with the ALE and received an offer of COBRA continuation coverage but chose not to enroll in the coverage.

For the months January through April, the ALE should enter code 1E on Line 14 and code 2C on Line 16 to report that the FTE enrolled in coverage under the plan. The ALE should report on Line 15 the employee monthly cost-share for the lowest-cost self-only MEC providing MV offered under the plan to active FTEs.

Line 14 – 1E

Line 15 – Enter employee monthly cost-share for the lowest-cost self-only coverage

Line 16 – 2C

For May, the ALE should enter code 1H on Line 14 and code 2B on Line 16. No entry is required on Line 15 for that final partial month of employment.

Line 14 – 1H

Line 15 – No Entry

Line 16 – 2B

For June through December, the ALE should enter code 1H on Line 14 and code 2A on Line 16 since the individual is no longer an employee. No entry is required on Line 15 for those remaining months of the calendar year.

Line 14 – 1H

Line 15 – No Entry

Line 16 – 2A

Example 2:

The same facts as Example 1 for Q10, except that the FTE chooses to enroll in family COBRA coverage for themselves, their spouse or domestic partner and their dependents under the plan.

For the months January through December, the ALE should enter the same information as in Example 1. Employers are not required to report COBRA coverage for a terminated employee. (However, an ALE providing COBRA continuation coverage through a self-insured plan generally must report that coverage for any former employee, spouse, domestic partner, or dependent who enrolls in that COBRA continuation coverage in Part III of the Form 1095-C.)

B. COBRA DUE TO REDUCTION IN HOURS

Q11. How should an ALE report on an FTE who enrolls in COBRA continuation coverage due to a non-FMLA reduction in hours, i.e., a change from full-time to part-time status that results in a loss of eligibility for coverage under the plan?

A. The answer depends on whether the FTE elects COBRA coverage. The ALE should report the offer of COBRA continuation coverage as an offer of coverage.

Example 1:

An FTE of an ALE elects to receive coverage providing MV, including an offer of MEC to their spouse or domestic partner and dependents. The FTE enrolls in self-only coverage offered from January 1 through September 30 of the same calendar year. The employee monthly cost-share for the lowest-cost self-only coverage under the plan is $100. On October 1 the FTE transfers to a part-time position (for non-FMLA reasons) and, as a result, loses eligibility for coverage under the plan's terms as of that date. The FTE receives an offer of COBRA continuation coverage due to the loss of eligibility for coverage, with a COBRA premium of $500 per month for the lowest-cost self-only COBRA coverage. The FTE elects to enroll in the COBRA continuation coverage for October through December.

For January through September, the ALE should enter code 1E on Line 14, should report $100 as the employee contribution on Line 15 and should enter code 2C on Line 16 to report that the FTE enrolled in the coverage offered.

Line 14 – 1E

Line 15 – Enter employee monthly cost-share for the lowest-cost self-only coverage

Line 16 – 2C

For October through December, the ALE should enter code 1E on Line 14, should report $500 on Line 15 and should enter code 2C on Line 16.

Line 14 – 1E

Line 15 – Enter COBRA premium amount (inclusive of any administrative fee associated with the COBRA premium amount)

Line 16 – 2C

Example 2:

The same facts as Example 1 for Q11, except the FTE chooses not to enroll in the COBRA continuation coverage.

Line 14 – 1E

Line 15 – Enter COBRA premium amount (inclusive of any administrative fee associated with the COBRA premium amount)

Line 16 – 2B, 2F, 2G or 2H

The ALE should complete Lines 14 and 15 in the same manner as Example 1. However, the applicable indicator code, if any, for Line 16 is determined as it would be for any other active employee. The indicator code will depend on whether the FTE is treated as an FTE for purposes of the employer mandate. If they're not, then the employer can use 2B. If they are, then the appropriate code for Line 16 depends on whether the offer of COBRA continuation coverage for the FTE satisfies one of the affordability safe harbors (Code 2F, 2G or 2H).

C. DIFFERENCES FOR SELF-INSURED PLANS

Q12. If an ALE sponsors a self-insured plan, how should the ALE report coverage of an FTE's spouse or domestic partner who separately elects to receive COBRA coverage?

A. If an ALE sponsors a self-insured plan, it should report coverage of each non-employee spouse that separately elects COBRA continuation coverage on a separate Form 1095-B (or Form 1095-C; see Question 9 above).

If an employee's spouse or domestic partner, or former spouse or domestic partner, receives COBRA continuation coverage because an FTE elected COBRA continuation coverage that also provides coverage to the spouse or domestic partner (e.g., family coverage), then the coverage of the FTE and spouse or domestic partner should be reported together on the same Form 1095-C or Form 1095-B that is provided to the FTE.

Example:

An FTE elects to receive self-plus-spouse/domestic partner coverage under the self-insured ALE health plan effective for the plan year beginning January 1. On June 15 of the same year, the FTE gets a divorce and their spouse loses eligibility for coverage under the plan as of the date of divorce. The ALE makes an offer of COBRA continuation coverage to the spouse, who elects to enroll in the COBRA continuation coverage and remains enrolled from June 15 through December 31 of the same year.

The ALE should report the FTE's enrollment on Part III of Form 1095-C by reporting that the FTE was enrolled in MEC for January through June, and that their spouse had coverage, due to the FTE's enrollment in coverage that provided coverage to a spouse, for the months January through June.

For the period July through December, the spouse should receive a separate Form 1095-B or Form 1095-C reporting the spouse's enrollment in MEC under the ALE's plan.

4. VARIABLE-HOUR AND SEASONAL EMPLOYEES IN A MEASUREMENT PERIOD

Q13. If an ALE hires variable-hour or seasonal employees for a temporary period (such as for the summer) and uses look-back measurement periods to determine FTE status, should the ALE report on those employees?

A. An ALE would only need to report on a variable-hour or seasonal employee if the employee finished their initial measurement period and was subsequently determined to be an FTE for any month of the year. In that situation, for the months the employee was in the measurement period, the ALE would use code 1H on Line 14 and code 2D on Line 16.

For any months a variable-hour or seasonal employee was treated as an FTE and offered coverage, the ALE would use codes 1B through 1F (depending on the type of coverage offered) on Line 14 and 2C on Line 16 if they enrolled in coverage. If the employee waived coverage, the ALE would enter one of the affordability safe harbor codes (2F, 2G or 2H), if applicable, on Line 16. The ALE would not report on a variable-hour or seasonal employee who was determined not to be an FTE based on the hours worked during the measurement period.

Additionally, on Part III, column (b), of Form 1094-C, the ALE would only include the FTE count for each month, meaning the ALE would not include employees who were then in their initial measurement periods. However, for Part III, column (c), which reflects the total count, the employer would include all employees, including part-time, full-time, variable-hour and seasonal employees.

Q14. If an ALE believes it is eligible to use the Qualifying Offer Method for an FTE, how does it report?

A. If an ALE can certify that it made a qualifying offer of coverage to all FTEs for all 12 months of the year (or, for mid-year hires/terminations, for all months in which the employee was an FTE), and the FTE did not enroll in self-insured coverage for any months during which the FTE was eligible for the employer's qualifying offer, then the ALE may use an alternate reporting method for the FTE. A qualifying offer is an offer that satisfies all of the following criteria:

- Offer of MEC that provides MV
- Employee monthly cost-share for the lowest-cost self-only coverage is affordable according to the FPL safe harbor

- An offer of MEC is also made to the employee's spouse or domestic partner and any dependents

The ALE should check box A, "Qualifying Offer Method," on Form 1094-C, Line 22, "Certifications of Eligibility."

On Form 1095-C, Line 14, the ALE should enter code 1A. No entry is required on Line 15. If the employee waives coverage, the ALE should enter code 2G on Line 16 to reflect that the employer satisfied the FPL safe harbor, which is one of the criteria of a qualifying offer (see the second bullet above). If the employee actually enrolled for coverage, the ALE should enter 2C on Line 16 (or Line 16 could be left blank, per the Instructions).

Line 14 – 1A

Line 15 – No Entry

Line 16 – 2G, 2C or Blank

The Form 1095-C must be filed with the IRS. However, the ALE may provide the FTE with a general statement in lieu of a copy of the Form 1095-C containing certain information and stating that the FTE is not eligible for the premium tax credit because they received a qualifying offer.

The alternative statement may not be used by self-insured employers with respect to any employee who enrolled in the coverage under the self-insured plan, because the employer is required to report that coverage on Form 1095-C.

Q15. If an ALE believes it is eligible for the 98 Percent Offer Method, how does it report?

A. If the ALE can certify that for all months of the calendar year it offered affordable, MV health coverage to at least 98% of its employees for whom it is filing a Form 1095-C, and offered MEC to those employees' dependents (spouses or domestic partners not required to receive an offer of MEC), then it may be eligible to use the 98% Offer Method.

If eligible, the ALE can check box D, "98% Offer Method," on Line 22, Certifications of Eligibility, on Form 1094-C. The ALE is not required to determine whether all employees for whom it is filing were FTEs and, therefore, is not required to complete Form 1094-C, Part III (b), Full-Time Employee Count for ALE Member, on its authoritative transmittal. However, the ALE is still required to complete Forms 1095-C for all of its FTEs.

On Form 1095-C, for the employees that received the offer, the ALE should enter code 1C or 1E on Line 14, as applicable, and should report on Line 15 the employee monthly cost-share for the lowest-cost self-only MEC providing MV offered under the plan. On Line 16, the ALE should enter the code for the applicable affordability safe harbor (code 2F, 2G or 2H); 2C is also an option if the employee actually enrolled in coverage.

Line 14 – 1C or 1E

Line 15 – Enter employee monthly cost-share for the lowest-cost self-only coverage

Line 16 – 2C, 2F, 2G or 2H

5. "SIMPLIFIED METHODS" OF REPORTING

QUALIFYING OFFER METHOD

Advantages

- The employer has the option to distribute an employee statement, rather than a copy of the Form 1095-C, to each employee who was offered coverage. Thus, the employer could prepare and send identical notices to every FTE who received a qualifying offer for all 12 months (or all months during which the employee was full-time, for mid-year hires or terminations), eliminating the need to match forms to specific employees.
- Under the Qualifying Offer Method, the employer doesn't have to report employee contribution information on Line 15 for all 12 months.

Disadvantages

- The Qualifying Offer Method is only available to employers who used the FPL affordability safe harbor. Many employers do not use the FPL safe harbor as they choose to rely on an affordability safe harbor that allows a higher employer cost-share than the amount permitted under the FPL safe harbor.
- While distributing a uniform statement to employees may sound like a simplification, the statement must meet certain requirements and be substantially similar to Form 1095-C. Therefore, it may be easier to simply distribute Form 1095-C, particularly since the employer still has to file a Form 1095-C for each employee with the IRS.

98 PERCENT OFFER METHOD

Advantage

- The employer is not required to identify which of the employees for whom it is filing were FTEs (i.e., doesn't have to calculate the hours of each employee), but the employer must still file Forms 1095-C on behalf of all of its FTEs. So, the employer doesn't have to report the total number of FTEs (usually done through column (b) on Part III of 1094-C).

Disadvantages

- The employer must offer MV coverage to at least 98% of all employees it is reporting on.
- The employer isn't allowed to distribute a statement to employees in lieu of a Form 1095-C. Since the employer still must distribute a Form 1095-C to each FTE, there's no simplification.
- The employer may need to complete forms for a part-time employee for whom it is otherwise not required to complete a form.

6. GENERAL EMPLOYER REPORTING

Q17. When do employers check the box "authoritative transmittal" on Line 19 of Form 1094-C?

A. Generally, the answer is "always." A single entity (one EIN) has the option to submit more than one Form 1094-C but then designate one of the forms as the authoritative transmittal in which the information is aggregated. This option will have limited application and likely be used only by very large companies with multiple divisions under one EIN. For the majority of employers, one Form 1094-C will be sufficient, and thus it will be the authoritative transmittal.

Q18. How do controlled group members report?

A. If an employer is a controlled group member, then it is separately responsible for offering coverage, ensuring that it is affordable and complying with the related reporting obligations. Specifically, each member of an ALE controlled group is responsible for filing Forms 1094-C and 1095-C with the IRS as well as distributing a 1095-C statement to each FTE. Members in a controlled group can identify one member to file on behalf of all other members. However, that doesn't shift liability for a filing failure from the individual member to the identified filing member. The individual member remains exposed to IRS penalties if the filing member fails to actually file. This is because the employer mandate penalties are determined on a single-employer level per EIN. Further, each employer in the controlled group must identify the other employers in the group on Part IV of 1094-C.

SUMMARY

The reporting obligations are complex and these FAQs are not meant to provide guidance on every reporting situation. T

RESOURCES

IRS Q&As on Reporting of Offers of Health Insurance Coverage by Health Coverage Providers (Section 6055)

IRS Q&As on Reporting of Offers of Health Insurance Coverage by Employers (Section 6056)

IRS Q&As about Employer Information Reporting on Form 1094-C and Form 1095-C

Form 1094-B

Form 1094-C

Form 1095-B

Form 1095-C

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