

The Employee's Guide to Understanding the 1095-C

Form 1095-C
Department of the Treasury
Internal Revenue Service

Go to www.irs.gov/Form1095C for instructions and the latest information.

2017

Part I Employee				Applicable Large Employer Member (Employer)			
1 Name of employee				8 Employer identification number (EIN)			
3 Street address (including apartment no.)				10 Contact telephone number			
4 City or town	5 State or province	6 Country and ZIP or foreign postal code	9 Street address (including room or suite no.)	12 State or province	13 Country and ZIP or foreign postal code		

Part II Employee Offer of Coverage

Plan Start Month (Enter 2-digit number):

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

15 Employee Required Contribution instructions

16 Safe Harbor Other coverage

17

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AFFORDABLE CARE
ACT COMPLIANCE

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**UPDATED FOR
2017 FORMS**



The Employee's Guide to Understanding the IRS Form 1095-C

Under the Affordable Care Act, certain large employers are required to provide this form to their full time employees (as defined by the ACA). Depending on your employment and coverage circumstances, you may receive similar forms, the 1095-A comes from a Health Insurance Marketplace, the 1095-B comes from Insurers and the 1095-C comes from your employer. In this guide we will take a look at the 1095-C, and how to read and understand it. *The information in this guide is for information purposes only and is not intended to be legal or tax advice.*

What it is: It is a record of the health insurance coverage that you were offered by your employer.

What you do with it: Information contained on the 1095-C may be of assistance when completing your federal income tax return for the 2016 tax year; however, the IRS has made clear that the 1095-C is not required for filing the Form 1040.

Here are two important terms you might see:

Minimum Essential Coverage – Coverage that AT LEAST meets the Affordable Care Act standards for what is considered adequate coverage.

Minimum Value – Coverage that generally pays at least 60% of the total cost of medical services.

Taken together these terms mean that coverage provides adequate financial coverage for essential health services. Think of it this way: If the law requires that a policy covers an X-ray – that’s *Minimum Essential Coverage*, if the law also says that the policy must cover at least 60% of the cost of the X-ray – that’s *Minimum Value*.

How to read and understand the 1095-C: The form is broken into 3 parts; let’s look at each part separately.

Part I: This part contains information identifying the Employee and the Employer

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 2017
Part I Employee			Applicable Large Employer Member (Employer)			
1 Name of employee	2 Social security number (SSN)		7 Name of employer		8 Employer identification number (EIN)	
3 Street address (including apartment no.)			9 Street address (including room or suite no.)		10 Contact telephone number	
4 City or town	5 State or province	6 Country and ZIP or foreign postal code	11 City or town	12 State or province	13 Country and ZIP or foreign postal code	

Lines 1-6 contain all of your individual information such as name, address and Social Security Number.

Lines 7-13 contain information about your employer such as name, address, identification number and contact information.

Part II: This part contains information on the offer of coverage made by your Employer

Part II	Employee Offer of Coverage							Plan Start Month (Enter 2-digit number):					
	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
14 Offer of Coverage (enter required code)													
15 Employee Required Contribution (see instructions)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
16 Section 4980H Safe Harbor and Other Relief (enter code, if applicable)													

Part II is a monthly accounting of when you were offered health insurance, the cost of the plan, information about the plan value, and who was included in the offer of coverage. The good news is that your employer will already have populated the codes.

Line 14 – This is where your employer communicated information about the coverage that you **were offered**. It reports whether your employer made an offer of coverage, the type of coverage and to whom the offer was made.

The IRS has assigned 9 different codes that might appear; here they are with a simple description:

- 1A** Minimum essential coverage providing minimum value, costing less than 9.66% of the Federal Poverty Rate for single coverage. Offered to you, your spouse and your dependents
- 1B** Minimum essential coverage providing minimum value offered to you, but NOT your spouse or dependents
- 1C** Minimum essential coverage providing minimum value offered to you and your dependents, but NOT to your spouse

- 1D** Minimum essential coverage providing minimum value offered to you, and your spouse, but NOT your dependents
- 1E** Minimum essential coverage providing minimum value offered to you, and minimum essential coverage offered to your dependents and spouse
- 1F** Minimum essential coverage NOT providing minimum value offered to you, you and your spouse, or you, your spouse and your dependents
- 1G** You were NOT a full time employee during any month BUT you were enrolled in self-insured employer sponsored coverage for one or more months
- 1H** No offer of coverage
- 1J** Minimum essential coverage providing minimum value was offered to you and minimum essential coverage was conditionally offered to your spouse. Minimum essential coverage was not offered to dependents A conditional offer is subject to reasonable, objective conditions such as an offer to cover a spouse only if the spouse is not eligible for Medicare or a group health plan sponsored by another employer
- 1K** Minimum essential coverage providing minimum value was offered to you and and your dependants and minimum essential coverage was conditionally offered to your spouse. A conditional offer is subject to reasonable, objective conditions such as an offer to cover a spouse only if the spouse is not eligible for Medicare or a group health plan sponsored by another employer

Line 15 – This is where your Employer communicated information about the ***coverage that you were offered.***

This line will show the cost you as an employee would pay for the lowest priced plan your employer offered for self only, minimum value coverage. This may not be the plan you selected – it simply shows the lowest cost plan your employer made available to you. If you were offered coverage and were not required to contribute to the premium, then this line will be blank, or report a 'zero' for the amount.

Line 16 – This is where your employer communicates information required by the IRS.

The Affordable Care Act requires employers to provide additional codes to fulfill their reporting obligation.



Your employer may use other codes to communicate additional information about the coverage offered on Line 14, coverage affordability, if you enrolled, or why coverage was not offered. Like Line 14, these codes can change over the course of the year, so you may see different codes recorded for different months.

2A You were not employed any day of the month

2B You were not full time (less than 30 hours/week) for the month, or left employment during the month

2C You enrolled in coverage

2D You were in a Limited Non-Assessment Period – an example you might be a new employee who has to wait 90 days before they are offered coverage.

2E You will see this code if your employer made contributions to an employer plan, such as a union sponsored plan, on your behalf as part of a collective bargaining agreement.

The next three codes are where your employer may communicate how they determined that the coverage offered was affordable (if one of the following applies)

2F Affordability – Coverage for the low cost self only plan (on Line 15) is less than 9.69% of your W-2 wages

2G Affordability – Coverage for the low cost self only plan (on Line 15) is less than 9.69% of the Federal Poverty Line

2H Affordability – Coverage for the low cost self only plan (on Line 15) is less than 9.69% of your Rate of Pay

Part III: Covered individuals for self-insured plans

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)	(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
17			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
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"/>	
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"/>	
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"/>	
21			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
22			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 60705M **Form 1095-C** (2017)

If you participated in a self-insured employer sponsored health plan, Part III will be completed by your employer. It will show the name, Social Security Number, and/or date of birth of all the individuals who were covered under your policy and the months they had that coverage.

What does self-insured mean? There are two common ways an employer can structure a group health insurance plan for its employees: self-insured (or self-funded) and fully insured. The main difference between the plans is who pays the claims generated by employees. In a self-insured plan the employer pays claims directly. In a fully insured plan the employer pays premiums to the insurance company and the insurance company pays claims generated by the employees.

If Part III is blank, and your employer's health plan is fully insured, you should receive a Form 1095-B from your plan's insurance carrier (or Form 1095-A if you obtained insurance through one of the Health Insurance Marketplaces).

We hope this helps make sense of the 1095-C. We have simplified some of the language and added explanations to make it easier to understand to view more information directly from the IRS visit: www.irs.gov/Affordable-Care-Act/Individuals-and-Families. In addition, when you receive your 1095-C it will come with a full set of instructions from the IRS.