



# A Quick Reference Guide For ACA Reporting Codes

This Guide is intended to guide applicable large employers (ALEs) on how to properly complete Part II of Form 1095-C, specifically, Lines 14, 15, and 16.

## Coverage Offerings

**Indicator Codes for Employee Offer of Coverage, Line 14:** Requires an applicable large employer (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, and any dependents. This information also relates to eligibility for coverage subsidized by the premium tax credit.

\*Note: Coverage is only reported as “offered” if the EE will be covered for the entire month\*

1A	MEC providing MV to EE + Spouse + Dependents for EE coverage that is less than 8.39% of the Federal Poverty Level safe harbor, or \$101.93 per month for plans starting in 2024.
1B	MEC providing MV offered to EE only.
1C	MEC providing MV offered to EE + at least MEC to Dependents, but not Spouse.
1D	MEC providing MV offered to EE + at least MEC to Spouse, but not Dependents *Do not use this code if offer to Spouse is conditional, instead use 1J*
1E	MEC providing MV offered to EE + at least MEC to Spouse and Dependents. *Do not use this code if offer to Spouse is conditional, instead use 1K*
1F	MEC not providing MV offered to any combination of EE or EE+ Spouse or EE + Dependents.
1G	Offer of coverage for at least one month to an individual who was not an employee or to EE who was not a full time EE for any month of the calendar year and the EE enrolled in coverage that is self-funded. *1G applies for the entire year or not at all*
1H	No offer of coverage (either offered no health coverage or coverage was not MEC).
1J	MEC providing MV offered to EE + at least MEC “conditionally” offered to Spouse + MEC not offered to Dependent.
1K	MEC providing MV offered to EE + at least MEC offered to Dependents + at least MEC “conditionally” offered to Spouse

## Affordability

**Employee Required Contribution, Line 15:** If Code 1B, 1C, 1D, 1E, 1J, or 1K is entered in Line 14, an ALE is required to enter the amount of the EE share of the lowest cost monthly premium for self only MEC/MV coverage. This is true regardless of the coverage actually enrolled by the EE. For example, if the EE chose to enroll in a more expensive coverage such as family coverage.



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## Coverage Status and Affordability Determination

**Section 4980H Safe Harbor Codes and Other Relief for ALE Members, Line 16:** Provides the IRS with information to administer the employer mandate penalties. The purpose of Line 16 is to indicate under which rule or safe harbor the employer is not subject to for that month.

2A	EE not employed at all during the month.
2B	EE employed, but not full time and did not enroll in MEC, if offered. This code is also used for an EE's last month of coverage, if coverage terminated mid-month.
2C	EE enrolled in coverage offered. This code supersedes others that apply. <b>*Do not use this code if 1G is entered on Line 14*</b>
2D	EE is in a limited non-assessment period. Use this code for variable-hour EE in an initial measurement or administrative period. Also use this code if EE is eligible but in a waiting period. Also use this code if EE was hired other than the 1 <sup>st</sup> of the month.
2E	Coverage is offered under a multiemployer plan and Employer is obligated to contribute. This code should be used in conjunction with 1H in Line 14.

**If the employee declined coverage, use the affordability code:**

2F	Form W-2 affordability safe harbor.
2G	Federal Poverty Level method (single rate under \$101.93 for plans starting in 2024).
2H	Rate of Pay method (single rate is less than hourly rate x 8.39% x 130 hours for plans starting in 2024).

## GLOSSARY OF TERMS

ALE	Applicable Large Employer
EE	Employee
MEC	Minimum Essential Coverage
MV	Minimum Value

## QUESTIONS?

Call (856) 242-3330 or email [info@ibpllc.com](mailto:info@ibpllc.com) for a complimentary Q&A with an Innovative Employee Benefits Consultant.