

# AFFORDABLE CARE ACT TRAINING SESSION FOUR

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Pay or Play Penalty and Minimum Essential Coverage Reporting (6056 Reporting on the 1094 and 1095 C Forms)

# DISCLAIMER

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This ACA Training Session is for informational purposes only, and is not legal advice or a substitute for legal advice. It is designed only for employers that offer the Health Plan administered by the Georgia Municipal Association on behalf of the Georgia Municipal Employees Benefit System, and contains information that is not applicable to other employers. This ACA Training Session reflects the presenter's understanding of certain requirements of the Affordable Care Act as they existed on January 13, 2021. Deadlines are those set forth in the law and do not reflect delays authorized by the IRS for a particular year.

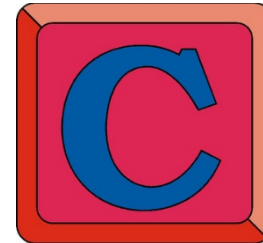
This ACA Training Session is not an official document of the Health Plan. Only the official Health Plan documents establish the terms of the Health Plan.

# GMA Affordable Care Act Training

- Session One: Waiting Period Rules, How to Determine Applicable Large Employer (“ALE”) Status (all Employers)
- Session Three: Minimum Essential Coverage Reporting (6055 Reporting on the 1094-B and 1095-B Forms) (Small Employers)
- Session Two: Pay or Play Penalty Rules (ALEs only)
- Session Four: Pay or Play Penalty and Minimum Essential Coverage Reporting Requirements (6056 Reporting on the 1094-C and 1095-C Forms)(ALEs only)

All training sessions are posted on [www.gmanet.com](http://www.gmanet.com) under Life & Health/More Info

# SECTION 6056 REPORTING WITH THE “C FORMS”



# Reasons for 6056 Reporting with C Forms

- C Forms are a “self-report” to the IRS of whether the Participating Employer must pay “Pay or Play” penalties
- C Forms report to the IRS whether individuals are eligible for subsidized coverage on the Exchange
- Covered individuals use their statements as proof that they have minimum essential coverage, and won’t have to pay the individual mandate penalty
- ACA Full-Time Employees not enrolled see what has been reported to IRS

# Employer Has Obligation to File

- The GMEBS Health Plan is an **employer-sponsored, self-insured plan for multiple employers**, so **all Participating Employer ALEs MUST FILE Forms 1094-C and 1095-C with Part III (minimum essential coverage) completed for enrollees.**
- The GMEBS Health Plan is **NOT** a “multiemployer plan” or a “governmental sponsored program.”
- For reporting purposes, when instructions use “**plan sponsor**” or “**coverage provider,**” that means the **employer.**
- GMA will NOT report any coverage to the IRS or to enrollees and GMA cannot file any forms on behalf of Participating Employers

# Employer Has Obligation to File

- It does not matter if the employer is not paying any part of the coverage and is not collecting premiums.
- The employer must report for all ACA Full-Time Employees (even if not enrolled), and must report for everyone enrolled in the GMEBS Plan – even if no longer employed.
- **Employers with retirees enrolled in the GMEBS Retiree-Only Health Plan on a fully self-paid basis still must file Forms for them**
- If enrolled retirees were not employed during the year, they can be reported using either the B Forms or the C Forms.

# Employer Has Obligation to File

- The filings are due January 31 of the year after the year of coverage (to ACA Full-Time Employees and enrolled individuals) and the last day of February of the year after the year of coverage (to IRS, March 31 if filing electronically)
- In order to complete Forms 1094-C and 1095-C, the Participating Employer must figure out whether it will have to pay “Pay or Play Penalties”
- That means the employer must identify all ACA Full-Time Employees, determine the months for which they and their dependents were offered coverage, and determine whether the coverage offered met the “affordability” requirements)



# Payroll Systems and Vendors Can Help

- Payroll software is available to create the C Forms, consider asking payroll vendor about training
- Information must be entered into the payroll software
- Some payroll vendors are filing C Forms on behalf of clients
- Some stand alone vendors will work with your existing payroll software to help you create and file the forms

GMA Can Help (a Little), But Employer Must Submit a “Help Wanted!” Certification and Request.

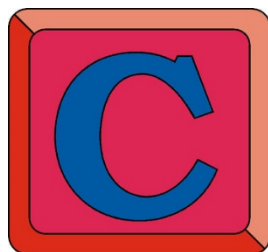


# GMA Can Help (a Little)

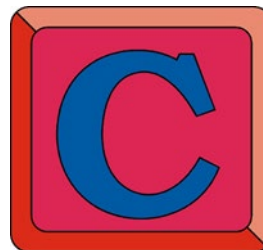
- See the Certification and Request Form for Applicable Large Employers
- This describes the enrollment data files and how GMA will fill out the B Forms for Non-Employees (if requested)
- If the Certification and Request Form is timely submitted to GMA, GMA can provide the requested data files and/or B Forms by the first week in January
- The EMPLOYER will have to deliver all forms to ACA Full-Time Employees and enrolled primary responsible individuals by January 31 (not much time!) and file all forms with the IRS by the applicable deadline (last day of February if paper or March if electronic).

# About the C Forms

- Applicable Large Employers MUST complete the C Forms for all active ACA Full-Time Employees (even those not enrolled) and for anyone enrolled as an active employee or his or her dependent during the year
- For those who were non-employees (COBRA, retirees) and never enrolled as an active employee during the year, the ALE must either report minimum essential coverage on Part III of 1095-C OR may file the 6055 Reporting B Forms for these individuals (see ACA Training Session Three)



OR



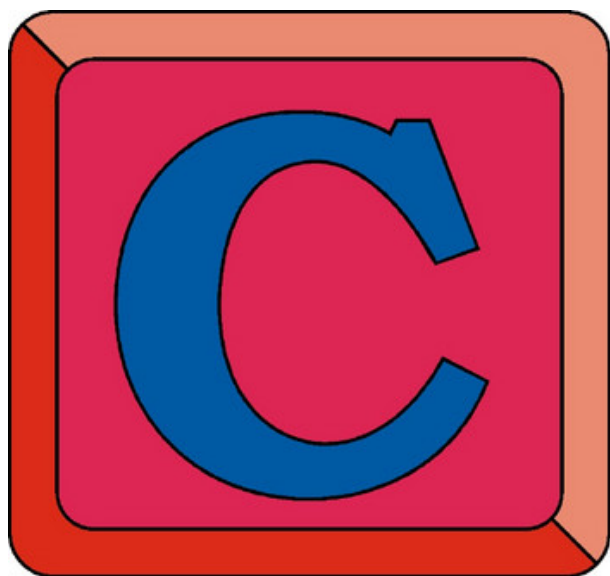
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# About the C Forms

- Why would an Applicable Large Employer want to complete C and B Forms?
  - If it is difficult to put information about someone who was not employed during the year into the payroll system that is generating the C Forms, and the ALE prefers for GMA to prepare the B Forms for the ALE to mail
  - If the ALE prefers not to include information about non-employees in its payroll system for another reason
- To learn more about the B Forms, see Training Session Three
- GMA's Data Files give ALEs the flexibility to choose

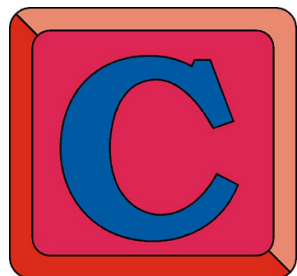
# About the C Forms



1094-C Transmittal Form,  
with attached Full SSN  
version of 1095-C Forms  
(goes to IRS)

1095-C Form, with last  
four digits of SSN (goes  
to each enrolled  
responsible individual  
AND to each Full-Time  
Employee who is not  
enrolled)

# About the C Forms – 1094-C



Not just a Transmittal Form



Part I:  
Information  
about the  
employer  
(contact  
information)

Part II: Signature  
affirming  
accuracy and  
completeness,  
certification of  
eligibility for Pay  
or Play Penalty  
relief, number  
of 1095-C Forms  
attached

Part III: Self-report of  
whether employer  
could be hit with  
“Sledgehammer  
Penalty,” identifies  
type of Pay or Play  
Penalty relief

# About the C Forms – 1095-C



GMA data files include ALL Part III information

GMA data files include SOME Part II information for enrollees only

GMA data files include Part 1 Lines 1-6 information for enrollees only.

Part I: Information about the individual getting the Form; information about the employer

Part II: Self-report about whether the employer could be hit with “Tack Hammer” penalty for failing to offer ACA Full-Time Employees minimum essential coverage with minimum value that met “affordability” requirements. Part II is mostly about OFFER of coverage, but enrollment is used for Line 16.

Part III: Report of enrollment in minimum essential coverage for each month for primary responsible individual and each enrolled dependent. Part III is all about ENROLLMENT.



# About the C Forms – All ALEs must file

- If employer is an ALE (50 or more ACA Full-Time Employees and FTE Equivalents, using numbers from year before the reported year) **REPORTING IS REQUIRED!!** (See Training Session 1 for how to determine ALE status)

# Scope of Training on C Form Completion

- This Training Session does not address how to complete the C Forms if the Participating Employer is a member of a controlled group (see Training Session 1)
- This Training Session does not address how to complete the C Forms if the Participating Employer has formally delegated responsibility for filing to another governmental entity that is “part of or related to” the Participating Employer
- This Training Session assumes that the Participating Employer is not using any simplified/alternative reporting options
- This Training Session assumes that the Participating Employer does not offer any health coverage other than GMEBS health coverage.
- All examples are based on these assumptions

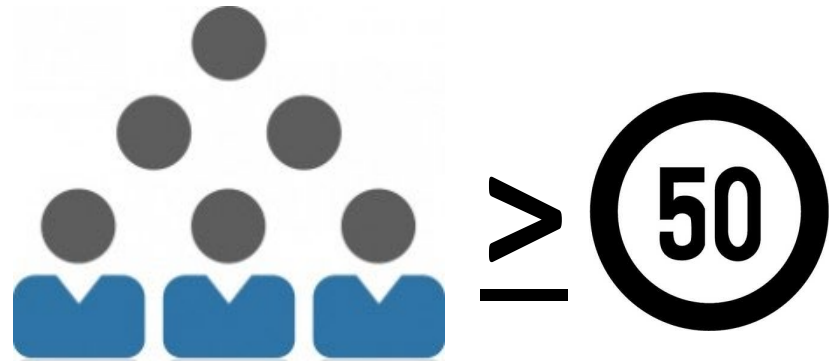
# Get Ready to Complete the C Forms

- Reminder – you only need to complete the 1094-C and 1095-C Forms if you are an Applicable Large Employer
- See Training Session 1 for information about how to make this determination
- ACA uses special math!
- The ALE determination is based on information from the year before the year reported.

# For ALE status purposes

- Any employer who averaged 50 or more Full-Time Employees plus Full-Time Equivalents during the entire preceding calendar year

1. Identify All Employees Using ACA Definition
2. Identify Employees Whose Hours can be Excluded
3. Determine Time Frame for Counting Hours
4. Count Hours for All Employees
5. Count Full-Time Employees
6. Count Full-Time Equivalents Using ACA Math
7. If Sum of 5 and 6 is 50 or More, Apply Seasonal Worker Rule



**Full-Time Employees + Full-Time Equivalents**

Updated 10/26/2016

From Training Session 1

# Get Ready to Complete the C Forms

- Identify all employees in each month (need to provide a count)
- Identify all employees who were ACA Full-Time Employees for Pay or Play Penalty purposes for each month (even if not enrolled in coverage) (See Training Session 2)
- Remember, for Pay or Play Penalty purposes, use Measurement Periods and Stability Periods

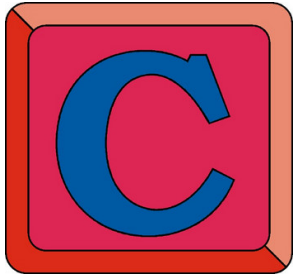
# Get Ready to Complete the C Forms

- For each ACA Full-Time Employee, determine for which months GMEBS coverage was offered
  - Offer of coverage during Annual Enrollment – counts as an offer of coverage for each month of the following year as long as employed
  - Offer of coverage due to new hire/special enrollment – counts as an offer of coverage for each following month of the year for which employee could have been enrolled in coverage as long as employed
  - If a person declined coverage, and if employment terminates mid-month, he is not considered to have been offered coverage for that final month
- For each month, calculate the percentage of ACA Full-Time Employees for which GMEBS coverage was offered

# Preparation for Completing 1095-C Form

- For any month coverage was not offered to an ACA FTE and dependent children, determine why no penalty should apply. (See Training Session 2) Examples:
  - Individual was not employed during that month
  - Individual was not an ACA Full-Time Employee during that month
  - Individual was in a Limited Non-Assessment Period during that month
- Identify the cost of employee-only coverage for the cheapest option
- Identify which “affordability” safe harbor will be used

# About the C Forms – 1094-C Parts



Part I:  
Information  
about the  
employer  
(contact  
information)

Part II: Signature  
affirming  
accuracy and  
completeness,  
number of  
1095-C Forms  
attached

Part III: **Self-report of  
whether employer  
could be hit with  
“Sledgehammer  
Penalty”**





# About the C Forms – 1094-C Example

- For every month of year A, Big Happy City has 175 ACA Full-Time Employees (as defined in 4980H) for Pay or Play purposes and 200 total employees
- Big Happy City must provide the 1095-C Form to these 175 ACA Full-Time Employees
- Big Happy City offered GMEBS coverage to 95% or more of its 4980H ACA Full-Time Employees in every month of year A, so Big Happy City cannot be hit with the sledgehammer penalty
- Henrietta Clerk is the contact for the IRS to reach

**GMA data files will NOT include information needed to complete 1094-C**

Form **1094-C**

# Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns

CORRECTED

OMB No. 1545-2251

## 2020

Department of the Treasury  
Internal Revenue Service

► Information about Form 1094-C and its separate instructions is at [www.irs.gov/form1094c](http://www.irs.gov/form1094c)

### Part I Applicable Large Employer Member (ALE Member)

1 Name of ALE Member (Employer)

Big Happy City

3 Street address (including room or suite no.)

456 Big Happy Boulevard

4 City or town

Big Happy City

Georgia

USA 44444-4444

7 Name of person to contact

Henrietta Clerk

8 Contact telephone number

333-333-3333

9 Name of Designated Government Entity (only if applicable)

10 Employer identification number (EIN)

11 Street address (including room or suite no.)

9 - 16 blank, DGE n/a

12 City or town

province

14 Country and ZIP or foreign postal code

15 Name of person to contact

17 Reserved

18 Total number of Forms 1095-C submitted with this transmittal

175

19 Is this the authoritative transmittal for this ALE Member? If "Yes," check the box and continue. If "No," see instructions



### Part II ALE Member Information

20 Total number of Forms 1095-C filed by and/or on behalf of ALE Member

175

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):

None apply. Leave all blank.



A. Qualifying Offer Method



B. Reserved



C. Section 4980H Transition Relief



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.

Henrietta Clerk

Signature

City Clerk

Title

1/25/2020

Date

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 61571A

Form 1094-C (2016)

**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) Section 4980H Transition Relief Indicator
		Yes	No				
23	All 12 Months	<input checked="" type="checkbox"/>	<input type="checkbox"/>	175	200	<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"/>	

For column a, indicate for each month whether you offered at least employee + dependent children coverage under the GMEBS Health Plan to at least 95% of your ACA Full-Time Employees. When counting, don't include ACA FTEs who were in a Limited Assessment Period.

Leave column d blank

Leave column e blank

When counting employees for column c, add ALL employees, even part-time and those in Limited Non-Assessment Period. Use the same time each month – either first or last days of month or first or last days of the first payroll period of the month (as long as that day falls within the calendar month).

When counting ACA Full Time Employees for column b, do NOT include those in Limited Non-Assessment Period



# 1094-C IRS “Transmittal” Form Part III

- Column a - The Sledgehammer Penalty cannot apply for a month if the ALE offered the GMEBS Health Plan to 95% or more ACA Full-Time Employees and their dependent children in that month.
- For an offer of coverage to count, it must have been available to the ACA Full-Time Employee for every day of the month. If coverage can only start in the middle of the month, it won't count as an “offer of coverage” for that month.
- “An employer makes an offer of coverage to an employee if it provides the employee an effective opportunity to enroll in the health coverage (or to decline that coverage) at least once for each plan year. An employer makes an offer of health coverage to an employee for the plan year if it continues the employee's election of coverage from a prior year but provides the employee an effective opportunity to opt out of the health coverage. “

# About the C Forms – 1095-C



GMA data files include ALL Part III information

GMA data files include SOME Part II information for enrollees only

GMA data files include Part 1 Lines 1-6 information for enrollees only.

Part I: Information about the individual getting the Form; information about the employer.



Part II: Self-report about whether the employer could be hit with “Tack Hammer” penalty for failing to offer ACA Full-Time Employees minimum essential coverage with minimum value that met “affordability” requirements. Part II is mostly about OFFER of coverage, but enrollment information is used for Line 16.



Part III: Report of enrollment in minimum essential coverage for each month for primary responsible individual and each enrolled dependent. Part III is all about ENROLLMENT.

# Employer-Provided Health Insurance Offer and Coverage

▶ Do not attach to your tax return. Keep for your records.  
 ▶ Go to [www.irs.gov/Form1095C](http://www.irs.gov/Form1095C) for instructions and the latest information.

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OMB No. 1545-2251

**2020**

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					
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

This is the ACA Full-Time Employee or the Primary Responsible Individual who is enrolled (even if not an ACA FTE). For enrolled individuals only, the employer can use the GMA Data File to complete lines 1-6.

Lines 7, 8, 9, 11 – 13 enter the same information entered on Form 1094-C.

Line 10 contact number can be different from the contact on 1094-C. This is who individual will call with questions. **NOT GMA!**

Plan Start Month – enter “01” for usual January start



# Employer-Provided Health Insurance Offer and Coverage

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**2020**

**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			10 Contact telephone number		
4 City or town		5 State or province		11 City or town			12 State or province			13 Country and ZIP or foreign postal code

Employee's Age on January 1 – leave blank (does not apply to GMEBS Health Plan)

Plan start month is 01 (January)

**Part II Employee Offer of Coverage**

14 Offer of Coverage (enter required code)	Plan Start Month (enter 2-digit number):												
	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 any)													

You cannot leave Line 14 blank

**Line 14** – Offer of coverage using Code Series 1  
**Line 15** – What you charge for employee-only version of the lowest cost GMEBS option you offer  
**Line 16** – Reason you meet the “affordability” requirements using Code Series 2

Lines 15 and 16 will be blank if you did not offer coverage for that month, or if the individual was not an ACA Full-Time Employee for any month of the year

# 1095-C Form Part II – Line 14 & Code Series 1

- Offered GMEBS coverage for every day of the month
  - **Code 1E – Everyone in family offered coverage** “Minimum essential coverage providing minimum value offered to you and minimum essential coverage offered to your dependent(s) and spouse.” (See examples 1-7) OR
  - **Code 1B - BT BUT NOT DEPENDENTS** “Minimum essential coverage providing minimum value offered to you and minimum essential coverage NOT offered to your spouse or dependent(s).” NOTE – discuss with counsel, penalty risk if employer does not offer coverage for dependent children, but transition relief may apply.



# 1095-C Form Part II – Line 14 & Code Series 1

- Did NOT Offer GMEBS coverage for every day of the month
  - **Code 1H – Heck No! Coverage was not offered for every day** (you were not offered health coverage for every day of the month or you were offered coverage that is NOT minimum essential coverage.)” (See examples 3, 7)
- COBRA/Former Employee Rules:
  - **Code 1H** if COBRA coverage offered for that month due to termination of employment(See Example 2.1) or if retiree coverage offered for that month
- COBRA/Still employed:
  - **Code 1E** if COBRA coverage offered to **Everyone** in family or **Code 1B (But Not Dependents)** if COBRA offered only to employee (See Example 2.2)

# 1095-C Form Part II – Line 14 & Code Series 1

- Employees who were **not ACA Full-Time Employees for any month of the year**, but who actually enrolled in GMEBS coverage (e.g., non-ACA FTEs eligible due to statutory position, such as elected member of city’s governing authority; retirees, COBRA former employees, COBRA beneficiaries who made a separate COBRA election)
- **Code 1G** “You were NOT a full-time employee for any month of the calendar year but were enrolled in self-insured employer-sponsored coverage for one or more months of the calendar year. This code will be entered in the *All 12 Months* box on Line 14.”
- See Examples 8 and 9

# 1095-C Form Part II – Line 14 & Code Series 1

- Comments about other Codes
  - **Codes 1A, 1I** – these relate to alternative reporting (beyond scope of this presentation)
  - **Code 1C** – N/A because GMEBS eligibility rules do not permit Participating Employers to offer coverage only to employees and dependent children
  - **Code 1D** – N/A because GMEBS eligibility rules do not permit Participating Employers to offer coverage only to employees and spouses
  - **Code 1F** – N/A because GMEBS coverage is Minimum Essential Coverage that provides Minimum Value
  - **Code 1J, K** – N/A because GMEBS eligibility rules do not permit conditional offer of coverage to spouse

# 1095-C Form Part II – Line 15

- Always leave Line 15 blank if 1H is in Line 14.
- Tells the IRS whether the cost of employee-only coverage was “affordable” (as defined by ACA), so the Tack Hammer penalty won’t apply.
- Enter “0.00” if you offer free employee-only GMEBS coverage, or enter the cheapest cost of employee-only coverage under any GMEBS option you offer. For any month an active part-time employee is enrolled in COBRA, enter the lowest cost of self-only COBRA coverage in Line 14.
- “This line reports the employee share of the lowest-cost monthly premium for minimum essential coverage providing minimum value that your employer offered you. The amount reported on line 15 may not be the amount you paid for coverage, if, for example, you chose to enroll in more expensive coverage such as family coverage.”

## 1095-C Form Part II – Line 16 & Code Series 2

- This line tells the IRS why no penalties should apply. CADs go first.
  - **Code 2C** - employee **actually Covered** for each day of the month. Enter 2C even if another code fits, but do not use 2C for COBRA due to termination or retiree coverage.
  - **Code 2A** – employee was **not employed** on Any day of the month (examples 2, 7), use 2A if enrolled in COBRA or Retiree coverage. (example 2.1).
  - **Code 2D** – employee was in a **Limited Non-Assessment Period** during the month (see Training Session Two.)

# 1095-C Form – Line 16 & Code Series 2

- **Code 2B** – (See example 8) ONLY if Codes 2C, 2A, and 2D don't apply, and one of the following is true:
  - The employee was **found NOT 2B an ACA Full-Time Employee**
  - Mid-month term. rule - the employee **was an ACA Full-Time Employee who declined enrollment and ended employment mid-month** (see ex. 7, July) OR was an enrolled ACA Full-Time Employee, but coverage ended mid-month due to termination of employment (N/A b/c GMEBS coverage ends at end of month)
  - If an active employee enrolls in COBRA mid-month due to reduction in hours that causes him or her to lose ACA FTE status, use 2B (see example 2.3)
- **Codes 2F-2H** – these codes prove that offer of coverage was **affordable under safe harbor** (enter the affordability safe harbor used) 2F is W-2, 2G is federal poverty line, 2H is rate of pay
- Code 2E – N/A, relates to union plans

# 1095-C Form – Line 16 & Code Series 2

- What if no Code applies?
- If no Code applies, then there is no “excuse” for failure to offer the ACA Full-Time Employee coverage that meets the affordability requirements for that month.
- Tack hammer penalty will apply if the individual gets subsidized coverage on the Exchange for that month (See ACA Training Session Two)
- If no Line 16 Code applies, check with an advisor to make sure you are aware of consequences

# 1095-C PART II EXAMPLES

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# 1095-C Part II, Example 1 – ACA FTE, offered family coverage, enrolled all year in employee-only coverage.

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)							
John Smith Example 1		111-11-1111		Big Happy City		00-000000							
3 Street address (including apartment no.)				9 Street address (including room or suite no.)		10 Contact telephone number							
123 Main Street				456 Big Happy Boulevard		333-333-3333							
4 City or town		5 State or province		6 Country and ZIP or foreign postal code		11 City or town							
Big Happy City		Georgia		USA 4444-4321		Big Happy City							
						12 State or province							
						Georgia							
						13 Country and ZIP or foreign postal code							
						USA 4444-4444							
Part II Employee Offer and Coverage													
	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
14 Offer of Coverage (enter required code)	1E												
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage	\$ 0.00	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)	2C												

John is an ACA Full-Time Employee for 2015 Stability Period. At annual enrollment in 2014, he was offered employee only and family coverage, but he chose employee-only coverage. He was enrolled all 12 months.

No tack hammer penalty because employee was actually Covered

Lowest cost monthly premium for employee-only coverage was zero.

1E, because during annual enrollment, Everyone in the family was offered coverage for all 12 months (even though John did not enroll dependents)

# 1095-C Part II, Example 2 – ACA FTE, offered family coverage, enrolled part of the year in employee-only coverage as active employee.

Part I Employee				Applicable Large Employer Member (Employer)									
1 Name of employee John Smith Example 2		2 Social security number (SSN) 111-11-1111		7 Applicable Large Employer Member (Employer) John terminates employment July 5, and coverage ends July 31.									
3 Street address (including apartment no.) 123 Main Street				456 Big Happy Boulevard		333-333-3333							
4 City or town Big Happy City		5 State or province Georgia		8 Country and ZIP or foreign postal code USA 4444-4321		11 City or town Big Happy City		12 State or province Georgia		13 Country and ZIP or foreign postal code USA 4444-4444			
Part II Employee Offer and Coverage													
	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
14 Offer of Coverage (enter required code)		1E	1E	1E	1E	1E	1E	1E	1H	1H	1H	1H	1H
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage	\$	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$	\$	\$	\$	\$
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)		2C	2C	2C	2C	2C	2C	2C	2A	2A	2A	2A	2A

Line 14: Annual enrollment offer counts as an offer for months of actual employment or enrollment, so **1E** (**E**veryone in Family offered coverage) is used for January – July; **1H** (**H**eck, No offer of coverage) is used for August – December.

Line 16: No tack hammer penalty because **2C** (**C**overed) for January – July; and **2A**, not employed on **A**ny day of month for August - December

# 1095-C Part II, Example 2.1 – ACA FTE, offered family coverage, enrolled in employee-only coverage as active employee, then as COBRA.

<b>Part I Employee</b>		
1 Name of employee COBRA Mid Year Term Bob Smith		2 Social security number (SSN) 123-22-3456
3 Street address (including apartment no.) 123 Main Street		
4 City or town Big Happy City	5 State or province Georgia	6 Country and ZIP or foreign postal code USA 44444-4321

Bob terminates employment May 31, and self-only coverage ends the same day. Bob enrolls in self-only COBRA for rest of the year. Note: Part II looks the same as it would if he had not enrolled in COBRA. Part III will show actual months of coverage.

<b>Part II Employee Offer and Coverage</b>													
	All 12 Months	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
14 Offer of Coverage (enter required code)		1E	1E	1E	1E	1E	1H	1H	1H	1H	1H	1H	1H
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage	\$	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$	\$	\$	\$	\$	\$	\$
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)		2C	2C	2C	2C	2C	2A	2A	2A	2A	2A	2A	2A

Line 14: Annual enrollment offer to employee and family counts as an offer for months of actual employment or enrollment due to active employment, so **1E** (**E**veryone in Family offered coverage) is used for January – May; Even though Bob enrolled in COBRA, for Part II, enter **1H** (no offer of coverage) for June – December. Always leave Line 15 blank when Line 14 is 1H. **2A** in Line 16: No tack hammer penalty because not employed on **A**ny day of those months.

For information about how to prepare forms when an employee has been offered COBRA due to a reduction in hours (and not due to termination of employment), please contact Alison Earles [aeearles@gmanet.com](mailto:aeearles@gmanet.com).

# 1095-C Part II, Example 3 – ACA FTE offered family coverage as new hire, enrolled in employee-only coverage after waiting period.

Part I Employee		Applicable Large Employer Member (Employer)											
1 Name of employee	2 Social security number (SSN)	John was hired January 5 and enrolled March 1 after waiting period.											
John Smith Example 3	111-11-1111												
3 Street address (including apartment no.)	123 Main Street												
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								
Big Happy City	Georgia	USA 4444-4321	Big Happy City	Georgia	USA 4444-4444								
Part II Employee Offer and Coverage													
	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
14 Offer of Coverage (enter required code)		1H	1H	1E	1E	1E	1E	1E	1E	1E	1E	1E	1E
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage	\$	\$	\$	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)		2D	2D	2C	2C	2C	2C	2C	2C	2C	2C	2C	2C

Line 14: **1H** - Heck, no offer of coverage for January and February, because of waiting period. New hire offer of enrollment for **1E** - Everyone in family for rest of the year.

Line 16: No tack hammer penalty because John was in limited non-assessment period (**2D**) in January and February, and John was **2C** - Covered the rest of the year.

# 1095-C Part II, Example 4 – ACA FTE, offered family coverage, enrolled all year in family coverage.

Part I Employee																	
1 Name of employee			2 Social security number (SSN)														
John Smith Example 4			111-11-1111														
3 Street address (including apartment no.)																	
123 Main Street																	
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		
Big Happy City			Georgia			USA 4444-4321			Big Happy City			Georgia			USA 4444-4444		
Part II Employee Offer and Coverage																	
	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec				
14 Offer of Coverage (enter required code)	1E																
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage	\$ 0.00	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$				
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)	2C																

Part II of the Form looks the same as Example 1, because for purposes of Part II, it doesn't matter whether dependents actually enroll.

John is an ACA Full-Time Employee for 2015 Stability Period. At annual enrollment in 2014, he was offered employee only and family coverage, and **he chose family coverage.**

No tack hammer penalty because employee was actually **C**overed

Lowest cost monthly premium for employee-only coverage was zero.

1E, because during annual enrollment, **E**veryone in the family was offered coverage for all 12 months)

1095-C Part II, Example 5 – ACA FTE, offered family coverage, enrolled all year in employee-only coverage, cost of employee-only coverage is \$75.

1 Name of employer John Smith Example 5		2 Social Security number (SSN) 111-11-1111		3 Street address (including apartment no.) 123 Main Street					10 City or town Big Happy City		11 State or province Georgia		12 Country and ZIP or foreign postal code USA 4444-4321	
4 City or town Big Happy City		5 State or province Georgia							6 Country and ZIP or foreign postal code USA 4444-4321		7 City or town Big Happy City		8 State or province Georgia	
<b>Part II Employee Offer and Coverage</b>														
	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	
14 Offer of Coverage (enter required code) 1E														
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage \$75.00	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
16 Applicable Section 4980H Safe Harbor (enter code, if applicable) 2C														

Same as Example 1, except Big Happy City charges \$75 for employee-only coverage

Remember, the tack hammer penalty won't apply if the individual actually enrolled and is marked as "2C" for the month. There is no need to explain why the \$75 cost meets an affordability safe harbor.

# 1095-C Part II, Example 6 – ACA FTE, offered family coverage, did not enroll, employed all year.

Part I Employee				Applicable Large Employer Member (Employer)									
1 Name of employee		2 Social security number (SSN)											
John Smith Example 6		111-11-1111											
3 Street address (including apartment no.)				100 Big Happy Boulevard									
123 Main Street				333 333 3333									
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							
Big Happy City	Georgia	USA 44444-4321		Big Happy City	Georgia	USA 4444-4444							
Part II Employee Offer and Coverage													
	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
14 Offer of Coverage (enter required code)	1E												
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage	\$75.00	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)	2G												

Big Happy City charges \$75 for employee-only coverage and John does not enroll.

Everyone offered coverage for all 12 months, so still 1E even though John declined

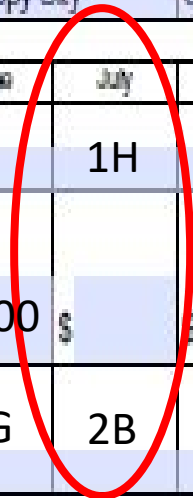
By entering 2G, Big Happy City is telling the IRS that the tack hammer penalty won't apply because \$75 cost for employee-only coverage meets the federal poverty line safe harbor. (See Training Session 2, slide 45)



# 1095-C Part II, Example 7 – ACA FTE, offered family coverage, did not enroll, terminated employment in the middle of the month.

Part I Employee													
1 Name of employee				2 Social security number (SSN)									
John Smith Example 7				111-11-1111									
3 Street address (including apartment no.)								456 Big Happy Boulevard			333-333-3333		
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			
Big Happy City		Georgia		USA 4444-4321		Big Happy City		Georgia		USA 4444-4444			
Part II Employee Offer and Coverage													
14 Offer of Coverage (enter required code)	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
		1E	1E	1E	1E	1E	1E	1H	1H	1H	1H	1H	1H
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage	\$	\$75.00	\$75.00	\$75.00	\$75.00	\$75.00	\$75.00	\$	\$	\$	\$	\$	\$
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)		2G	2G	2G	2G	2G	2G	2B	2A	2A	2A	2A	2A

Same as Example 6, but John did not enroll, and leaves employment mid-month.



Mid-month termination of employment for ACA Full-Time Employee NOT enrolled in coverage. Since John terminated employment in the middle of July, the offer of coverage during annual enrollment does not count as an offer for that month. So, 1H is entered for July. Since John was actually employed for part of July, must use 2B to show why no tack hammer penalty. 2A (not employed on Any day of month) is used for rest of year.

# 1095-C Part II, Example 8 – Not an ACA FTE at any point of the year, enrolled as active employee for part of year, then no coverage

Part I Employee																
1 Name of employee Claudine Counterpoint - Example 8											2 Social security number (SSN) 111-11-1111					
3 Street address (including apartment no.) 123 First Street																
4 City or town Big Happy City					5 State or province Georgia					6 Country and ZIP or foreign postal code USA 44444-4321						
Part II Employee Offer and Coverage																
14 Offer of Coverage (enter required code)	All 12 Months	Jan	Feb	Mar	Apr	May										
	1G															
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage	\$	\$	\$	\$	\$	\$										
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)																
Part III Covered Individuals																
If Employer provided self-insured coverage, check the box and enter the information for each covered individual. <input checked="" type="checkbox"/>																
(a) Name of covered individual(s)	(b) SSN	(c) DOB (if SSN 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 Claudine Counterpoint	111-11-1111		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<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"/>
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"/>

Claudine Counterpoint is a Council Member. BHC determined she is not an ACA Full-Time Employee for 2015. She was eligible for GMEBS coverage due to her status as a member of the governing authority. She was not reelected, so her coverage terminated on March 31. She did not elect COBRA.

Because she was not an ACA Full-Time Employee in any month, BHC enters 1G and leaves Lines 15 and 16 BLANK. BHC must use 1095-C Form because she was an active employee.

# 1095-C Part II, Example 9 – Not an ACA FTE at any point of the year, not enrolled as active employee for any part of year, enrolled all year

Part I Employee															
1 Name of employee Raphael Retiree - Example 9	2 Social security number (SSN) 111-11-1111														
3 Street address (including apartment no.) 123 First Street															
4 City or town Big Happy City	5 State or province Georgia														
6 Country and ZIP or foreign postal code USA 44444-4321															
Part II Employee Offer and Coverage															
14 Offer of Coverage (enter required code) TG	All 12 Months	Jan	Feb	Mar	Apr	May									
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage	\$	\$	\$			\$	\$	\$							
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)															
Part III Covered Individuals															
If Employer provided self-insured coverage, check the box and enter the information for each covered individual. <input checked="" type="checkbox"/>															
(a) Name of covered individual(s)	(b) SSN	(c) DOB (if SSN 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 Raphael Retiree	111-11-1111		<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"/>
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"/>

Raphael Retiree has been retired from BHC for years. He received an immediate BHC retirement annuity and enrolled in the GMEBS Retiree-Only Health Plan. He pays the entire cost of coverage. He was enrolled for all 12 months.

Information for Lines 1-6 is provided on GMA's Non-Employees Data File

Because he was not an ACA Full-Time Employee in any month, BHC enters 1G and leaves Lines 15 and 16 BLANK. **BHC could have chosen not to file C Forms for Raphael and instead have filed B Forms prepared by GMA**, because Raphael was not enrolled as an active employee during the year.

# 1095-C Part II, Example 10 –ACA FTE for part of year, offered and elected family coverage, at retirement enrolls family in retiree-only plan

Offer of family coverage at annual enrollment only counts while Ralph Jones was employed. **1E** for January – May. Ralph’s active employment ends May 31. He enrolls family in Retiree-only plan. **1H** is entered for June – December. **2A** is entered in Line 16 because he was not employed on **Any** day of those months.

<b>Part I Employee</b>	
1 Name of employee Ralph Mid Year Retirement, Enrolls in Retiree Only Plan	
3 Street address (including apartment no.) 123 Main Street	
4 City or town Big Happy City	5 State or province Georgia

<b>Part II Employee Offer and Coverage</b>							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)		1E	1E	1E	1E	1E	1H	1H	1H	1H	1H	1H	1H
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage	\$	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$	\$	\$	\$	\$	\$	\$
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)		2C	2C	2C	2C	2C	2A	2A	2A	2A	2A	2A	2A

<b>Part III Covered Individuals</b>		If Employer provided self-insured coverage, check the box and enter the information for each covered individual. <input checked="" type="checkbox"/>														
(a) Name of covered individual(s)	(b) SSN	(c) DOB (if SSN 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 Ralph Mid Year Retirement	123-22-3456		<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"/>	<input type="checkbox"/>
18 Spouse of Jones	234-56-7899		<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"/>	<input type="checkbox"/>
19 Child of Jones	345-67-8999		<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"/>	<input type="checkbox"/>



1095-C Part II, Example 10.1 – ACA FTE for part of year, offered family coverage, at retirement enrolls in retiree-only plan and dependents elect COBRA. What if Ralph’s dependents elect COBRA instead?

Part I Employee															
1 Name of employee				2 Social security number (SSN)											
Jane Spouse New Retiree - Example 10.1 222-22-2222															
3 Street address (including apartment no.)															
123 First Street															
4 City or town				5 State or province				6 Country and ZIP or foreign postal code							
Big Happy City				Georgia				USA 44444-4321		Big Happy City		Georgia		USA 44444-4444	
Part II Employee Offer and Coverage															
14 Offer of Coverage (enter required code)	All 12 Months	Jan	Feb	Mar	Apr	May									
	1G														
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage															
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)															
Part III Covered Individuals															
If Employer provided self-insured coverage, check the box and enter the information for each covered individual. <input checked="" type="checkbox"/>															
(a) Name of covered individual(s)	(b) SSN	(c) DOB (if SSN 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 Jane Spouse New Retiree	222-22-2222		<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"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
18 Henry Son New Retiree	333-33-3333		<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"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" 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"/>

BHC must file a separate Form 1095-C for Ralph’s wife Jane because she elected COBRA for herself and their son.

For dependents who elect COBRA separately from the employee, use 1G

GMA Active Data File will provide the information in Lines 1-6.

# 1095-C Form – Part III, Proof of Minimum Essential Coverage

- This part of the form tells the IRS and the primary responsible individual which months the primary responsible individual and his or her dependents had Minimum Essential Coverage.
- Reminder:
  - Anyone who was actually enrolled in GMEBS coverage for a month cannot trigger a Pay or Play Penalty for that month
  - Anyone who was actually enrolled in GMEBS coverage for a month cannot be penalized by the IRS for failure to have Minimum Essential Coverage for that month

GMA Data Files will provide information needed to complete Part III.

# 1095-C Form – Part III, Proof of Minimum Essential Coverage

- Participating Employer MUST complete Part III for any person who was an employee for one or more months (or a dependent of an employee) and who was enrolled at any time
- If an employee is covered as a dependent spouse or child of another employee, Part III should be completed only on the Form 1095-C for the employee who enrolled the dependent.

# GMA Data Files





# ACTIVE FILE (primary responsible individual = flagged as active employee during year or flagged as dependent of an active who selected independent COBRA during year)

## Primary Responsible Individual (“PRI”)

- First Name, Middle Initial, Last Name
- Street Address, Second Line of Street Address
- Country Code, State Code, Zip Code
- Social Security Number (“SSN”)
- Last four digits of SSN
- Date of Birth (only if SSN unavailable)
- Effective Date of Enrollment
- Termination Date
- X in column labeled All 12 Months or X in a column labeled with month of the year to designate months of enrollment

## Dependent

- Link to Primary Responsible Individual
- First Name, Middle Initial, Last Name
- SSN, Last Four Digits of SSN
- Date of Birth (only if SSN is not available)
- Effective Date
- Termination Date
- X in column labeled All 12 Months or X in a column labeled with month of the year to designate months of enrollment

# NON-EMPLOYEES FILE (PRI NOT flagged as active employee or dependent of active employee at any time during year)

## Primary Responsible Individual

- First Name, Middle Initial, Last Name
- Street Address, Second Line of Street Address
- Country Code, State Code, Zip Code
- Social Security Number (“SSN”)
- Last four digits of SSN
- Date of Birth (only if SSN unavailable)
- Effective Date of Enrollment
- Termination Date
- X in column labeled All 12 Months or X in a column labeled with month of the year to designate months of enrollment

## Dependent

- Link to Primary Responsible Individual
- First Name, Middle Initial, Last Name
- SSN, Last Four Digits of SSN
- Date of Birth (only if SSN is not available)
- Effective Date
- Termination Date
- X in column labeled All 12 Months or X in a column labeled with month of the year to designate months of enrollment

# 1095-C PART III EXAMPLES

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# 1095-C Form – Part III example 6 ACA Full-Time Employee Not Enrolled in any Month

Internal Revenue Service

**Part I Employee**

1 Name of employee: John Smith Example 6  
 2 Social security number (SSN): 111-11-1111  
 3 Street address (including apartment no.): 123 Main Street  
 4 City or town: Big Happy City  
 5 State or province: Georgia  
 6 Country and ZIP or foreign postal code: USA 44444-4321  
 11 City or town: Big Happy City  
 12 State or province: Georgia  
 13 Country and ZIP or foreign postal code: USA 44444-4444

**Part II Employee Offer and Coverage**

	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
14 Offer of Coverage (enter required code)	1E												
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage	\$ 75.00	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)	2G												

**Part III Covered Individuals**

If Employer provided self-insured coverage, check the box and enter the information for each covered individual.

(a) Name of covered individual(s)	(b) SSN	(c) DOB (if SSN 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"/>	<input type="checkbox"/>	<input type="checkbox"/>

Big Happy City charges \$75 for employee-only coverage and John does not enroll.

If ACA Full-Time Employee did not enroll, leave Part III BLANK. Do not check any boxes. Remember, there will not be any information about this person in GMA Data Files.

# 1095-C Form - Part III example 1 ACA Full-Time Employee Enrolled all 12 Months

**Part I Employee**

1 Name of employee  
John Smith Example 1

2 Social security number (SSN)  
111-11-1111

3 Street address (including apartment no.)  
123 Main Street

4 City or town  
Big Happy City

5 State or province  
Georgia

6 Country and ZIP or foreign postal code  
USA 44444-4321

John is an ACA Full-Time Employee for 2015 Stability Period. At annual enrollment in 2014, he was offered employee only and family coverage, but he chose employee-only coverage. **He was enrolled all 12 months.**

**Part II Employee Offer and Coverage**

	All 12 Months	Jan	Feb	Mar	Apr	Ma
14 Offer of Coverage (enter required code)	1E					
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage	\$ 0.00	\$	\$	\$	\$	\$
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)	2C					

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

(a) Name of covered Individual(s)	(b) SSN	(c) DOB (if SSN 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 John Smith	111-11-1111		<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"/>	<input type="checkbox"/>

GMA Active Data File will show coverage for all 12 months

# 1095-C Form - Part III example 2 ACA Full-Time Employee Enrolled as Active Employee Part of Year, then termed

John terminates employment July 5, and coverage ends July 31. John does not enroll in COBRA. Part III shows coverage for January – July.

Internal Revenue Service

**Part I Employee**

1 Name of employee: John Smith Example 2 | 2 Social security number (SSN): 111-11-1111 | 7  
 3 Street address (including apartment no.): 123 Main Street | 9  
 4 City or town: Big Happy City | 5 State or province: Georgia | 6 Country and ZIP or foreign postal code: USA 44444-4321 | 11  
 Big Happy City | Georgia | USA 44444-4444

**Part II Employee Offer and Coverage**

	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
14 Offer of Coverage (enter required code)		1E	1E	1E	1E	1E	1E	1E	1H	1H	1H	1H	1H
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage	\$	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$	\$	\$	\$	\$
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)		2C	2C	2C	2C	2C	2C	2C	2A	2A	2A	2A	2A

**Part III Covered Individuals**

If Employer provided self-insured coverage, check the box and enter the information for each covered individual.

(a) Name of covered Individual(s)	(b) SSN	(c) DOB (if SSN 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 John Smith	111-11-1111		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



# 1095-C Form - Part III example 2.1 – ACA Full-Time Employee Covered as Active, then Covered as COBRA

Bob Smith terminates employment May 31, and coverage ends May 31. Bob and family are enrolled in COBRA for the rest of the year.

## Part II Employee Offer and Coverage

	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
14 Offer of Coverage (enter required code)		1E	1E	1E	1E	1E	1H	1H	1H	1H	1H	1H	1H
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage	\$	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$	\$	\$	\$	\$	\$	\$
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)		2C	2C	2C	2C	2C	2A	2A	2A	2A	2A	2A	2A

## Part III Covered Individuals

If Employer provided self-insured coverage, check the box and enter the information for each covered individual.

	(a) Name of covered individual(s)	(b) SSN	(c) DOB (if SSN 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	COBRA Mid Year Term Bob Smith	123-22-3456		<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"/>
18	Spouse of Smith	234-56-7899		<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	Child of Smith	345-67-8999		<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"/>

GMA Active Data File will show coverage for all 12 months

# 1095-C Form Part III example 4 – ACA Full-Time Employee and Dependents Enrolled, New Dependent Mid-Year

Part I Employee		Applicable Leave Employer Member (Employee)													
1 Name of employee John Smith Example 4		2 Social security number (SSN) 111-11-1111													
3 Street address (including apartment no.) 123 Main Street															
4 City or town Big Happy City		5 State or province Georgia				6 Country and ZIP or foreign postal code USA 44444-4321									
Part II Employee Offer and Coverage		All 12 Months	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	
14 Offer of Coverage (enter required code) 1E															
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage \$ 0.00 \$															
16 Applicable Section 4980H Safe Harbor (enter code, if applicable) 2C															
Part III Covered Individuals		If Employer provided self-insured coverage, check the box and enter the information for each covered individual. <input checked="" type="checkbox"/>													
(a) Name of covered individual(s)	(b) SSN	(c) DOB (if SSN 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 John Smith	111-11-1111		<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"/>
18 Mary Smith	222-22-2222		<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 Newborn Smith		10/1/2015	<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 checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

John is an ACA Full-Time Employee for 2015 Stability Period. John chose family coverage. He and his wife were enrolled all 12 months, Newborn Smith's SSN was not available, so Date of Birth is used.

This information is provided on GMA Active Data File



# 1095-C Part III, Example 8 – Not an ACA FTE at any point of the year, enrolled as active employee for part of year, then no coverage

Part I Employee																
1 Name of employee Claudine Counterpoint - Example 8											2 Social security number (SSN) 111-11-1111					
3 Street address (including apartment no.) 123 First Street																
4 City or town Big Happy City					5 State or province Georgia					6 Country and ZIP or foreign postal code USA 44444-4321						
Part II Employee Offer and Coverage																
14 Offer of Coverage (enter required code)	All 12 Months	Jan	Feb	Mar	Apr	May										
	1G															
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage																
	\$	\$	\$	\$	\$	\$										
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)																
Part III Covered Individuals																
If Employer provided self-insured coverage, check the box and enter the information for each covered individual. <input checked="" type="checkbox"/>																
(a) Name of covered individual(s)	(b) SSN	(c) DOB (if SSN 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 Claudine Counterpoint	111-11-1111		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<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"/>
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"/>	<input type="checkbox"/>

Claudine Counterpoint is a Council Member. BHC determined she is not an ACA Full-Time Employee for 2015. She was eligible for GMEBS coverage due to her status as a member of the governing authority. She was not reelected, so her coverage terminated on March 31. She did not elect COBRA.

GMA **Active** Data File will provide this information, because she is flagged as enrolled due to active employment during the year.

# 1095-C Part III, Example 9 – Not an employee at any point of the year, enrolled as a retiree for entire year.

Internal Revenue Service

Part I Employee				Applicable Large Employer Member (Employer)											
1 Name of employee Raphael Retiree - Example 9		2 Social security number (SSN) 111-11-1111		7 Name of employer Big Happy City				8 Employer identification number (EIN) 00-00000							
3 Street address (including apartment no.) 123 First Street				9 Street address (including room or suite no.) 456 Big Happy Boulevard				10 Contact telephone number 333-333-3333							
4 City or town Big Happy City		5 State or province Georgia		6 Country and ZIP or foreign postal code USA 44444-4321		11 City or town Big Happy City		12 State or province Georgia		13 Country and ZIP or foreign postal code USA 44444-4444					
Part II Employee Offer and Coverage															
14 Offer of Coverage (enter required code)	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec		
	TG														
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)															
Part III Covered Individuals															
If Employer provided self-insured coverage, check the box and enter the information for each covered individual. <input checked="" type="checkbox"/>															
(a) Name of covered individual(s)	(b) SSN	(c) DOB (if SSN 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 Raphael Retiree	111-11-1111		<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"/>
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"/>

GMA **Non-Employees** Data File will provide employee information in Lines 1-6 and will provide information for Part III, because Raphael was enrolled, but never flagged as enrolled due to active employment during the year.





# 1095-C Part III, Example 10.1 – What if Dependents separately elected COBRA part of year?

BHC must file a separate Form 1095-C for Ralph's wife Jane because she elected COBRA for herself and their son after Ralph retired.

**Part I Employee**

1 Name of employee Jane Spouse New Retiree - Example 10.1		2 Social security number (SSN) 222-22-2222		3 Street address (including apartment no.) 123 First Street		9 Street address (including room or suite no.) 456 Big Happy Boulevard		10 Contact telephone number 333-333-3333	
4 City or town Big Happy City		5 State or province Georgia		6 Country and ZIP or foreign postal code USA 44444-4321		11 City or town Big Happy City		12 State or province Georgia	
		7 Country and ZIP or foreign postal code USA 44444-4444							

**Part II Employee Offer and Coverage**

14 Offer of Coverage (enter required code)	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
15 Employee Selected Lowest Cost Monthly Premium for Self-Only Minimum Value Coverage													
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)													

GMA **Active** Data File will provide employee information in Lines 1-6 and will provide information for Part III, because Jane and Henry were flagged as enrolled due to Ralph's active employment for part of the year.

**Part III Covered Individuals**

If Employer provided self-insured coverage, check the box and enter the information for each covered individual.

(a) Name of covered individual(s)	(b) SSN	(c) DOB (if SSN 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 Jane Spouse New Retiree	222-22-2222		<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"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
18 Henry Son New Retiree	333-33-3333		<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"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" 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"/>

# FILING AND DELIVERY

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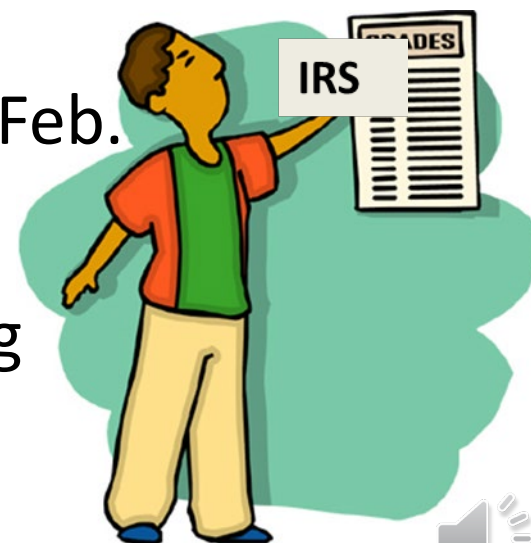


# Complete 1095-C Form Two Times

- Print horizontally
- The IRS gets a copy of the 1095-C with Full Social Security Numbers
- ACA Full-Time Employees and enrolled primary responsible individuals get a copy of the 1095-C with only the last four digits of the SSN
- The 1095-C goes to the individual identified in Lines 1-6, even if enrolled dependents live at different addresses. A dependent who made a separate COBRA election will have his or her own 1095-C Form, with address listed in Lines 1-6.
- The employer may provide the exact same form to both the IRS and the individual, with the full SSN

# Filing with the IRS

- Employer must file all 1095-C Statements with Full SSN along with the 1094-C Transmittal Form to the IRS.
- All employers may file electronically with the IRS.
- Only employers filing fewer than 250 forms may file by mail.
- General deadline for filing is last day of Feb. of the year following the year being reported (if filing by mail) or 3/31 (if filing electronically).



# Delivery of 1095-C to ACA FTE/Primary Responsible Individual

- In general, must be mailed by first class mail to the last known permanent address, or if none know, to temporary address.
  - Electronic delivery is permitted but must follow consent rules (big hassle)
  - General Deadline is 1/31 of year following the year being reported (BEFORE the IRS deadline)
- For active employees only, the statement may be hand-delivered in accordance with W-2 delivery rules.



# Delivery of 1095-C to ACA FTE/PRI

- Retirees, COBRA enrollees, individuals who were ACA FTEs or enrolled during year, but are not active employees at time of delivery: mail or electronic (consent rules apply)



- Active Employees (active at time of delivery): mail or hand-delivery or electronic (consent rules apply)



# Penalties

- If employer intentionally disregards reporting rules, **\$500\* per Form**, with no annual cap or reductions for correction
- Otherwise, **\$250\* per late/missing/incorrect or incomplete Form**, with reductions to \$50\* per Form (if corrected in 30 days) or \$100\* per Form (if corrected by August 1); yearly cap of \$3 million\* (\$1 million\* if employer has < \$5 million in gross receipts)
- \*Amounts are for 2015 tax year– they are indexed for inflation and will vary each year. For example, for the 2017 filing of 2016 tax year, the “per Form” penalty is \$260.



# Penalties

- Penalties for failure to file the forms are separate from Sledgehammer and Tack Hammer Pay or Play Penalties.
- Keep careful records!
  - Eligibility for 50-99 one year delay (for 2015 year only)
  - Identification of ACA Full-Time Employees
  - Proof of Limited Assessment Periods, Initial Measurement Periods
  - Proof that enrollment documents were provided (showing offer actually made)
  - Proof of satisfaction of affordability safe harbors



# For more information...

## **ALISON CLINE EARLES**

Associate General Counsel

Georgia Municipal Association

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