

IRS CODES CHEAT SHEET

At BenefitScape, we are Affordable Care Act [ACA] experts so our clients don't have to be. We created this cheat sheet to help you address employee questions and understand your filing.

As part of the ACA, the IRS created two sets of codes to provide employers with a consistent way to describe medical benefits to their employees on the 1095-C Form.

- Series 1 codes are used to describe Employee Offers of Coverage on Line 14, and
- Series 2 Safe Harbor codes are used to describe Employee Offers of Coverage on Line 16

Each code indicates a different scenario regarding an offer of coverage or explains why an employer should not be subject to a penalty for an employee, for each month.

BenefitScape's ACAPro technology assigns the IRS codes based on each organization's unique benefits and rules. The information provided here is for reference only.

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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 20XX																																																									
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):																																																											
<table border="1"> <tr> <td></td> <td>All 12 Months</td> <td>Jan</td> <td>Feb</td> <td>Mar</td> <td>Apr</td> <td>May</td> <td>June</td> <td>July</td> <td>Aug</td> <td>Sept</td> <td>Oct</td> <td>Nov</td> <td>Dec</td> </tr> <tr> <td>14 Offer of Coverage (enter required code)</td> <td colspan="13" style="text-align: center;">Line 14</td> </tr> <tr> <td>15 Employee Required Contribution (see instructions)</td> <td colspan="13" style="text-align: center;">Line 15</td> </tr> <tr> <td>16 Section 4980H Safe Harbor and Other Relief (enter code, if applicable)</td> <td colspan="13" style="text-align: center;">Line 16</td> </tr> </table>													All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	14 Offer of Coverage (enter required code)	Line 14													15 Employee Required Contribution (see instructions)	Line 15													16 Section 4980H Safe Harbor and Other Relief (enter code, if applicable)	Line 16												
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For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.						Cat. No. 60705M			Form 1095-C (2021)																																																										



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FORM 1095-C: LINE 14 – SERIES 1 CODES

Series 1 codes populate Line 14 of form 1095-C and reflect employee offers of coverage:

- Was an individual offered coverage?
- What type of coverage was offered?
- What months the coverage were offered or not offered

The form requires a value for each month, which can be represented by checking either the “All 12 Months” box or by entering a value for each of the individual months.

CODE	DEFINITION	WHEN TO USE
1A	A Qualifying Offer was made to the employee, their spouse, and dependents [EE, SP, and Dep[s]] that provided: <ul style="list-style-type: none"> • Minimum Essential Coverage [MEC]; • Minimum value [MV]; and • EE only monthly cost for coverage is less than or equal to the federal poverty level [FPL]. For TY 2021 FPL threshold is \$103.14 per month. 	<ul style="list-style-type: none"> • Coverage offered to EE, SP, and Dep[s]. • MEC was offered, providing MV. • Coverage that was offered is considered affordable at the EE Only level. • Use this code to report each month a Qualifying Offer was made, even if the offer was not for all 12 months of the year.
1B	MEC providing Minimum Value [MV] offered to EE only.	<ul style="list-style-type: none"> • Coverage offered to EE only. • MEC was offered, providing MV.
1C	MEC providing MV offered to EE and at least MEC offered to Dep[s] [not SP].	<ul style="list-style-type: none"> • Coverage offered to EE and Dep[s]. • MEC was offered, providing MV.
1D	MEC providing MV offered to EE and at least MEC offered to SP [not Dep[s]].	<ul style="list-style-type: none"> • Coverage offered to EE and SP [not Dep[s]]. • MEC was offered, providing MV. • Do not use code 1D if the coverage for the SP was offered conditionally. Instead, use code 1J.
1E	MEC providing MV offered to EE, SP, and Dep[s].	<ul style="list-style-type: none"> • The difference between 1E and 1A is that with 1E the offer of EE only coverage costs more than the FPL threshold of \$103.14 per month in 2022.
1F	MEC NOT providing MV offered to EE; SP, and Dep[s].	<ul style="list-style-type: none"> • Coverage offered to EE, SP, and Dep[s]. • MEC was offered, NOT providing MV.
1G	Self-insured coverage was offered to an individual who is not full time at any point in the year.	<ul style="list-style-type: none"> • A self insured plan is offered to non-full time individuals. • The EE was enrolled in the plan at some time in the year. • Note: 1G applies for the entire year or not at all.

THE LEADERS IN ACA REPORTING AND COMPLIANCE

CODE	DEFINITION	WHEN TO USE
1H	No offer of coverage <ul style="list-style-type: none"> • EE not offered any health coverage; or • EE offered coverage that is not MEC, which may include one or more months in which the individual was not an EE. 	<ul style="list-style-type: none"> • The EE was not yet hired. • The EE was in a limited assessment period. • The EE was otherwise ineligible for coverage. • The offer of coverage was not MEC. • The offer of coverage was not for an entire month. • The EE was terminated and offered COBRA.
1J	MEC providing MV offered to EE and at least MEC conditionally offered to SP; MEC not offered to Dep[s].	<ul style="list-style-type: none"> • MEC offered to EE and conditionally offered to SP. • Coverage not offered to Dep[s].
1K	MEC providing MV offered to EE; at least MEC offered to Dep[s]; and at least MEC conditionally offered to spouse.	<ul style="list-style-type: none"> • MEC offered to EE and Dep[s] and conditionally offered to SP.

Codes Below Apply for Individual Coverage Health Reimbursement Accounts [ICHRAs] Only

1L	ICHRA offered to EE only with affordability determined by using EE's primary residence location ZIP code.	<ul style="list-style-type: none"> • ICHRA offered to EE only. • Affordability determined by home ZIP.
1M	ICHRA offered to EE and Dep[s] [not spouse] with affordability determined by using EE's primary residence location ZIP code.	<ul style="list-style-type: none"> • ICHRA offered to EE and Dep[s] only [not SP]. • Affordability determined by home ZIP.
1N	ICHRA offered to EE, SP, and Dep[s] with affordability determined by using EE's primary residence location ZIP code.	<ul style="list-style-type: none"> • ICHRA offered to EE, SP, and Dep[s]. • Affordability determined by home ZIP.
1O	ICHRA offered to EE only using the EE's primary employment site ZIP code affordability safe harbor.	<ul style="list-style-type: none"> • ICHRA offered to EE only. • Affordability determined by work ZIP.
1P	ICHRA offered to EE and dependent[s] [not spouse] using the EE's primary employment site ZIP code affordability safe harbor.	<ul style="list-style-type: none"> • ICHRA offered to EE and Dep[s] only [not SP]. • Affordability determined by work ZIP.
1Q	ICHRA offered to EE, SP, and Dep[s] using EE's primary employment site ZIP code affordability safe harbor.	<ul style="list-style-type: none"> • ICHRA offered to EE, SP, and Dep[s]. • Affordability determined by work ZIP.
1R	ICHRA that is NOT affordable offered to EE; EE and SP, or Dep[s]; or EE, SP and Dep[s].	ICHRA that is not affordable offered to EE, SP, and/or Dep[s].
1S	ICHRA offered to an individual who was not a full time EE.	ICHRA offered to an individual who is not a full time EE.

FORM 1095-C: LINE 16 – SERIES 2 CODES

Series 2 codes are used to populate Line 16 on Form 1095 C and reflect:

- Whether the individual was employed and, if so, whether they were full time or part time
- Whether the employee was enrolled in coverage
- Whether the employer is eligible for transition relief as an employer with a non-calendar year plan or as a contributor to a union health plan
- Whether coverage was affordable and, if so, based on which IRS safe harbor code

CODE	DEFINITION	WHEN TO USE
2A	Employee [EE] not employed during the month.	<ul style="list-style-type: none"> • The EE had not yet been hired. • The EE was no longer employed.
2B	EE not full time during the month, or EE was full time, but their offer of coverage ended before the last day of the month solely because the EE terminated.	<ul style="list-style-type: none"> • EE was part time. • EE was seasonal or variable hour worker. • EE only had coverage for a partial month due to a termination of employment.
2C	EE has enrolled for the entire month in the coverage offered.	<ul style="list-style-type: none"> • EE is enrolled in coverage offered for entire month. • NOTE: Do not use 2C when offer code 1G is used.
2D	EE in a section 4980H[b] Limited Non Assessment Period for this month.	<ul style="list-style-type: none"> • EE is in a waiting period under the look back measurement period. • EE is in the first calendar month of their employment and did not start on the first day of the month. • EE has a status change during their initial look back measurement period. • The employer is in their first year as an Applicable Large Employer [ALE].
2E	The employer is eligible for the multi-employer interim relief rule.	<ul style="list-style-type: none"> • The multi-employer [union] plan applies to this EE. • The employer makes an ongoing contribution to the plan on behalf of union EEs.
2F	The coverage is affordable based on the Form W 2 safe harbor.	<ul style="list-style-type: none"> • EE coverage is considered affordable based on the W-2 safe harbor method. • The W-2 safe harbor method was used for every month that EE was offered coverage.
2G	The coverage is affordable based on the federal poverty level [FPL] safe harbor.	<ul style="list-style-type: none"> • Coverage is considered affordable based on the FPL method for any months.
2H	The coverage is affordable based on Section 4980H affordability rate of pay safe harbor.	<ul style="list-style-type: none"> • Coverage is considered affordable based on the Section 4980H affordability rate of pay method for any months.

NOTES

- *Certain offer codes require Line 15 to remain blank. For example, for employees with Offer Code 1A or Code 1G, Line 15 should **NOT** be populated.*
- *References to “**affordability**” relate to affordability at the employee only coverage level.*
- *An “**offer of coverage**” is one that provides coverage for every day of a calendar month. There is an exception for terminated employees who would have been covered for the entire month, if not for the termination.*
- *A “**conditional**” offer of coverage to an employee’s spouse is an offer under which the employee and/or spouse must meet or not meet one or more criterion [e.g., the employee’s spouse may enroll only if the spouse is not eligible for coverage in his/her own employer sponsored group health plan].*

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