

ACA Compliance TY26

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# IRS Codes Reference Sheet

Your quick reference guide  
to IRS reporting codes



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# RegTech & IRS Coding

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Among the many efficiencies of **ACA\_RegTech** is error-free coding of all IRS forms – plus proactive risk management throughout the ACA Compliance process. This risk management includes a pre-filing simulation of the final IRS submission.

What follows is a reference sheet of the ACA codes issued by the IRS and processed by our **ACA\_RegTech** in accordance with TY26 ACA regulations and each employer's unique business rules and employee population.

**BENEFITSCAPE** was founded in 2014 to apply advanced technology and data science to benefits.

**BENEFITSCAPE** is a certified member of the Women' Business Enterprise National Council [WBENC] and the leading specialist in ACA reporting & compliance.

## Form 1095-C: Two Series of IRS Codes

IRS codes for ACA compliance relate to **IRS Form 10955-C**. This is the individual employee form that employers, as health plan sponsors, must complete and distribute to all eligible employees. [See [here](#) for the difference between **Form 1095-B & 1095-C**.]

The IRS has **two series of codes** for completing Form 1095-C:

- » **SERIES 1** indicates the monthly **Offer of Coverage** made to the employee [LINE 14].
- » **SERIES 2 Safe Harbor & Relief** codes relate to employee monthly eligibility [LINE 16].

**LINE 15** of **Form 1095-C** relates to offer Affordability, recording where required [see below] the lowest-cost, self-only coverage offered the employee each month.

Form 1095-C													
Employer-Provided Health Insurance Offer and Coverage													
											<input type="checkbox"/> VOID	OMB No. 1545-2251	
											<input type="checkbox"/> CORRECTED	<b>2026</b>	
Go to <a href="http://www.irs.gov/Form1095C">www.irs.gov/Form1095C</a> for instructions and the latest information.													
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):				
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)													
17 ZIP Code													
For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.													
Cat. No. 60705M Form 1095-C (2/23)													
	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec

« LINE 14

« LINE 16

## Series 1 Codes [LINE 14]

SERIES 1 codes populate LINE 14 of Form 1095-C. They code the employer's Offer of Coverage to the individual employee.

» Was an individual offered coverage? » What type of coverage was offered?

Plus what months the coverage were offered or not offered.

Form 1095-C 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.

### Abbreviations Used

EE:	EMPLOYEE
SP:	SPOUSE
DEP(s):	DEPENDENTS
MEC:	MINIMUM ESSENTIAL COVERAGE
MV:	MINIMUM VALUE
FPL:	FEDERAL POVERTY LEVEL

Code	Definition	When To Use
1A	A Qualifying Offer was made to the EMPLOYEE [EE], their SPOUSE [SP] & DEPENDENTS [DEP(s)] that provided: <ul style="list-style-type: none"> <li>» MINIMUM ESSENTIAL COVERAGE [MEC]</li> <li>» MINIMUM VALUE [MV]; and</li> <li>» EE-only monthly Cost for Coverage less than or equal to the FEDERAL POVERTY LEVEL [FPL].</li> </ul>	<ul style="list-style-type: none"> <li>» Coverage offered to EE, SP &amp; DEP[s]</li> <li>» MEC was offered, providing MV.</li> <li>» Offered coverage considered affordable at the EE-only level.</li> <li>» Use this code to report a Qualifying Offer made each month, even if offer was not for all 12 months of the year.</li> </ul>
1B	MEC providing MV offered to EE only.	<ul style="list-style-type: none"> <li>» Coverage offered to EE only.</li> <li>» MEC was offered, providing MV.</li> </ul>
1C	MEC providing MV offered to EE and at least MEC offered to DEP[s] [not SP].	<ul style="list-style-type: none"> <li>» Coverage offered to EE and Dep[s].</li> <li>» MEC was offered, providing MV.</li> </ul>
1D	MEC providing MV offered to EE and at least MEC offered to SP [DEP(s)].	<ul style="list-style-type: none"> <li>» Coverage offered to EE &amp; SP [not DEP(s)]</li> <li>» MEC was offered, providing MV.</li> <li>» Do not use Code 1D if coverage for SP offered conditionally. Use Code 1J.</li> </ul>
1E	MEC providing MV offered to EE, SP & DEP[s].	<ul style="list-style-type: none"> <li>» The difference between 1E &amp; 1A is that with 1E the offer of EE-only coverage costs more than the FPL threshold of \$</li> </ul>
1F	MEC <i>not</i> providing MV offered to EE; SP & DEP[s].	<ul style="list-style-type: none"> <li>» Coverage offered to EE, SP &amp; DEP[s].</li> <li>» MEC was offered, not providing MV.</li> </ul>

Series 1 Codes *continued*

Code	Definition	When To Use
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"> <li>» A self-insured plan is offered to non-full-time individuals.</li> <li>» The EE was enrolled in the plan at some time in the year.</li> <li>» NOTE: 1G applies for entire year or not at all.</li> </ul>
1H	No offer of coverage <ul style="list-style-type: none"> <li>» EE not offered any health coverage; or</li> <li>» EE offered coverage that is not MEC, which may include one or more months in which the individual was not an EE.</li> </ul>	<ul style="list-style-type: none"> <li>» The EE was not yet hired.</li> <li>» The EE was in a limited assessment period.</li> <li>» The EE was otherwise ineligible for coverage.</li> <li>» Coverage offered was not MEC.</li> <li>» Coverage offered not for an entire month.</li> <li>» The EE was terminated and offered COBRA.</li> </ul>
1J	MEC providing MV offered to EE & at least MEC conditionally offered to SP; MEC not offered to DEP[s].	<ul style="list-style-type: none"> <li>» MEC offered to EE &amp; conditionally to SP.</li> <li>» Coverage not offered to DEP[s].</li> </ul>
1K	MEC providing MV offered to EE; at least MEC offered to DEP[s]; and at least MEC conditionally offered to SP.	<ul style="list-style-type: none"> <li>» MEC offered to EE &amp; DEP[s] and conditionally offered to SP.</li> </ul>

## 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"> <li>» ICHRA offered to EE only.</li> <li>» Affordability determined by home ZIP.</li> </ul>
1M	ICHRA offered to EE and DEPs] [not SP] with affordability determined by using EE's primary residence location ZIP code.	<ul style="list-style-type: none"> <li>» ICHRA offered to EE and DEP[s] only [not SP].</li> <li>» Affordability determined by home ZIP.</li> </ul>
1N	ICHRA offered to EE, SP & DEP[s] with affordability determined by using EE's primary residence location ZIP code.	<ul style="list-style-type: none"> <li>» ICHRA offered to EE, SP, and DEP[s].</li> <li>» Affordability determined by home ZIP.</li> </ul>
1O	ICHRA offered to EE only using the EE's primary employment site ZIP code affordability Safe Harbor.	<ul style="list-style-type: none"> <li>» ICHRA offered to EE only.</li> <li>» Affordability determined by work ZIP.</li> </ul>
1P	ICHRA offered to EE & DEP[s] [not SP] using the EE's primary employment site ZIP code affordability Safe Harbor.	<ul style="list-style-type: none"> <li>» ICHRA offered to EE and DEP[s] only [not SP].</li> <li>» Affordability determined by work ZIP.</li> </ul>
1Q	ICHRA offered to EE, SP & DEP[s] using EE's primary employment site ZIP code affordability Safe Harbor.	<ul style="list-style-type: none"> <li>» ICHRA offered to EE, SP, and DEP[s].</li> <li>» Affordability determined by work ZIP.</li> </ul>
1R	ICHRA that is NOT affordable offered to EE; to EE & SP, or DEP[s]; or to 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.

## Series 2 Codes [LINE 16]

SERIES 2 codes populate LINE 16 of Form 1095-C. They code:

- » Whether the individual was employed and, if so, whether they were full 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 and, if so, based on which IRS Safe Harbor code.

Code	Definition	When To Use
2A	EEMPLOYEE [EE] not employed during the month.	<ul style="list-style-type: none"> <li>» The EE had not yet been hired.</li> <li>» The EE was no longer employed.</li> </ul>
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"> <li>» EE was part time.</li> <li>» EE was seasonal or variable hour worker.</li> <li>» EE only had coverage for a partial month due to a termination of employment.</li> </ul>
2C	EE has enrolled for the entire month in the coverage offered.	<ul style="list-style-type: none"> <li>» EE is enrolled in coverage offered for THE entire month.</li> <li>» NOTE: Do not use 2C when offer code 1G used.</li> </ul>
2D	EE in a section 4980H [b] Limited Non Assessment Period for this month.	<ul style="list-style-type: none"> <li>» EE is in a waiting period under the Look Back Measurement period.</li> <li>» EE is in the first calendar month of their employment and did not start on the first day of the month.</li> <li>» EE has a status change during their initial Look Back Measurement period.</li> <li>» The employer is in their first year as an APPLICABLE LARGE EMPLOYER [ALE].</li> </ul>
2E	The employer is eligible for the Multi-Employer interim relief rule.	<ul style="list-style-type: none"> <li>» The Multi-Employer [union] plan applies to this EE.</li> <li>» The employer makes ongoing contribution to the plan on behalf of union EEs.</li> </ul>
2F	The coverage is affordable based on Form W2 Safe Harbor.	<ul style="list-style-type: none"> <li>» EE coverage is considered affordable based on the <b>W-2 Safe Harbor Method</b>.</li> <li>» The <b>W-2 Safe Harbor Method</b> was used for every month that EE was offered coverage.</li> </ul>
2G	The coverage is affordable based on the FEDERAL POVERTY LEVEL [FPL] Safe Harbor.	<ul style="list-style-type: none"> <li>» Coverage is considered affordable based on the <b>FPL Method</b> for any months.</li> </ul>
2H	The coverage is affordable based on Section 4980H affordability rate of pay Safe Harbor.	<ul style="list-style-type: none"> <li>» Coverage is considered affordable based on the Section 4980H affordability rate of pay method for any months.</li> </ul>

## Additional Notes

» Certain offer codes require **LINE 15** to remain blank.

E.g. 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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