

# Form 1095-C Indicator Code Crib Sheet for the 2022 Tax Year

Prepared on December 19, 2022

**WARNING:** This document is for informational purposes only and is not legal or tax advice. It is important to refer to the IRS instructions for complete descriptions and to always rely on the IRS formal guidance, and not this document, in the case of any discrepancies. Consult with your tax advisor as needed. Lastly, note that this document does not include the codes used to report offers of coverage through an Individual Coverage HRA (ICHRA); a separate summary of those codes are available upon request.

**MV = Meets the (60% Actuarial) "Minimum Value Standard".**

## Line 14 describing your offer of coverage

1A	For every day of the calendar month, a "Qualifying Offer" was made to the full-time employee <b>at a monthly cost AT OR BELOW \$103.14 for calendar year plans (or else \$105.50 prior to and \$108.83 after your 2022 renewal for non-calendar-year plans) AND at least one plan option did not exclude spouses or dependents.</b>
1B	For every day of the calendar month, MV group coverage was offered to the EMPLOYEE only ( <b>but no group coverage was offered to spouses or dependents</b> ). This code is often used to show offers of COBRA to ACTIVE employees losing self-only coverage.*
1C	For every day of the calendar month, MV group coverage was offered to the EMPLOYEE and group coverage of any quality was offered to DEPENDENTS ( <b>but no group coverage was offered to spouses</b> ). This code is often used to show offers of COBRA to ACTIVE employees losing self-plus-dependent coverage.*
1D	For every day of the calendar month, MV group coverage was offered to the EMPLOYEE and group coverage of any quality was offered to SPOUSES without conditions ( <b>but no group coverage was offered to dependents</b> ). This code is often used to show offers of COBRA to ACTIVE employees losing self-plus-spouse coverage.*
1E	For every day of the calendar month, <b>MV group coverage was offered to the employee AND group coverage of any quality/cost was offered to their spouse/children (if any) without conditions.</b> <i>If the employee self-only cost was AT OR BELOW \$103.14 or \$105.50/\$108.83 per month, consider using 1A instead (see above).</i>
1F	For every day of the calendar month, only group coverage <b>NOT providing MV</b> was offered to EMPLOYEE, with or without an offer of coverage to spouses and/or dependents (in any combination). <i>Whether or not a plan meets the Minimum Value Standard can be found on Page 4 of the Summary of Benefits and Coverage (SBC).</i>
1G	<b>SELF-FUNDED PLANS ONLY:</b> Code used in "All 12 Months" column to indicate the employee was <u>NOT</u> a full-time employee for any month of the calendar year BUT WHO WAS ENROLLED for at least one day in the employer's <b>self-funded</b> group health plan (e.g., strictly part-time employees, COBRA participants, retirees, and others).
1H	<b>No offer of coverage made</b> (e.g., because they were not an employee that month, they were still satisfying their Waiting Period, etc.). <i>This includes employees whose employment was terminated midyear and offered COBRA: offers of COBRA are only reported when offered to ACTIVE employees.*</i>
1J	For every day of the calendar month, MV group coverage was offered to the EMPLOYEE and group coverage of any quality was <b>CONDITIONALLY</b> offered to SPOUSES ( <b>but no group coverage was offered to dependents</b> ).*
1K	For every day of the calendar month, MV group coverage was offered to the EMPLOYEE and group coverage of any quality was offered to any DEPENDENTS, however SPOUSES were only <b>CONDITIONALLY</b> offered coverage of any quality (e.g., available ONLY if not also eligible for coverage under another employer group health plan).

\*Reporting offers of COBRA to an active employee may require codes 1B/1C/1D (or 1J) when COBRA was not offered to some family members NOT enrolled on plan at the time of the Qualifying Event (and therefore were not eligible for COBRA). Post-employment offers of COBRA are always coded as "1H/(blank)/2A" regardless of whether they were offered/elected COBRA, however.

## Line 15 showing the employee's cost to elect self-only coverage on the least expensive plan

If code 1E/1B/1C/1D/1J/1K is used directly above in Line 14, you must enter the employee's cost for self-only coverage under the least expensive, MV plan offered. **Line 15 SHOULD BE LEFT BLANK under codes 1A/1F/1G/1H.** *Note that you must use the self-only cost BEFORE any wellness discounts or tobacco use penalties (treating each employee as an "unwell non-smoker" regardless of their actual status). In addition, adjustments may be necessary due to some kinds of "opt-out" payments (employee waiver incentives), due to some kinds of HRA arrangements, as well as certain defined contribution programs meeting the definition of Health Flex Contributions. Contact your advisor if you have questions about these calculations.*

For example, if an employer's least expensive MV group health plan has a \$200 wellness employee contribution, a \$240 non-wellness employee contribution, and a \$300 tobacco employee contribution per month, the employer will need to report \$240 on Line 15 REGARDLESS of the employee's actual enrollment, wellness participation, and tobacco status.

## Line 16 explaining why an Employer Shared Responsibility Payment is not applicable

**2A**

**Not an employee on ANY DAY of the Month.** Use this code even for an employee who terminated employment but who was enrolled in COBRA (i.e., you should use 2A and NOT Code 2C if the individual was not an employee at any time during the month).

**2B**

**Employee is not FULL-TIME for the month** (and of course they are NOT ENROLLED in your plan, if offered) OR if the employee is full-time for the month BUT WHOSE COVERAGE (or offer of coverage) TERMINATED before the last day of the month because their employment terminated during the month.

**2C**

**Employee is ENROLLED in your group plan for every day of the month.** Use this code regardless of whether they are a full-time or part-time employee and regardless of whether or not the coverage is "affordable" under an affordability safe harbor. For plans without union-sponsored plans in play, THIS CODE TRUMPS ALL OTHER APPLICABLE CODES for active employees.

**2D**

**Employee is in a "Limited Non-Assessment Period".** This includes the partial month in which an employee is hired (only applicable if hired on a day of the month other than the first) and, if full-time, the first three consecutive months of employment (concurrent with their Waiting Period). If using the Look-back Measurement Method, this also includes the entire Initial Measurement Period for truly part-time, Variable Hour and/or Seasonal Employees AND the employer offers MV, "affordable" coverage effective no later than the first day of their Initial Stability Period. See IRS Form 1095-C Instructions for additional examples and conditions for "Limited Non-Assessment Periods".

**2E**

**Multiemployer (e.g., Union Plan) Interim Rule Relief (see Form 1095-C instructions).** All criteria must be met in order to claim this relief. When applicable, this code MUST BE USED INSTEAD of codes 2B/2C and 2F/2G/2H (the affordability safe harbors codes).

**2F**

Employee WAIVED enrollment in your MV group health plan, and that coverage was deemed affordable under the **Form W-2 Safe Harbor** for the calendar month in question.

**2G**

Employee WAIVED enrollment in your MV group health plan, and that coverage was deemed affordable under the **Federal Poverty Line (FPL) Safe Harbor** for the calendar month in question. *To meet the FPL Safe Harbor the EE's cost for self-only coverage must be \$103.14/mo. or less for calendar-year plans; for non-calendar year plans their cost must be \$105.50/mo. or less prior to and \$108.83/mo. or less as of your 2022 renewal.*

**2H**

Employee WAIVED enrollment in your MV group health plan, and that coverage that was deemed affordable under the **Rate of Pay Safe Harbor** for the calendar month in question. *Note that special rules apply when the employee's lowest hourly rate or salary changes midyear (see 1095-C instructions for details).*