ALE IRS Reporting Toolkit

Table of Contents

IRS Forms for 2019

Links to Forms:

Form 1094-C
Link to Form

Form 1095-C
Link to Form

Form1094/5-C Instructions
Link to Form

GO **Deadlines for Filing and Providing Employee Forms in 2019, Extensions and Waivers**

GO ***Deadlines for Filing Forms 1094/5-C***

- When to File Forms 1094/5-C with the IRS
- Extensions of the Filing Due Date
- IRS Address for Paper Filing (Vermont Employers)
- Electronic Filing Information
- Request for a Waiver

GO ***Distribution of Forms to Employees/Participants***

- Furnishing Forms 1095-C to Employees/Non-Employee Participants
- Extensions of Time to Furnish Statement to Recipients

UPDATED!

See page 4

GO **Cracking the Codes**

GO **Affordability Safe Harbors/Testing**

GO **Examples**

- Form 1094-C GO

Measurement Period Resources

Link to resources

GO **VEHI Reporting Resources –** Website Links

When to File Forms 1094/5-C with the IRS

- To avoid penalties, forms must be properly addressed and mailed on or before the date they are due.
- Generally, you must file Forms 1094-C and 1095-C with the IRS by February 28 if filing on paper or March 31 if filing electronically, of the year following the calendar year to which the return relates.
    - If the due date falls on a weekend or legal holiday, then the due date is the following business day. A business day is any day that is not a Saturday, Sunday, or legal holiday.
- For calendar year 2019 filings, Forms 1094-C and 1095-C must be filed by February 28, 2020, or March 31, 2020, if filing electronically

Extensions of the Filing Due Date

- As of October 2019, the IRS had not announced any blanket extensions for filing the forms beyond what is allowed in the instructions.
- You can get an automatic 30-day extension of time to file by completing **Form 8809, Application for Extension of Time To File Information Returns**. Link to Sample Link to IRS Form
- The form may be submitted on paper, or through the FIRE System either as a fill-in form or an electronic file. Link to IRS FIRE System (see also Large Employer Reporting Information Guide)
- No signature or explanation is required for the extension. However, you must file Form 8809 **on or before the due date of the returns in order to get the 30-day extension**.
- Under certain hardship conditions you may apply for an additional 30-day extension. See the instructions for Form 8809 (above) for more information.
- **How to apply**. As soon as you know that a 30-day extension of time to file is needed, file Form 8809. See the instructions for Form 8809.
- Mail or fax Form 8809 using the address and phone number listed in the instructions. You can submit the extension request online through the FIRE System. Link to IRS FIRE System
- You are encouraged to submit requests using the online fill-in form. See Pub. 1220, Part B, for more information on filing online or electronically. Link to publication

IRS Address for Paper Filing (Vermont Employers)

Department of the Treasury
Internal Revenue Service Center
Austin, TX 73301

Electronic Filing of Forms 1094-C and 1095-C with IRS

- Employers required to file 250 or more information returns must file the forms electronically. The 250-or-more requirement applies separately to each type of form filed and separately for original and corrected returns. For example, if you must file 500 Forms 1095-B and 100 Forms 1095-C, you must file Forms 1095-B electronically, but you are not required to file Forms 1095-C electronically.
- If you have 150 Forms 1095-C to correct, you may file the corrected returns on paper because they fall under the 250 threshold. However, if you have 300 Forms 1095-C to correct, they must be filed electronically.
- The electronic filing requirement does not apply if you apply for and receive a hardship waiver (see below). The IRS encourages you to file electronically even though you are filing fewer than 250 returns.

Waivers

- To receive a waiver from filing information returns electronically, submit Form 8508. Link to Sample Link to IRS form .**You are encouraged to file Form 8508 at least 45 days before the due date of the returns**, but no later than the due date of the return.
- The IRS does not process waiver requests until January 1st of the calendar year the returns are due. You cannot apply for a waiver for more than one tax year at a time. If you need a waiver for more than one tax year, you must reapply at the appropriate time each year.
- If a waiver for original returns is approved, any corrections for the same types of returns are covered under the waiver. However, if you submit original returns electronically but you want to submit your corrections on paper, **a waiver must be approved for the corrections** if you must file 250 or more corrections.
- If you receive an approved waiver, do not send a copy of it to the service center where you file your paper returns. Keep the waiver for your records only.

UPDATED!

Furnishing Forms 1095-C to Employees/Non-Employee Participants

- To avoid penalties due to late distribution of Form 1095-C, employers must properly address and mail the Form 1095-C on or before the due date.
- Employers must furnish a Form 1095-C to each of its full-time employees by January 31 of the year following the year to which the Form 1095-C relates.
    - If the due date falls on a weekend or legal holiday, then the due date is the following business day. A business day is any day that is not a Saturday, Sunday, or legal holiday.
- **Forms 1095-C for the 2019 calendar year must be furnished by March 2, 2020. *(See new information below and on the following page.)***
- Filers of Form 1095-C may truncate the social security number (SSN) of an individual (the employee or any family member of the employee receiving coverage) on Form 1095-C statements **furnished to employees** by showing only the last four digits of the SSN and replacing the first five digits with asterisks (*) or Xs.
    - Truncation is not allowed on forms filed with the IRS. In addition, an ALE Member's EIN may not be truncated on the statements furnished to employees or the forms filed with the IRS.
- Except as explained below, statements must be furnished on paper by mail (or hand delivered), unless the recipient affirmatively consents to receive the statement in an electronic format (see the more information about the requirements at the VEHI website – link. If mailed, the statement must be sent to the employee's last known permanent address, or if no permanent address is known, to the employee's temporary address.

New Information

In December, the IRS announced the 30-day extension to furnish statements (copies of Form 1095-C) to recipients is automatically available to all entities required to furnish these forms, including SDs and SUs. The SD/SU is not required to apply for the extension. Thus, statements previously due to recipients by January 31 now must be provided no later than **March 2, 2020**. Considering this extension, no additional extensions will be provided for the 2019 reporting year.

No longer available

Extensions of time to furnish statement to recipients.

You may request an extension of time to furnish the statements to recipients by sending a letter to:

Internal Revenue Service
Attn: Extension of Time Coordinator
240 Murall Drive
Mail Stop 4360
Kearneysville, WV 25430

The letter must include:

a. Filer (employer) name,
b. filer TIN,
c. filer address,
d. type of return,
e. a statement that extension request is for providing statements to recipients,
f. reason for delay, and
g. the signature of the filer or authorized agent.

Your request must be postmarked by the date on which the statements are due to the recipients. If your request for an extension is approved, generally you will be granted a maximum of 30 extra days to furnish the recipient statements.

Additional IRS Guidance

Good Faith Compliance Extended

In addition to providing the automatic 30-day extension to furnish statements to employees and other individuals, the IRS is again providing employers relief from penalties for filing **or** furnishing incorrect or incomplete statements. This relief is available to employers that can show they have made a good faith effort to comply. In determining good faith, the IRS will take into account whether an employer made reasonable efforts to prepare for reporting to the IRS and furnishing statements to employees and covered individuals, such as gathering and transmitting the necessary data to an agent to prepare the data for submission to the IRS, or testing its ability to transmit information to the IRS.

Limited Relief for Large Employers – Furnishing Statements to Certain Individuals

Large employers are required to file a Form 1095-C for each employee who worked **full-time** for at least one day in calendar year 2019. Nevertheless, large employers are not required to furnish a copy of form 1095-C to employees and other responsible individuals who **were not full-time on any day in 2019** (part-time employees and COBRA qualified beneficiaries). To be eligible for this relief the employer must:

1. Prominently post a notice on its website stating employees and responsible individuals may obtain a copy of their 2019 Forms 1095-C on request. The notice must include an email address and a physical address to which a request for the form may be sent, as well as a telephone number that individuals can use to contact the employer with any questions, and
2. Promptly furnish the requested 2019 Form 1095-C to any individual requesting one within 30 days of the date the request is received.

NOTE: This relief does not affect deadlines and penalties associated with filing the Form 1095-C with the IRS.

When considering whether to take advantage of this relief, we recommend you consider **(1)** this relief has been announced only for the 2019 filing year and **(2)** the extent to which making changes to your processes may disrupt the furnishing of forms to full-time employees, which is still required.

Cracking the Codes

Line 14 - "Offer of Coverage"

Insert a code from the list below that describes the offer of coverage status for the employee.

1E	Minimum essential coverage providing minimum value offered to employee and at least minimum essential coverage offered to dependent(s) and spouse. Do not use code 1E if the coverage for the spouse was offered conditionally. Instead, use code 1K.
1G	Offer of coverage for at least one month of the calendar year to an individual who was not an employee for any month of the calendar year or to an employee who was not a full-time employee for any month of the calendar year (which may include one or more months in which the individual was not an employee) and who enrolled in self-insured coverage for one or more months of the calendar year.
1H	No offer of coverage (employee not offered any health coverage or employee offered coverage that is not minimum essential coverage, which may include one or more months in which the individual was not an employee).
1A	Qualifying Offer: Minimum essential coverage providing minimum value offered to full-time employee with Employee Required Contribution equal to or less than 9.5% (as adjusted) of mainland single federal poverty line and at least minimum essential coverage offered to spouse and dependent(s).
1K	Minimum essential coverage providing minimum value offered to employee; at least minimum essential coverage offered to dependents; and at least minimum essential coverage conditionally offered to spouse.
1B	Minimum essential coverage providing minimum value offered to employee only. **(COBRA)**
1C	Minimum essential coverage providing minimum value offered to employee and at least minimum essential coverage offered to dependent(s) (not spouse). **(COBRA)**
1D	Minimum essential coverage providing minimum value offered to employee and at least minimum essential coverage offered to spouse (not dependent(s)). Do not use code 1D if the coverage for the spouse was offered conditionally. Instead, use code 1J. **(COBRA)**
1J	Minimum essential coverage providing minimum value offered to employee and at least minimum essential coverage conditionally offered to spouse; minimum essential coverage not offered to dependent(s). **(COBRA)**
~~1F~~	Minimum essential coverage NOT providing minimum value offered to employee; employee and spouse or dependent(s); or employee, spouse, and dependents.
~~1I~~	~~Reserved for future coding use.~~

Line 15- Employee Contribution

Line 15 is used by the IRS to determine affordability of group health plan coverage to the employee. It is also the amount used by SDs/SUs when determining if health coverage is affordable to the employee using the affordability safe harbors available to employers.

VEHI makes available four group health plan options for employees to choose the level of coverage with which they are the most comfortable. Employees also can elect from multiple tiers of coverage; Single, Parent/Child(ren), 2-Person and Family.

Regardless of all of these different employee contribution amounts, the rules require the amount entered on Line 15 be tied to:

- the monthly contribution amount the employee is required to pay for **employee-only coverage,**

- under the **lowest cost qualifying group health plan option** available to the employee.

If a health plan option is offered with an HRA, the cost of the coverage should include the employee contribution for the coverage as a package.

In many cases the amount entered on Line 15 will be different than the amount the employee is required to contribute. This is because many employees will elect a more expense group health plan option and/or a higher tier of coverage.

Note: **Only complete line 15 if code 1B, 1C, 1D, 1E, 1J, or 1K is entered on line 14**. For any month where any other code is entered on Line 14 you do not enter anything on Line 15.

Do not enter 0.00 unless employees are not required to make a monthly contribution for employee-only coverage under the lowest cost qualifying group health plan option.

Line 16 – Enrollment/Affordability

Insert a code from the list below that answers the question, "What happened and why?"

2A	**Employee not employed during the month**. Enter code 2A if the employee was not employed on any day of the calendar month. Do not use code 2A for a month if the individual was an employee of the ALE Member on any day of the calendar month. Do not use code 2A for the month during which an employee terminates employment with the ALE Member.
2B	**Employee not a full-time employee.** Enter code 2B if the employee is not a full-time employee for the month and did not enroll in minimum essential coverage, if offered for the month. Enter code 2B also if the employee is a full-time employee for the month and whose offer of coverage (or coverage if the employee was enrolled) ended before the last day of the month solely because the employee terminated employment during the month (so that the offer of coverage or coverage would have continued if the employee had not terminated employment during the month).
2C	**Employee enrolled in health coverage offered.** Enter code 2C for any month in which the employee enrolled for each day of the month in health coverage offered by the ALE Member, regardless of whether any other code in Code Series 2 might also apply (for example, the code for a section 4980H affordability safe harbor) except as provided below. Do not enter code 2C on line 16 for any month in which a terminated employee is enrolled in COBRA continuation coverage or other post-employment coverage (enter code 2A).
2D	**Employee in a section 4980H(b) Limited Non-Assessment Period.** Enter code 2D for any month during which an employee is in a section 4980H(b) Limited Non-Assessment Period. If an employee is in an initial measurement period, enter code 2D (employee in a section 4980H(b) Limited Non-Assessment Period) for the month, and not code 2B (employee not a full-time employee).
2H	**4980H affordability rate of pay safe harbor**. Enter code 2H if the employer used the section 4980H(b) *rate of pay safe harbor* to determine affordability for purposes of section 4980H(b) for this employee for any month(s).
2G	**Section 4980H affordability federal poverty line safe harbor.** Enter code 2G if the employer used the section 4980H *federal poverty line safe harbor* to determine affordability for purposes of section 4980H(b) for this employee for any month(s).
2F	**Section 4980H affordability Form W-2 safe harbor.** Enter code 2F if the employer used the section 4980H *Form W-2 safe harbor* to determine affordability for purposes of section 4980H(b) for this employee for the year.

Affordability Safe Harbor Testing

Use of Safe Harbors

Large employers must offer coverage considered 'affordable' to its full-time employees to avoid potential penalties. Affordability is determined on an employee-by-employee basis using the employee's total household income. This is information to which employers do not have access. Employers only have access to income paid by the employer to the employee.

To compensate for the inability of employers to determine precisely an employee's household income, the IRS rules offer employers three 'affordability' safe harbors to determine affordability. The use of the safe harbors is optional, however, failing to use a safe harbor can result in the assessment of a penalty the employer could otherwise avoid. This happens because the total amount of an employee's household income and the number of tax family members can vary widely. An employee making a relatively high income who has multiple dependents can result in the employee's family being unexpectedly eligible for the premium tax credit and/or cost sharing reduction. If the employer uses affordability safe harbors to verify affordability based on one of the harbors, the employee's eligibility for the premium tax credit is disregarded for purposes of a penalty.

Conditions to Using an Affordability Safe Harbor

An Employer can use one or more of the affordability safe harbors only if-

- the employer offers its full-time employees and their dependents the opportunity to enroll in minimum essential coverage under an eligible employer-sponsored plan, and
- the coverage provides minimum value with respect to the self-only coverage offered to the employee.

Use of any of the safe harbors is optional for an employer, and an employer may choose to apply the safe harbors for any reasonable category of employees, provided it does so on a uniform and consistent basis for all employees in a category. Reasonable categories generally include:

- specified job categories,
- nature of compensation (hourly or salary),
- geographic location, and
- similar bona fide business criteria.

A list of employees by name or other specific criteria having substantially the same effect as an enumeration by name is not considered a reasonable category.

Three Options for Testing

The IRS rules provide three affordability safe harbors to allow employers to meet affordability requirements even thought the employers cannot possibly know each employee's household income. The *Rate of Pay* affordability safe harbor may appear to be the easiest to use. However, depending on the monthly amount your SD/SU requires employees to contribute for employee-only coverage under the Silver CDHP, you may find one of the other methods helpful.

Note: This section is a summary of the affordability safe harbor provisions and does not provide all of the details for using each of the safe harbors to determine affordability. Please see the full Large Employer Reporting Guide - 2019 , page 39, for more information about using each of the safe harbor provisions.

Affordability Method	Description
Federal Poverty Level	Multiply the Federal Poverty Level (FPL) for 1 person in Vermont by 9.86% and compare to the contribution from an employee to the lowest cost single plan. If the contribution for the lowest cost single plan is lower than 9.86% of the Federal Poverty Level for a single individual in Vermont, this safe harbor provision may apply. ***Heads up! For this safe harbor, employers may use the Federal Poverty Level in effect up to 6 months before the start of the plan year.*** ***For employers using a calendar year Section 125 cafeteria plan year in 2019, the FPL is $12,140 annually or $1,005 per month. If the lowest cost plan available to employees requires employees to contribute no more than $99.75 per month for employee-only coverage, the plan likely passes this safe harbor affordability test.*** ***For employers using a fiscal Section 125 cafeteria plan year of July 1, the maximum monthly employee-only contribution can be determined as follows:***

FPL Year	Cafeteria Plan Year	Applicable Period	FPL Applicable	Monthly	Afford. Percentage	Max. EE Only Contribution
2018	July 1 PY	Jan through June 2019	$12,060	$1,005	9.86%	$99.09
2019		July through Dec 2019	$12,140	$1,012		$99.75

Three Options for Testing

Affordability Method, Cont.	Description
Form W-2	Compare each applicable employee's expected income to be reported in Box 1 of their W-2 for 2019 to the lowest cost single plan available to that employee. If the employee contribution is less than 9.86% of the expected value to be reported in Box 1 of that employee's W-2, the safe harbor provision may apply to that employee. ***Heads up! Because the W-2 is not produced until after the calendar year ends, it is not possible for an employer to conduct this calculation before the end of the year. Additionally, this test must be conducted for each applicable employee.*** ***If an employee has not received an offer of coverage for the full calendar year, see the more detailed instructions on determining affordability using this method (Large Employer Reporting Guide - 2019 , page 39)***
Rate of Pay	For each full-time non-exempt employee identify the employee's hourly rate on the first day of the plan year. Multiply the employee's hourly rate by 130 hours to arrive at the starting point. If the employee-only contribution for the lowest cost group health plan option is less than 9.86% of that starting point, the employee's coverage is affordable under the rate of pay safe harbor. If the employee is exempt (salaried), divide annual income by 12 to arrive at the starting point. Compare 9.86% of the monthly salary with required monthly contribution for the lowest cost single plan. If the employee contribution is less than the test value, safe harbor provisions may apply. ***Heads up! If you have multiple contribution structures for different classes of employees, repeat this process for each class of employees.*** ***If the employee's rate of pay or monthly salary changes during the year, see the more detailed instructions on determining affordability using this method (Large Employer Reporting Guide - 2019 , page 39)***

Form 1095-C Examples

About The Examples

The reason large employers (at least 50 FT/FTEs) are required to file Form 1095-C is to 'certify' to the IRS the extent to which the employer complies the employer shared responsibility mandate. The information also assists the IRS in determining the taxpayers who may be eligible for the premium tax credit available through the state marketplaces. The important factors are:

- Did the employer offer 95% of it full-time employees minimum essential coverage meeting minimum value requirements and offer those same employees at least the opportunity to enroll dependent children in at least minimum essential coverage.
- Did the employer offer the employee the opportunity to enroll their spouse in at least minimum essential coverage.
- Did the employee (and dependents and spouse, if any) enroll in the coverage offered by the employer.
- Was the coverage offered to the employee considered affordable using one of the affordability safe harbor methods – Federal Poverty Line, Rate of Pay or W-2.

The four plan options offered through VEHI meet the minimum essential coverage and minimum value requirements. All VEHI options allow employees to enroll in coverage for themselves and their eligible dependents. In setting up the examples, we make the following assumptions (unless stated differently in the example):

- the SD or SU offers all eligible employees the opportunity to enroll their eligible dependents.
- the SD or SU uses one or more of the IRS affordability safe harbors to determine the coverage offered to employees is affordable for each employee and, for at least 95% of full-time employees coverage is affordable.
- the SD or SU has established a 'look-back measurement method' policy for employees considered *variable hour employees* and uses the policy to make initial and ongoing determinations as to the full-time status of these employees.

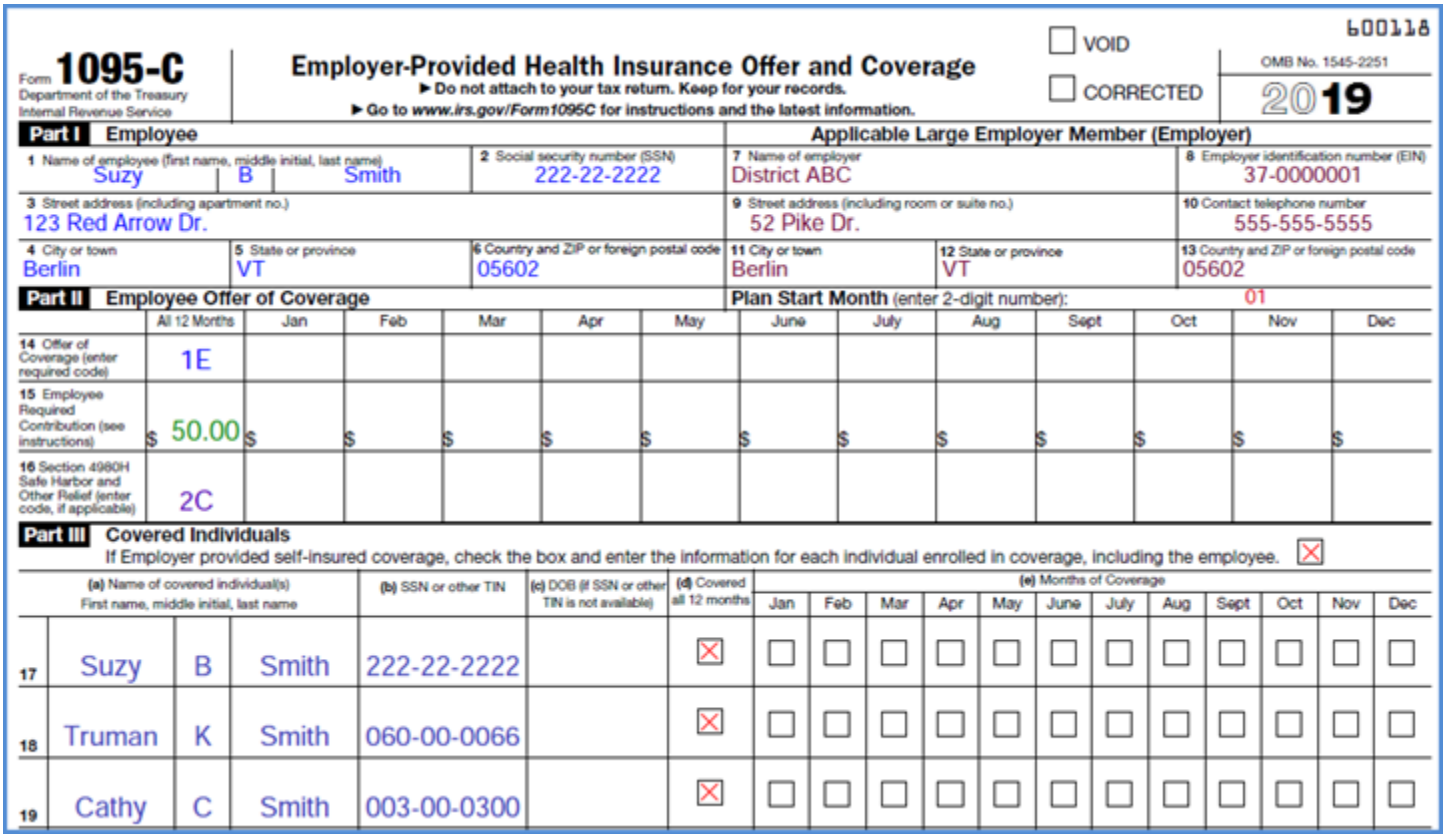
By making these assumptions we avoid having to repeat this background information for each of the examples. If you have questions about any of these assumptions contact GBS at VEHIhelp@ajg.com .

Example 1 - Full time & participating all year

Facts

- Suzy Smith is a full time employee working for School District ABC, a large district participating in VEHI.
- Suzy participated in family coverage for the entire year.
- The lowest cost employee-only coverage option available to Suzy is $50.00 per month, and coverage is affordable based on "rate of pay" safe harbor.

Completing the 1095-C



600118

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.

☐ VOID ☐ CORRECTED

OMB No. 1545-2251

2019

Part I Employee

1 Name of employee (first name, middle initial, last name)	2 Social security number (SSN)
Suzy B Smith	222-22-2222
3 Street address (including apartment no.)	
123 Red Arrow Dr.	
4 City or town / 5 State or province / 6 Country and ZIP or foreign postal code	
Berlin / VT / 05602	

Applicable Large Employer Member (Employer)

7 Name of employer	8 Employer identification number (EIN)
District ABC	37-0000001
9 Street address (including room or suite no.)	10 Contact telephone number
52 Pike Dr.	555-555-5555
11 City or town / 12 State or province / 13 Country and ZIP or foreign postal code	
Berlin / VT / 05602	

Part II Employee Offer of Coverage

Plan Start Month (enter 2-digit number): 01

	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 Required Contribution (see instructions)	$ 50.00	$	$	$	$	$	$	$	$	$	$	$	$
16 Section 4980H Safe Harbor and Other Relief (enter code, if applicable)	2C												

Part III Covered Individuals

If Employer provided self-insured coverage, check the box and enter the information for each individual enrolled in coverage, including the employee. ☒

	(a) Name of covered individual(s) First name, middle initial, last name			(b) SSN or other TIN	(c) DOB (if SSN or other TIN 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	Suzy	B	Smith	222-22-2222		☒	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
18	Truman	K	Smith	060-00-0066		☒	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
19	Cathy	C	Smith	003-00-0300		☒	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐

Reporting Explanation

Suzy's coverage was the same all year (an offer of coverage, the contribution rate, and enrolled status) so we only need to complete the 'All 12 months' boxes on the far left.

Line 14 - **1E** to indicate that Suzy was offered coverage for herself, her spouse and her dependents.

Line 15 - enter $50, which is the employee contribution for employee-only coverage for the lowest cost plan for which Suzy is eligible.

Line 16 - **2C** to indicate that Suzy accepted coverage and was enrolled for the entire 12 months.

Part III reflects coverage for Suzy and her family for the entire year.

Example 2 - Part time & participating all year

Facts

- Lisa Jones is a ***part-time*** *(fewer than 30 hours)* employee working for School District ABC, a large district participating in VEHI
- School District ABC offers coverage to part time employees, their spouses and dependents
- Suzy, her spouse and dependents participate in family coverage for the entire year.
- Because Suzy was enrolled in coverage, a Form 1095-C is required to report the coverage information only.

Completing the 1095-C

600118

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.

☐ VOID ☐ CORRECTED

OMB No. 1545-2251 **2019**

Part I Employee

1 Name of employee (first name, middle initial, last name)	2 Social security number (SSN)
Lisa B Jones	020-00-0020
3 Street address (including apartment no.)	
PO Box 1043	
4 City or town / 5 State or province / 6 Country and ZIP or foreign postal code	
East Corinth / VT / 05040	

Applicable Large Employer Member (Employer)

7 Name of employer	8 Employer identification number (EIN)
District ABC	37-0000001
9 Street address (including room or suite no.)	10 Contact telephone number
52 Pike Dr.	555-555-5555
11 City or town / 12 State or province / 13 Country and ZIP or foreign postal code	
Berlin / VT / 05602	

Part II Employee Offer of Coverage

Plan Start Month (enter 2-digit number): 01

	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
14 Offer of Coverage (enter required code)	1G												
15 Employee Required Contribution (see instructions)	$	$	$	$	$	$	$	$	$	$	$	$	$
16 Section 4980H Safe Harbor and Other Relief (enter code, if applicable)													

Part III Covered Individuals

If Employer provided self-insured coverage, check the box and enter the information for each individual enrolled in coverage, including the employee. ☒

	(a) Name of covered individual(s) First name, middle initial, last name			(b) SSN or other TIN	(c) DOB (if SSN or other TIN 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	Lisa	B	Jones	020-00-0020		☒	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
18	Michael	K	Jones	010-00-0100		☒	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
19	Ed	C	Jones	003-00-0300		☒	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
20	Tara	A	Jones	004-04-0004		☒	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐

Reporting Explanation

Because Lisa worked fewer than an average of 30 hours of service per week, the District need only report coverage information for Lisa and her family. The District enters **1G** on Line 14 in the 'All 12 months' boxes on the far left.

Under Part III, Lisa and all of her enrolled family members are listed with coverage, which was for all 12 months.

Example 3 - Participating after a measurement period

Facts

- Suzy is hired by School District ABC on 5/1/18 and is considered a variable hour employee
- Suzy's ***Initial*** measurement period begins on 5/1/18 and continues through 4/30/19, at which time she's determined to have averaged 30 hours of service during the initial measurement period.
- Health coverage is offered to Suzy during the administrative period with an effective date of 6/1/19
- Suzy elects coverage for herself, her spouse and her dependents
- The lowest cost employee-only coverage option available to Suzy is $50.00 per month, and coverage is affordable based on "rate of pay" safe harbor.

Completing the 1095-C

600118

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.

☐ VOID ☐ CORRECTED

OMB No. 1545-2251 **2019**

Part I Employee

1 Name of employee (first name, middle initial, last name)			2 Social security number (SSN)
Suzy	B	Smith	222-22-2222
3 Street address (including apartment no.)			
123 Red Arrow Dr.			
4 City or town	5 State or province		6 Country and ZIP or foreign postal code
Berlin	VT		05602

Applicable Large Employer Member (Employer)

7 Name of employer	8 Employer identification number (EIN)
District ABC	37-0000001
9 Street address (including room or suite no.)	10 Contact telephone number
52 Pike Dr.	555-555-5555
11 City or town / 12 State or province	13 Country and ZIP or foreign postal code
Berlin VT	05602

Part II Employee Offer of Coverage — **Plan Start Month** (enter 2-digit number): 01

	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
14 Offer of Coverage (enter required code)		1H	1H	1H	1H	1H	1E	1E	1E	1E	1E	1E	1E
15 Employee Required Contribution (see instructions)	$	$	$	$	$	$	$ 50.00	$ 50.00	$ 50.00	$ 50.00	$ 50.00	$ 50.00	$ 50.00
16 Section 4980H Safe Harbor and Other Relief (enter code, if applicable)		2D	2D	2D	2D	2D	2C	2C	2C	2C	2C	2C	2C

Part III Covered Individuals
If Employer provided self-insured coverage, check the box and enter the information for each individual enrolled in coverage, including the employee. ☒

	(a) Name of covered individual(s) First name, middle initial, last name			(b) SSN or other TIN	(c) DOB (if SSN or other TIN 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	Suzy	B	Smith	222-22-2222		☐	☐	☐	☐	☐	☐	☒	☒	☒	☒	☒	☒	☒
18	Truman	K	Smith	060-00-0066		☐	☐	☐	☐	☐	☐	☒	☒	☒	☒	☒	☒	☒
19	Cathy	C	Smith	003-00-0300		☐	☐	☐	☐	☐	☐	☒	☒	☒	☒	☒	☒	☒

Reporting Explanation

Line 14 - For months during the measurement and administrative period we enter **1H,** Suzy was not offered coverage. Beginning in June the code changes to **1E** – family coverage offered.

Line 15 – No entry until coverage is offered. We enter $50 from June through December.

Line 16 - During the measurement/administrative period we enter **2D** included in a measurement period as a VHE (Limited Non-Assessment Period), then enter **2C** from June through December – enrolled.

Part III, enter coverage information for all family members for each month an individual had at least one day of coverage.

Example 4 - Mid month hire, participating in the plan

Facts

- Suzy Smith is hired by School District ABC on 8/15/19 and is a full time employee
- At School District ABC, employees can join the plan the first day of the first month following their date of hire
- Suzy elects coverage for herself only
- Coverage is effective 9/1/19
- The lowest cost employee-only coverage option available to Suzy is $50.00 per month, and coverage is affordable based on "rate of pay" safe harbor.

Completing the 1095-C

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.

☐ VOID ☐ CORRECTED

600116

OMB No. 1545-2251

2019

Part I Employee

1 Name of employee (first name, middle initial, last name)	2 Social security number (SSN)
Suzy B Smith	222-22-2222
3 Street address (including apartment no.)	
123 Red Arrow Dr.	
4 City or town / 5 State or province / 6 Country and ZIP or foreign postal code	
Berlin / VT / 05602	

Applicable Large Employer Member (Employer)

7 Name of employer	8 Employer identification number (EIN)
District ABC	37-0000001
9 Street address (including room or suite no.)	10 Contact telephone number
52 Pike Dr.	555-555-5555
11 City or town / 12 State or province / 13 Country and ZIP or foreign postal code	
Berlin / VT / 05602	

Part II Employee Offer of Coverage

Plan Start Month (enter 2-digit number): 01

	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
14 Offer of Coverage (enter required code)		1H	1H	1H	1H	1H	1H	1H	1H	1E	1E	1E	1E
15 Employee Required Contribution (see instructions)	$	$	$	$	$	$	$	$	$	$ 50.00	$ 50.00	$ 50.00	$ 50.00
16 Section 4980H Safe Harbor and Other Relief (enter code, if applicable)		2A	2A	2A	2A	2A	2A	2A	2D	2C	2C	2C	2C

Part III Covered Individuals

If Employer provided self-insured coverage, check the box and enter the information for each individual enrolled in coverage, including the employee. ☒

	(a) Name of covered individual(s) First name, middle initial, last name	(b) SSN or other TIN	(c) DOB (if SSN or other TIN 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	Suzy B Smith	222-22-2222		☐	☐	☐	☐	☐	☐	☐	☐	☐	☒	☒	☒	☒

Reporting Explanation

Line 14 - we enter **1H** for January through August to show no coverage was offered, we enter **1E** from September to December to show that Suzy was offered family coverage.

Line 15 – Suzy was offered coverage for September through December so we enter $50, the employee contribution for employee-only coverage for the lowest cost plan for which Suzy is eligible.

Line 16, enter **2A** for January through July to indicate that Suzy was not employed, enter **2D** for August to indicate that Suzy was in a waiting period (Limited Non-Assessment Period) , and enter **2C** for September through December to indicate that Suzy was enrolled during those months.

Part III reflects Suzy's coverage for the months of September through December.

Example 5 - Employee waives coverage

Facts

- Suzy Smith is a full time employee with School District ABC and is eligible for benefits
- School District ABC offers health coverage to Suzy
- The lowest cost employee-only coverage option available to Suzy is $50.00 per month, and coverage is affordable based on "rate of pay" safe harbor.
- Suzy *waives* coverage from School District ABC

Completing the 1095-C

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.

600118

☐ VOID ☐ CORRECTED

OMB No. 1545-2251

2019

Part I Employee

1 Name of employee (first name, middle initial, last name)	2 Social security number (SSN)
Suzy B Smith	222-22-2222
3 Street address (including apartment no.)	
123 Red Arrow Dr.	
4 City or town / 5 State or province / 6 Country and ZIP or foreign postal code	
Berlin / VT / 05602	

Applicable Large Employer Member (Employer)

7 Name of employer	8 Employer identification number (EIN)
District ABC	37-0000001
9 Street address (including room or suite no.)	10 Contact telephone number
52 Pike Dr.	555-555-5555
11 City or town / 12 State or province / 13 Country and ZIP or foreign postal code	
Berlin / VT / 05602	

Part II Employee Offer of Coverage

Plan Start Month (enter 2-digit number): 01

	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 Required Contribution (see instructions)	$ 50.00	$	$	$	$	$	$	$	$	$	$	$	$
16 Section 4980H Safe Harbor and Other Relief (enter code, if applicable)	2H												

Part III Covered Individuals

If Employer provided self-insured coverage, check the box and enter the information for each individual enrolled in coverage, including the employee. ☐

	(a) Name of covered individual(s) First name, middle initial, last name	(b) SSN or other TIN	(c) DOB (if SSN or other TIN 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				☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐

Reporting Explanation

Suzy waived coverage for the full calendar year, so we use the 'All 12 Months' box for each line.

Line 14 - we enter **1E** to indicate that Suzy was offered family coverage.

Line 15 – we enter $50 to show the employee contribution for employee-only coverage for the lowest cost plan for which Suzy is eligible.

Line 16 - enter **2H** will show that Suzy waived coverage, and show coverage was determined affordable for Suzy under safe harbor provisions using the "Rate of Pay" method.

Part III is not completed because Suzy was not enrolled in coverage for even one day during 2019.

Example 6 - Employee waives UNAFFORDABLE coverage

Facts

- Suzy Smith is hired as a full-time employee with School District XYZ 2/12/2019 and is eligible for benefits 3/1/2019
- School District XYZ offers family health coverage to Suzy
- The lowest cost employee-only coverage option available to Suzy is $125.00 per month, and coverage is affordable based on "rate of pay" safe harbor.
- Using the Rate of Pay safe harbor, School District XYZ's coverage is **unaffordable**
- Suzy waives coverage from School District XYZ

Completing the 1095-C

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.

☐ VOID ☐ CORRECTED

600118

OMB No. 1545-2251

2019

Part I Employee

1 Name of employee (first name, middle initial, last name)	2 Social security number (SSN)
Suzy B Smith	222-22-2222
3 Street address (including apartment no.)	
123 Red Arrow Dr.	
4 City or town / 5 State or province / 6 Country and ZIP or foreign postal code	
Berlin / VT / 05602	

Applicable Large Employer Member (Employer)

7 Name of employer	8 Employer identification number (EIN)
District ABC	37-0000001
9 Street address (including room or suite no.)	10 Contact telephone number
52 Pike Dr.	555-555-5555
11 City or town / 12 State or province / 13 Country and ZIP or foreign postal code	
Berlin / VT / 05602	

Part II Employee Offer of Coverage

Plan Start Month (enter 2-digit number): 01

	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 Required Contribution (see instructions)	$	$	$	$ 125.00	$ 125.00	$ 125.00	$ 125.00	$ 125.00	$ 125.00	$ 125.00	$ 125.00	$ 125.00	$ 125.00
16 Section 4980H Safe Harbor and Other Relief (enter code, if applicable)		2A	2D										

Part III Covered Individuals

If Employer provided self-insured coverage, check the box and enter the information for each individual enrolled in coverage, including the employee. ☐

	(a) Name of covered individual(s) First name, middle initial, last name	(b) SSN or other TIN	(c) DOB (if SSN or other TIN 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				☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐

Reporting Explanation

Line 14 - we enter **1H** for January and February indicating Suzy was not offered coverage. For March through December we enter **1E** showing Suzy was offered family coverage during those months.

Line 15 - we enter $125 to indicate the employee contribution for employee-only coverage for the lowest cost plan for which Suzy is eligible during the months Suzy was offered coverage.

Line 16 - we enter **2A** in January (not employed) and **2D** (waiting period) showing Suzy's status during those months. Since *Suzy's* did not enroll in coverage and coverage was determined ***not affordable***, **no code applies** so nothing is entered for March through December.

Part III is not completed because Suzy was not enrolled in coverage for even one day during 2019.

Example 7 - July rate change, participating all year

Facts

- Suzy Smith is a full time employee working for School District ABC, a large district
- School District ABC offers full-time employees family medical coverage
- Suzy participated in family coverage for the entire year
- The lowest cost employee-only coverage option available to Suzy is $50.00 per month, and coverage is affordable based on "rate of pay" safe harbor.
- On VEHI's renewal date of July 1st, the lowest cost employee-only coverage option available to Suzy was increased to $55.00 per month and was in effect for the months of July through December. The School District tests affordability for Suzy and determines that coverage is affordable based on the "rate of pay" safe harbor.

Completing the 1095-C

600118

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.

☐ VOID ☐ CORRECTED

OMB No. 1545-2251

2019

Part I Employee

1 Name of employee (first name, middle initial, last name)	2 Social security number (SSN)
Suzy B Smith	222-22-2222
3 Street address (including apartment no.)	
123 Red Arrow Dr.	
4 City or town	5 State or province	6 Country and ZIP or foreign postal code
Berlin	VT	05602

Applicable Large Employer Member (Employer)

7 Name of employer	8 Employer identification number (EIN)
District ABC	37-0000001
9 Street address (including room or suite no.)	10 Contact telephone number
52 Pike Dr.	555-555-5555
11 City or town / 12 State or province / 13 Country and ZIP or foreign postal code	
Berlin / VT / 05602	

Part II Employee Offer of Coverage

Plan Start Month (enter 2-digit number): 07

	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 Required Contribution (see instructions)	$	$ 50.00	$ 50.00	$ 50.00	$ 50.00	$ 50.00	$ 50.00	$ 55.00	$ 55.00	$ 55.00	$ 55.00	$ 55.00	$ 55.00
16 Section 4980H Safe Harbor and Other Relief (enter code, if applicable)	2C												

Part III Covered Individuals

If Employer provided self-insured coverage, check the box and enter the information for each individual enrolled in coverage, including the employee. ☒

	(a) Name of covered individual(s) First name, middle initial, last name			(b) SSN or other TIN	(c) DOB (if SSN or other TIN 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	Suzy	B	Smith	222-22-2222		☒	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
18	Thad	X	Smith	333-33-0003		☒	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
19	Alicia	K	Smith	366-88-9955		☒	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐

Reporting Explanation

Line 14 - we enter **1E** in the '*All 12 Months*' box to indicate that Suzy was offered coverage for herself, her spouse and her dependents for the full year.

Line 15 - we enter $50 to indicate Suzy's employee contribution toward the lowest cost single only coverage for the January through June boxes, and $55 for the July through December boxes.

Line 16 - we enter **2C** in the '*All 12 Months*' box to indicate that Suzy enrolled in coverage for the full year.

Part III, enter coverage information for all family members for each month an individual had at least one day of coverage, which was all 12 months.

COBRA Reporting

Termination of Employment

Self-insured employers must report offers of COBRA coverage. Employers complete Form 1095-C providing COBRA coverage information (enrollment in COBRA coverage). How the Form 1095-C is completed will depend, in part, on whether the employee was covered as an active employee during 2019.

Former employees whose coverage terminated before 2019 and other COBRA-eligible family members electing COBRA will still receive a Form 1095-C providing proof of coverage for the former employee and other covered dependents, as applicable.

Full-Time Status Change to Part-Time Status (not benefit eligible)

In the limited cases where a full-time employee changes status from full-time / eligible for health plan benefits to a part-time position **not** eligible for health plan benefits, employers will complete Form 1095-C to show COBRA coverage was offered.

For the months the employee was full-time, employers complete Form 1095-C as appropriate for the particular employee. The difference is how an offer of COBRA coverage is reported.

Resource

IRS Questions and Answers about Information Reporting by Employers on Form 1094-C and Form 1095-C

Link

Example 8 - COBRA Reporting, Employment Termination

Facts

- Suzy Smith works for School District ABC as a full-time employee.
- School District ABC offers full-time employees family medical coverage
- For the 2019 plan year **Suzy elected coverage for herself and her family**
- The lowest cost employee-only coverage option available to Suzy is $50.00 per month, and coverage is affordable based on "rate of pay" safe harbor.
- Suzy terminates employment on September 15, 2019 and coverage terminates at the end of the month, September 30
- **Suzy is offered COBRA coverage effective October 1 and Suzy elects COBRA for the family**

Completing the 1095-C

600118

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.

☐ VOID ☐ CORRECTED

OMB No. 1545-2251

2019

Part I Employee

1 Name of employee (first name, middle initial, last name)	2 Social security number (SSN)
Suzy B Smith	222-22-2222
3 Street address (including apartment no.)	
123 Red Arrow Dr.	
4 City or town	5 State or province	6 Country and ZIP or foreign postal code
Berlin	VT	05602

Applicable Large Employer Member (Employer)

7 Name of employer	8 Employer identification number (EIN)
District ABC	37-0000001
9 Street address (including room or suite no.)	10 Contact telephone number
52 Pike Dr.	555-555-5555
11 City or town	12 State or province	13 Country and ZIP or foreign postal code
Berlin	VT	05602

Part II Employee Offer of Coverage — Plan Start Month (enter 2-digit number): 01

	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	1E	1E	1H	1H	1H
15 Employee Required Contribution (see instructions)	$	$ 50.00	$ 50.00	$ 50.00	$ 50.00	$ 50.00	$ 50.00	$ 50.00	$ 50.00	$ 50.00	$	$	$
16 Section 4980H Safe Harbor and Other Relief (enter code, if applicable)		2C	2C	2C	2C	2C	2C	2C	2C	2C	2A	2A	2A

Part III Covered Individuals
If Employer provided self-insured coverage, check the box and enter the information for each individual enrolled in coverage, including the employee. ☒

	(a) Name of covered individual(s) First name, middle initial, last name			(b) SSN or other TIN	(c) DOB (if SSN or other TIN 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	Suzy	B	Smith	222-22-2222		☒	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
18	Thad	X	Smith	333-33-0003		☒	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
19	Alicia	K	Smith	366-88-9955		☒	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐

Reporting Explanation

Line 14 - we enter **1E** in January through September to indicate that Suzy was offered coverage for herself and family. Beginning with October the Line 14 code is changed to **1H**, no offer of coverage because no offer of active employee coverage was made, only COBRA.

Line 15 - we enter $50 to indicate Suzy's employee contribution toward the lowest cost single only coverage for the January through September boxes. The October through December boxes are left blank.

Line 16 - enter **2C** in the boxes from January through September to indicate that Suzy was enrolled in coverage for those months. Even though Suzy's family enrolled for COBRA coverage we enter **2A** - Employee not employed, in the boxes for October through December.

Part III must reflect both active and COBRA coverage so the can check the 'All 12 Months' box for each family member. If no one elected COBRA, the only change in the form would be Part III showing the months of coverage.

Example 9 - COBRA Reporting, Continuing Employment

Facts

- Suzy Smith works for School District ABC as a full-time employee.
- School District ABC offers full-time employees family medical coverage
- For the 2019 plan year **Suzy elected coverage for herself and family**
- The lowest cost employee-only coverage option available to Suzy is $50.00 per month, and coverage is affordable based on "rate of pay" safe harbor
- Suzy changes from full-time status to part-time status (not eligible for District subsidized health plan coverage) effective October 1, 2019. Coverage for Suzy and her family ends on September 30
- **Suzy elected family COBRA coverage effective October 1**

Completing the 1095-C

600118

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.

☐ VOID ☐ CORRECTED

OMB No. 1545-2251

2019

Part I Employee

1 Name of employee (first name, middle initial, last name)	2 Social security number (SSN)
Suzy B Smith	222-22-2222
3 Street address (including apartment no.)	
123 Red Arrow Dr.	
4 City or town / 5 State or province / 6 Country and ZIP or foreign postal code	
Berlin / VT / 05602	

Applicable Large Employer Member (Employer)

7 Name of employer	8 Employer identification number (EIN)
District ABC	37-0000001
9 Street address (including room or suite no.)	10 Contact telephone number
52 Pike Dr.	555-555-5555
11 City or town / 12 State or province / 13 Country and ZIP or foreign postal code	
Berlin / VT / 05602	

Part II Employee Offer of Coverage

Plan Start Month (enter 2-digit number): 01

	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 Required Contribution (see instructions)	$	$ 50.00	$ 50.00	$ 50.00	$ 50.00	$ 50.00	$ 50.00	$ 50.00	$ 50.00	$ 50.00	$ 567.09	$ 567.09	$ 567.09
16 Section 4980H Safe Harbor and Other Relief (enter code, if applicable)	2C												

Part III Covered Individuals

If Employer provided self-insured coverage, check the box and enter the information for each individual enrolled in coverage, including the employee. ☒

	(a) Name of covered individual(s) First name, middle initial, last name			(b) SSN or other TIN	(c) DOB (if SSN or other TIN 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	Suzy	B	Smith	222-22-2222		☒	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
18	Thad	X	Smith	333-33-0003		☒	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
19	Alicia	K	Smith	366-88-9955		☒	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐

Reporting Explanation

Line 14 - enter **1E** in the boxes from January through September to indicate that Suzy was offered family medical coverage. Because Suzy had enrolled her spouse and dependent children for health plan coverage, the **family** was offered COBRA coverage. So, **1E** is also entered in October through December.

Line 15 - enter $50 to indicate the employee contribution toward the lowest cost employee-only coverage for the January through September boxes. For the October through December boxes we enter the employee-only cost of COBRA coverage for the lowest cost plan available to Suzy, in this case $567.90

Line 16, enter **2C** in the boxes from January through September to indicate that Suzy was enrolled in coverage for those months. Because Suzy enrolled for COBRA coverage we enter **2C** in the boxes for October through December.

Part III must reflect both active and COBRA coverage so we can check the 'All 12 Months' box for each family member. If no one elected COBRA, the only change in the form would be Part III showing the months of coverage.

Example 10 - COBRA Reporting, Continuing Employment

Facts

- Suzy Smith works for School District ABC as a full-time employee
- School District ABC offers full-time employees and their families medical coverage
- For the 2019 plan year **Suzy elected family coverage**
- The lowest cost employee-only coverage option available to Suzy is $50.00 per month, and coverage is affordable based on "rate of pay" safe harbor
- Suzy changes from full-time status to part-time status (District does not offer part-time employee health coverage) effective October 1, 2019. Coverage for Suzy and her family ends on September 30
- **Suzy elected employee-only COBRA coverage effective October 1**

Completing the 1095-C

600118

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.

☐ VOID ☐ CORRECTED

OMB No. 1545-2251

2019

Part I Employee

1 Name of employee (first name, middle initial, last name)	2 Social security number (SSN)
Suzy B Smith	222-22-2222
3 Street address (including apartment no.)	
123 Red Arrow	
4 City or town	5 State or province	6 Country and ZIP or foreign postal code
Berlin	VT	05602

Applicable Large Employer Member (Employer)

7 Name of employer	8 Employer identification number (EIN)
District ABC	37-0000001
9 Street address (including room or suite no.)	10 Contact telephone number
52 Pike Dr	555-555-5555
11 City or town	12 State or province	13 Country and ZIP or foreign postal code
Berlin	VT	05602

Part II Employee Offer of Coverage — **Plan Start Month** (enter 2-digit number): 01

	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	1E	1E	1D	1D	1D
15 Employee Required Contribution (see instructions)	$	$ 50.00	$ 50.00	$ 50.00	$ 50.00	$ 50.00	$ 50.00	$ 50.00	$ 50.00	$ 50.00	$ 567.09	$ 567.09	$ 567.09
16 Section 4980H Safe Harbor and Other Relief (enter code, if applicable)	2C												

Part III Covered Individuals
If Employer provided self-insured coverage, check the box and enter the information for each individual enrolled in coverage, including the employee. ☒

	(a) Name of covered individual(s) First name, middle initial, last name			(b) SSN or other TIN	(c) DOB (if SSN or other TIN 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	Suzy	B	Smith	222-22-2222		☒	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
18	Thad	X	Smith	333-33-0003		☐	☒	☒	☒	☒	☒	☒	☒	☒	☒	☐	☐	☐

Reporting Explanation

There is a real difference in the coding on the form.

Line 14 - enter **1E** in the boxes from January through September – as active employee Suzy was offered family coverage. Since only Suzy enrolled for active coverage, only Suzy is offered COBRA. Thus, Suzy offer of COBRA is coded **1B. 1B** means 'MEC/MV offered to employee only'.

Line 15 - enter $50 to indicate the employee contribution toward the lowest cost employee-only coverage for the January through September boxes. For October through December we enter the employee-only cost of COBRA coverage for the lowest cost plan available to Suzy, in this case $567.90

Line 16 - enter **2C** in the boxes from January through September to indicate that Suzy was enrolled in coverage for those months. Because Suzy enrolled in COBRA coverage and is covered all 12 months, we enter **2C** in the 'All 12 months' box and in Part III, 'All 12 Months' box just for Suzy. Part III also shows Thad' coverage through September.

Example 11 - COBRA Reporting, Continuing Employment

Facts

- Suzy Smith works for School District ABC as a full-time employee
- School District ABC offers full-time employees and their family's medical coverage
- For the 2019 plan year **Suzy elected employee only coverage**
- The lowest cost plan for employee-only coverage is $50.00 per month and coverage is affordable for Suzy based on "rate of pay" safe harbor
- Suzy changes from full-time status to part-time status (not eligible for District subsidized health plan coverage) effective October 1, 2019. Coverage for Suzy ends on September 30
- **Suzy does not elect COBRA coverage for herself**

Completing the 1095-C

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.

☐ VOID ☐ CORRECTED

600118

OMB No. 1545-2251

2019

Part I Employee

1 Name of employee (first name, middle initial, last name)	2 Social security number (SSN)
Suzy B Smith	222-22-2222
3 Street address (including apartment no.)	
123 Red Arrow Dr	
4 City or town / 5 State or province / 6 Country and ZIP or foreign postal code	
Berlin / VT / 05602	

Applicable Large Employer Member (Employer)

7 Name of employer	8 Employer identification number (EIN)
District ABC	37-0000001
9 Street address (including room or suite no.)	10 Contact telephone number
52 Pike Dr	555-555-5555
11 City or town / 12 State or province / 13 Country and ZIP or foreign postal code	
Berlin / VT / 05602	

Part II Employee Offer of Coverage

Plan Start Month (enter 2-digit number): 01

	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	1E	1E	1B	1B	1B
15 Employee Required Contribution (see instructions)	$	$ 50.00	$ 50.00	$ 50.00	$ 50.00	$ 50.00	$ 50.00	$ 50.00	$ 50.00	$ 50.00	$ 567.09	$ 567.09	$ 567.09
16 Section 4980H Safe Harbor and Other Relief (enter code, if applicable)		2C	2C	2C	2C	2C	2C	2C	2C	2C	2B	2B	2B

Part III Covered Individuals

If Employer provided self-insured coverage, check the box and enter the information for each individual enrolled in coverage, including the employee. ☒

	(a) Name of covered individual(s) First name, middle initial, last name			(b) SSN or other TIN	(c) DOB (if SSN or other TIN 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	Suzy	B	Smith	222-22-2222		☐	☒	☒	☒	☒	☒	☒	☒	☒	☒	☐	☐	☐

Reporting Explanation

There is a real difference in the coding on the form.

Line 14 - enter **1E** in the boxes from January through September – as active employee Suzy was offered family coverage. Since only Suzy enrolled for active coverage, only Suzy is offered COBRA. Thus, Suzy's offer of COBRA is coded **1B. 1B** means 'MEC/MV offered to employee only'.

Line 15 - enter $50 to indicate the employee contribution toward the lowest cost employee-only coverage for the January through September boxes. For October through December we enter the employee-only cost of COBRA coverage for the lowest cost plan available to Suzy, in this case $567.90

Line 16 - enter **2C** in the boxes from January through September to indicate that Suzy was enrolled in coverage for those months. Because Suzy did not enroll for COBRA coverage, we enter **2B** (employee not a full-time employee) for October through December.

Part III reflects Suzy's coverage only while a full-time employee.

Please Note The Following

- All SDs or SUs that were in operation at any time in 2019 with at least 50 FT/FTEs need to report for all of 2019
- Where SDs or SUs with fewer than 50 FT/FTE merged **and** where the merged entity had at least 50 FT/FTEs on July 1, the new or continuing entity must begin filing July 1 for the balance of 2019
- Where the operations of any SD/SU ended during 2019, the Form 1095-C is completed for each FT employee for January through June, completing the codes as applicable
- Example: Suzy Smith worked for District XYZ, a small district, and was enrolled in family coverage. Effective 7/1/2019 District XYX merged into District ABC. District XYZ ceased operation 6/30/2019.
- Suzy Smith will receive two forms, one from District XYZ – Form 1095-B and one from District ABC, a large employer – Form 1095-C.
- **District XYZ** - Form 1095-B

560118

Form **1095-B** Department of the Treasury Internal Revenue Service

Health Coverage

▶ Do not attach to your tax return. Keep for your records.
▶ Go to *www.irs.gov/Form1095B* for instructions and the latest information.

☐ VOID ☐ CORRECTED

OMB No. 1545-2252

2019

Part I Responsible Individual

1 Name of responsible individual–First name, middle name, last name			2 Social security number (SSN) or other TIN	3 Date of birth (if SSN or other TIN is not available)
Suzy	B	Smith	222-22-2222	
4 Street address (including apartment no.)		5 City or town	6 State or province	7 Country and ZIP or foreign postal code
123 Red Arrow Dr		Berlin	VT	05602
8 Enter letter identifying Origin of the Health Coverage (see instructions for codes): . . . ▶ B			9 Reserved	

Part II Information About Certain Employer-Sponsored Coverage (see instructions)

10 Employer name			11 Employer identification number (EIN)
12 Street address (including room or suite no.)	13 City or town	14 State or province	15 Country and ZIP or foreign postal code

Part III Issuer or Other Coverage Provider (see instructions)

16 Name			17 Employer identification number (EIN)	18 Contact telephone number
District XYZ			06-0000008	555-555-5556
19 Street address (including room or suite no.)		20 City or town	21 State or province	22 Country and ZIP or foreign postal code
5 East Annadale Dr.		Wilmington	VT	05363

Part IV Covered Individuals (Enter the information for each covered individual.)

	(a) Name of covered individual(s) First name, middle initial, last name			(b) SSN or other TIN	(c) DOB (if SSN or other	(d) Covered all 12 months	(e) Months of coverage											
							Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
23	Suzy	B	Smith	222-22-2222		☐	☒	☒	☒	☒	☒	☒	☐	☐	☐	☐	☐	☐

Example 12 – Merging Districts

DISTRICT *ABC* FORM 1095-C

- District ABC begins reporting offer of coverage information beginning July 1. However, the months before July must be reported as well. Because the merger happened July 1 the months before July are reported as no offer/not an employee using:
  - **Line 14 – Code 1H** **Line 15 – Blank** **Line 16 – 2A**

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.

☐ VOID ☐ CORRECTED

600118 OMB No. 1545-2251 **2019**

Part I Employee

1 Name of employee (first name, middle initial, last name)	2 Social security number (SSN)
Suzy B Smith	222-22-2222
3 Street address (including apartment no.)	
123 Red Arrow Dr	
4 City or town / 5 State or province / 6 Country and ZIP or foreign postal code	
Berlin / VT / 05602	

Applicable Large Employer Member (Employer)

7 Name of employer	8 Employer identification number (EIN)
District ABC	37-0000001
9 Street address (including room or suite no.)	10 Contact telephone number
52 Pike Dr	555-555-5555
11 City or town / 12 State or province / 13 Country and ZIP or foreign postal code	
Berlin / VT / 05602	

Part II Employee Offer of Coverage — **Plan Start Month** (enter 2-digit number): 07

	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
14 Offer of Coverage (enter required code)		1H	1H	1H	1H	1H	1H	1E	1E	1E	1E	1E	1E
15 Employee Required Contribution (see instructions)	$	$	Coverage reported by District XYZ					$ 50.00	$ 50.00	$ 50.00	$ 50.00	$ 50.00	$ 50.00
16 Section 4980H Safe Harbor and Other Relief (enter code, if applicable)		2A	2A	2A	2A	2A	2A	2C	2C	2C	2C	2C	2C

Part III Covered Individuals
If Employer provided self-insured coverage, check the box and enter the information for each individual enrolled in coverage, including the employee. ☒

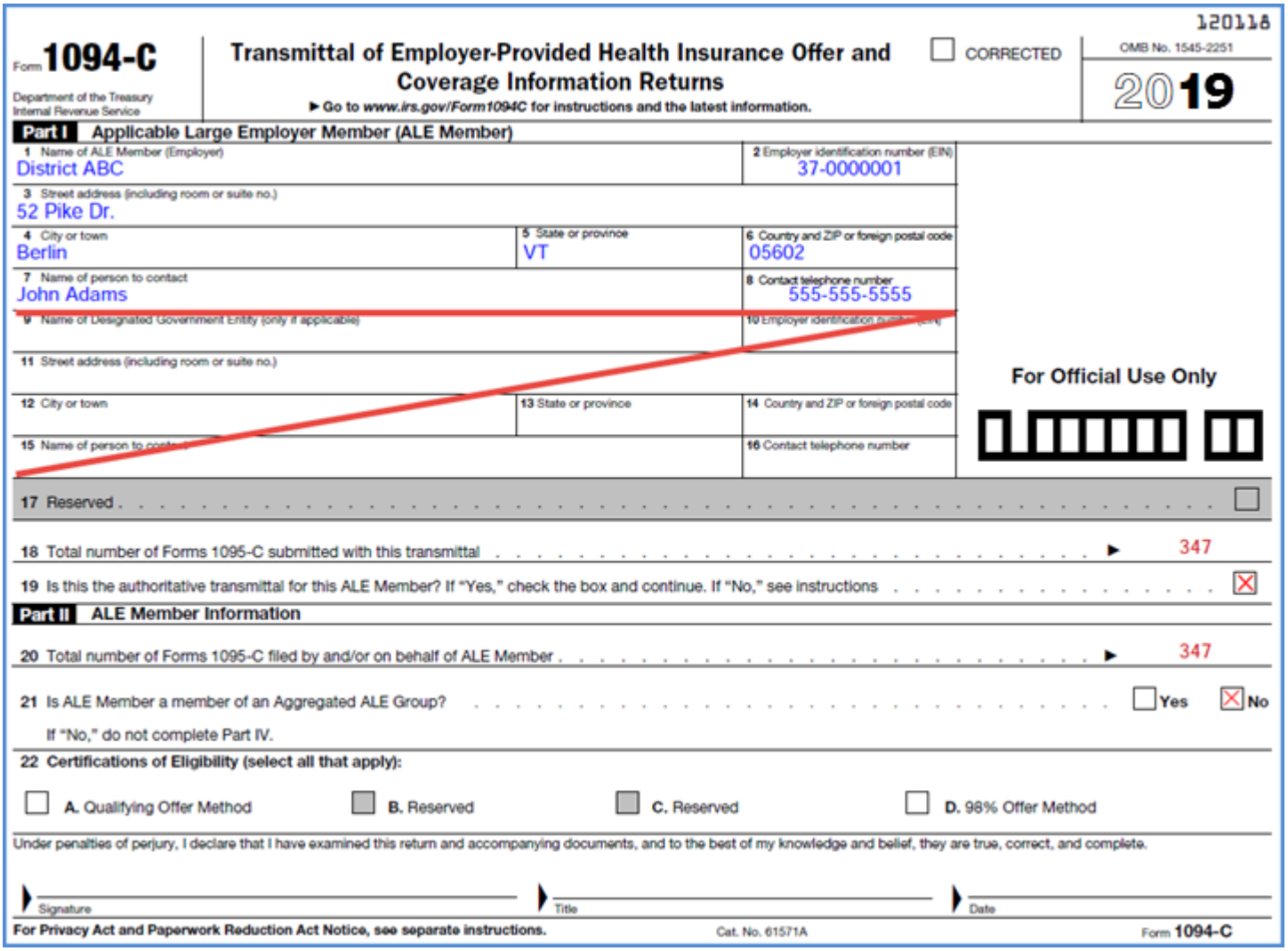
	(a) Name of covered individual(s) First name, middle initial, last name			(b) SSN or other TIN	(c) DOB (if SSN or other TIN is not available)	(d) Covered all 12 months	(e) Months of Coverage											
							Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
17	Suzy	B	Smith	222-22-2222		☐	☐	☐	☐	☐	☐	☐	☒	☒	☒	☒	☒	☒

Reporting Explanation

- Because Suzy is now employed by District ABC, that District codes Suzy as a new employee, but no waiting period
- Line 14 - code **1H** for January through June – No offer of coverage and we enter **1E** in July through December to indicate that Suzy was offered family medical coverage
- Line 15 - enter $50 to indicate the employee contribution toward the lowest cost employee-only coverage for July through December
- Line 16 - enter **2A** in the boxes from January through June to indicate that Suzy was not employed for those months. For July through December we enter **2C** in the boxes to indicate that Suzy was enrolled in coverage for those months
- Part III reflects Suzy's coverage only while a full-time employee.

Example 13 – Completing Form 1094-C

Form 1094-C is used as a transmittal form for the Forms 1095-C filed with the IRS. However, the purpose goes beyond just a transmittal form. The information requested on this form is used by the IRS to determine if an employer has met the employer shared responsibility mandate (requirement to offer 95% of all full-time employees qualifying coverage). By signing this form, the signer attests to the accuracy of the information submitted. **Note:** Part IV of the Form 1094-C is not completed.



120116

Form **1094-C**

Department of the Treasury
Internal Revenue Service

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

► Go to *www.irs.gov/Form1094C* for instructions and the latest information.

☐ CORRECTED

OMB No. 1545-2251

2019

Part I Applicable Large Employer Member (ALE Member)

1 Name of ALE Member (Employer): District ABC

2 Employer identification number (EIN): 37-0000001

3 Street address (including room or suite no.): 52 Pike Dr.

4 City or town: Berlin

5 State or province: VT

6 Country and ZIP or foreign postal code: 05602

7 Name of person to contact: John Adams

8 Contact telephone number: 555-555-5555

9 Name of Designated Government Entity (only if applicable)

10 Employer identification number (EIN)

11 Street address (including room or suite no.)

12 City or town

13 State or province

14 Country and ZIP or foreign postal code

15 Name of person to contact

16 Contact telephone number

For Official Use Only

17 Reserved . . . ☐

18 Total number of Forms 1095-C submitted with this transmittal . . . ► 347

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 . . . ► 347

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):**

☐ A. Qualifying Offer Method ☐ B. Reserved ☐ C. Reserved ☐ 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.

► Signature ► Title ► Date

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 61571A Form **1094-C**

Part I – Applicable Large Employer Member (employer) information. The employer and address should match the information entered on the Form 1095-Cs relating to the employer.

The contact name and telephone number should be to a person with the employer who can respond to the IRS with questions about the Form 1094-C and the accompanying Form 1095-Cs.

Lines 18 - 19

In most cases employers will submit all Form 1095-Cs with a single Form 1094-C. If this is the case, Line 18 and Lines 20 should match and Line 19 should be marked indicating the Form 1094-C is the 'authoritative transmittal'. Only one authoritative transmittal should be submitted.

Example 13 – Completing Form 1094-C, cont.

Part II – ALE Member Information (employer)

Line 20

Enter the total number of Form 1095-C being submitted with all 1094-C transmittal forms submitted by the employer.

Line 21

Check this box no.

Line 22

If the employer is using the 'Qualifying Offer Method' or the '98% Offer Method' when submitting Forms 1095-C, the applicable box must be checked.

Example 13 – Completing Form 1094-C, cont.

Part III - This section collects information about the employer's offer of minimum essential coverage (MEC) to full-time employees.

Column (a) – **here the employer is asked to indicate during which months the employer offered MEC to at least 95% of all full-time employees.** The employer's back-up data and the Forms 1095-C should support a claim of offering 95% of full-time employees coverage for each of the months. If the employer offered coverage to 95% of all full-time employees for all 12 months, the employer checks 'yes' under column (a) on line 23, otherwise the employer checks the applicable box for each of the calendar months.

Column (b) - Employers enter the number of full-time employees for each calendar month of the year.

Column (c) – Employer enters the total number of employees, including full-time employees and non-full-time employees, and employees in a Limited Non-Assessment Period, for each calendar month. Employer **must choose one of the following** days of the month to determine the number of employees per month and must use that day for all months of the year: **(1)** the first day of each month, **(2)** the last day of each month, **(3)** the 12th day of each month, **(4)** the first day of the first payroll period that starts during each month, or **(5)** the last day of the first payroll period that starts during each month (provided that for each month that last day falls within the calendar month in which the payroll period starts).

Form 1094-C Page 2

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) Reserved
		Yes	No				
23	All 12 Months	☒	☐			☐	
24	Jan	☐	☐	299	315	☐	
25	Feb	☐	☐	299	315	☐	
26	Mar	☐	☐	297	314	☐	
27	Apr	☐	☐	302	319	☐	
28	May	☐	☐	302	319	☐	
29	June	☐	☐	277	289	☐	
30	July	☐	☐	276	289	☐	
31	Aug	☐	☐	283	291	☐	
32	Sept	☐	☐	301	317	☐	
33	Oct	☐	☐	301	317	☐	
34	Nov	☐	☐	303	318	☐	
35	Dec	☐	☐	302	318	☐	

Form **1094-C**

VEHI Website Resources

1094/1095 Forms and ACA Measurement Reporting Resources

- Large Employer (ALE) Resources
- Small Employer Resources
- General IRS Reporting Resources
- Measurement Period Resources