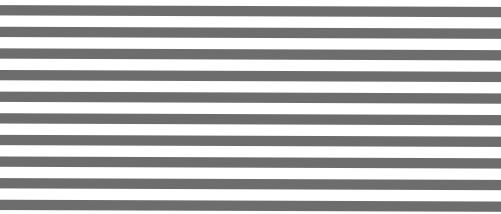
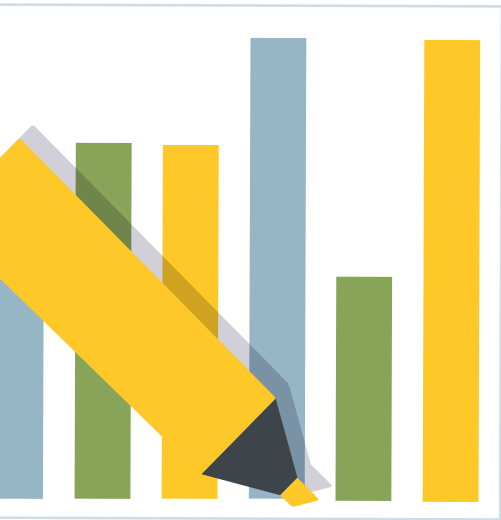


2018

Evolution



Payroll Experts - Evolution 2018 ACA User's Guide

Table of Contents

Affordable Care Act - Employer Responsibilities Overview	3
Payroll Experts - Client ACA Questionnaire.....	3
Definitions	4
How to Enter Employee ACA Information	5
Employee ACA Information – “ACA” Section	6
Employee ACA Information – “Reporting” Section.....	6
Employee ACA Information – “ACA History” Section.....	7
How to Enter Values That Have a Different Begin Effective Date	8
How to Copy a Selected Value to Multiple Employees	8
Examples of Properly Entered Employee ACA Information.....	9
Explanation of ACA Time Periods	11
How to Review the Employee Eligibility Report.....	13
How to Preview the 1095-C Report	13
Explanation of Non-Affordability Safe Harbor Codes.....	14
How to View Company ACA Benefit Information.....	15
IRS 2018 ACA Coverage Table	16
IRS 2018 Applicable Section 4980H Safe Harbors Code Table	16
IRS 2018 Guide to the Applicable 4980H Safe Harbors Code Table	17
IRS 2018 Form 1095-C	18

Affordable Care Act - Employer Responsibilities Overview



The Affordable Care Act” (ACA) often referred to as “Obamacare” (ACA) is a United States federal statute passed by Congress and signed into law on March 23, 2010.

The ACA aims to increase the quality and affordability of health insurance, lower the uninsured rate by expanding public and private insurance coverage, and reduce the costs of health care for individuals and the government. It provides mechanisms including mandates, penalties, subsidies, and insurance marketplace exchanges to increase coverage and affordability.

Employers employing at least 50 full-time employees (or a combination of full-time and part-time employees that are equivalent to 50 full-time employees) are referred to as “Applicable Large Employers”. They are subject to the **Employer Shared Responsibility** provisions of section 4980H of the Internal Revenue Code and are required to furnish a completed **Form 1095-C (Employer-Provided Health Insurance Offer & Coverage)** to all employees (including employees who decline coverage) after the end of each calendar year.

Based on health care coverage information you enter for each employee, and prior payroll information, we will prepare and complete the annual 1095-C forms for you to distribute to your employees by **JANUARY 25, 2019**.

Payroll Experts - Client ACA Questionnaire

Please answer these questions and return to your Client Support Expert (CSE) as soon as possible.

We will then contact you to schedule an online-training for you to learn how to properly enter monthly reporting of ACA healthcare offer and coverage.

Note: Where applicable, consult your Accounting Professional, Tax Professional, Healthcare-Coverage Broker or Benefits Administrator for guidance on completing this questionnaire.

Questions:		Answers:
1.	How would you describe the work status of <u>all</u> your employees? (Select from: Full-Time, Part-Time, Variable or a Combination.)	
2.	What is the name of your Medical Health plan for 2018? (List both names if you have had two health plans in 2018.)	
3.	What was the Effective Start Date of your healthcare plan(s)? (For multiple plans, list both Effective Start Dates.)	
4.	What is/was the Effective End Date of your healthcare plan(s)? (For multiple plans, list both Effective End Dates.)	
5.	What is the Lowest Cost Premium employees pay per pay-period? (For multiple plans, list both Lowest Cost Premiums.)	
If Answer 1 is not “All Full-Time”, then answer the following questions:		
6.	What is the Start Date of your first Standard Measurement Period?	
7.	What is the End Date of your first Standard Measurement Period?	
8.	What is the number of months of your Administration Period?	
9.	What is the number of months of your Stability Period? (Must be between 6 and 12, and no shorter than Measurement Period.)	
10.	What is the work status of the <u>majority</u> of your new-hires? (Select from Full-Time, Part-Time or Variable.)	

Definitions

Administration Period:

Period of months of your Administration Period

[See page 11 for more information.](#)

Applicable Large Employer (ALE):

Employers who employ at least 50 full-time employees (or a combination of actual full-time employees plus full-time equivalent employees). For employers of “groups” of companies, employees in all groups are combined

Calculation of Full-time Equivalent Employees

(Calculation is based on prior year’s employment.)

To determine the number of full-time equivalent employees:

1. Add the part-time hours-of-service in a month (up to 120 hours per employee).
2. Divide the total by 120.
3. Round down to the lower whole number

Example: If you have seven employees who each had twenty weekly hours-of-service, you have four FTE’s.

7 employees X 20 weekly hours = 140 total hours per week

140 total hours per week X 4 weeks = 560 total hours per month

560 hours ÷ 120 = 4.66 (rounded down = 4 FTEs)

Exceptions to Applicable Large Employer calculations:

The following are not to be counted in the calculation:

- Independent Contractors (paid by 1099)
- Certain variable hour workers
- Seasonal employees working 120 or fewer days per year
- COBRA and retired enrollees

Full-time Employee:

An employee who averages at least 30 hours-of-service per week during the calendar month (or at least 130 hours-of-service in a calendar month)

Hours-of-Service:

Hours an employee is paid or is entitled to payment (including holidays, sick time, vacation and FMLA)

Lowest Cost Premium:

Lowest cost premium (per pay) for employee-only health care coverage employees are offered

Measurement Period:

Period of months non-Full-time employees are looked back at to determine ACA status.

[See page 11 for more information.](#)

Part-time Employee:

An employee who averages fewer than 30 hours-of-service per week during the calendar month (or fewer than 130 hours-of-service in a calendar month)

Stability Period:

Period of months that Full-time employees are to be guaranteed healthcare coverage
Must be between 6 and 12 months, and no shorter than your measurement period.

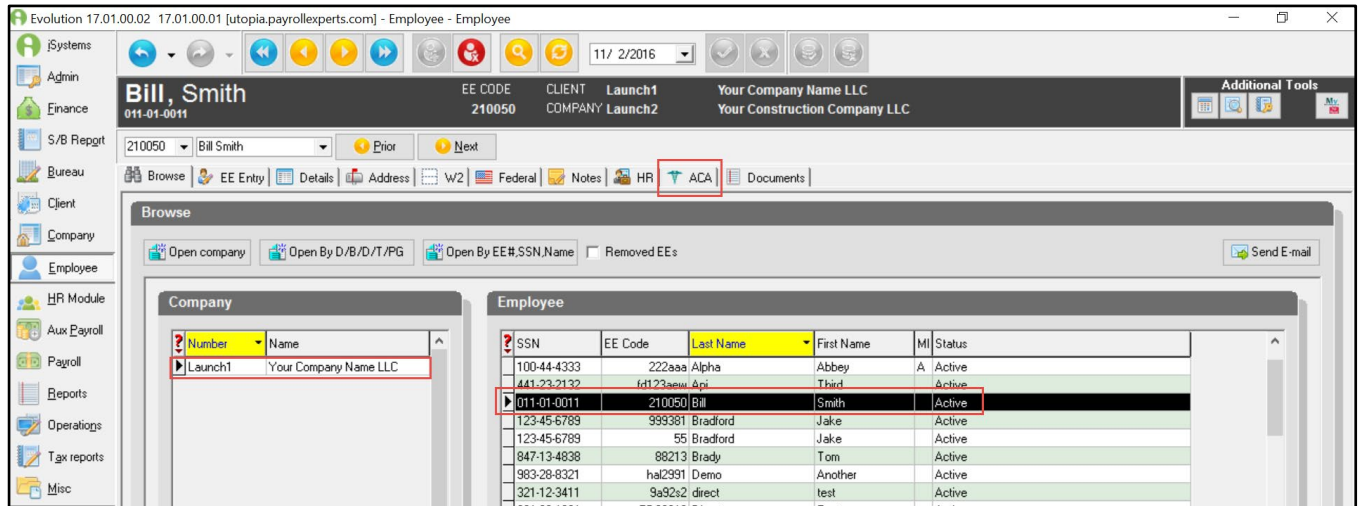
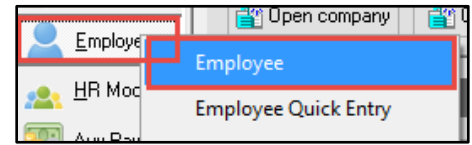
[See page 11 for more information.](#)

Variable Employee:

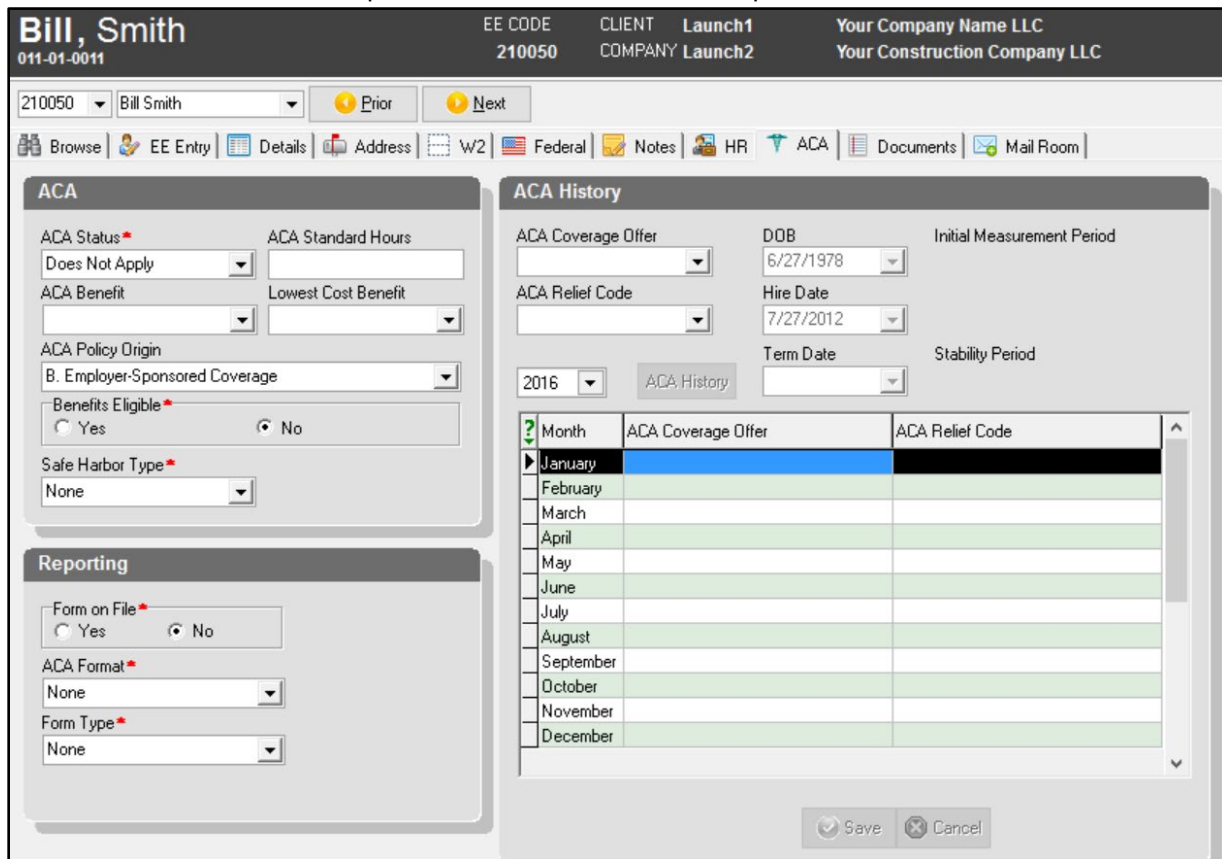
An employee who has an undetermined number of hours-of-service per week.

How to Enter Employee ACA Information

1. In **Evolution**, click the **Employee** menu.
2. Click the **Employee** sub-menu
3. In the “**Company**” section, double-click your company name.
4. In the “**Employee**” section, click an employee’s name.
5. Click the “**ACA**” tab.



For each employee, in each section, enter a value for each field (or select a value from a drop-down list). Fields marked with a ★ are required fields. All other fields are optional.



Employee ACA Information – “ACA” Section

Note: When entering information in the “ACA” section, values in the “ACA History” section may appear to be no longer displayed. History data is retained and can be viewed by clicking the “ACA History” button.

ACA Status: ★

Options are: “Full Time”, “Part Time”, “Variable Hour”, “Seasonal” or “Does Not Apply”.
Select the appropriate status of the employee based on average hours of service.

ACA Standard Hours:

For salaried employees, enter the number of standard hours per pay period.

ACA Benefit:

Select the name of the benefit plan to be used to determine the Lowest Cost Benefit.

Lowest Cost Benefit:

Select the lowest cost tier offered to the employee.

ACA Policy Origin:

Select the appropriate option for this employee.
Do not change from the default.

Benefits Eligible: ★

Select “Yes” if employee is Full-Time, otherwise select “No”.

Safe Harbor Type: ★

Select the appropriate option to be used when calculating affordability.

Employee ACA Information – “Reporting” Section

Note: When entering information in the “Reporting” section, values in the “ACA History” section may appear to be no longer displayed. History data is retained and can be viewed by clicking the “ACA History” button.

Form on File: ★

Select “Yes” if you have written permission to electronically release the employee’s Form 1095-C.

ACA Format: ★

Select “None” if the employee is not to receive a copy of Form 1095-C.
Select “Both” if the employee is to receive both an electronic and paper copy of Form 1095-C.
Select “Paper” if the employee is to receive only a paper copy of Form 1095-C.

Form Type: ★

Options are: “None”, “1095-B” or “1095-C”.
Select “1095-C” if employee is Full-Time.

Employee ACA Information – “ACA History” Section

If all months are to have the same **ACA Coverage Offer** code, click the drop-down, and select the code.

If all months are to have the same **ACA Relief Code**, click the drop-down, and select the code.

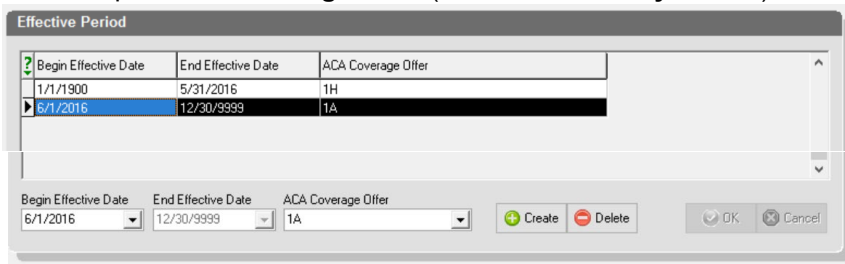
If the employee has any monthly changes to either an **ACA Coverage Offer** or an **ACA Relief Code**, ensure the correct year is selected, then click the “**ACA History**” button. In the history grid, select the **ACA Coverage Offer** and **ACA Relief Code** for only the months where changes happen. The selected code will automatically repeat for subsequent months. Therefore, enter monthly values chronologically (Top-down, starting with January).

When complete, click the “**Save**” button.

Effective Dating: For most fields, when selecting a value from a drop-down list, the “Begin Effective Date” for the value selected is automatically set to the current date. Therefore, if the value is to have a different “Begin Effective Date”, you must right-click to then be able to enter the appropriate “Begin Effective Date”.

Whenever a “Begin Effective Date” is entered, the previous row automatically gets assigned an “End Effective Date” of the day before the Begin Effective Date. Therefore, you must enter dates in chronological order.

For example, **ACA Coverage Offer** (in the **ACA History** section), code 1A has a Begin Effective Date 6/1/2016.



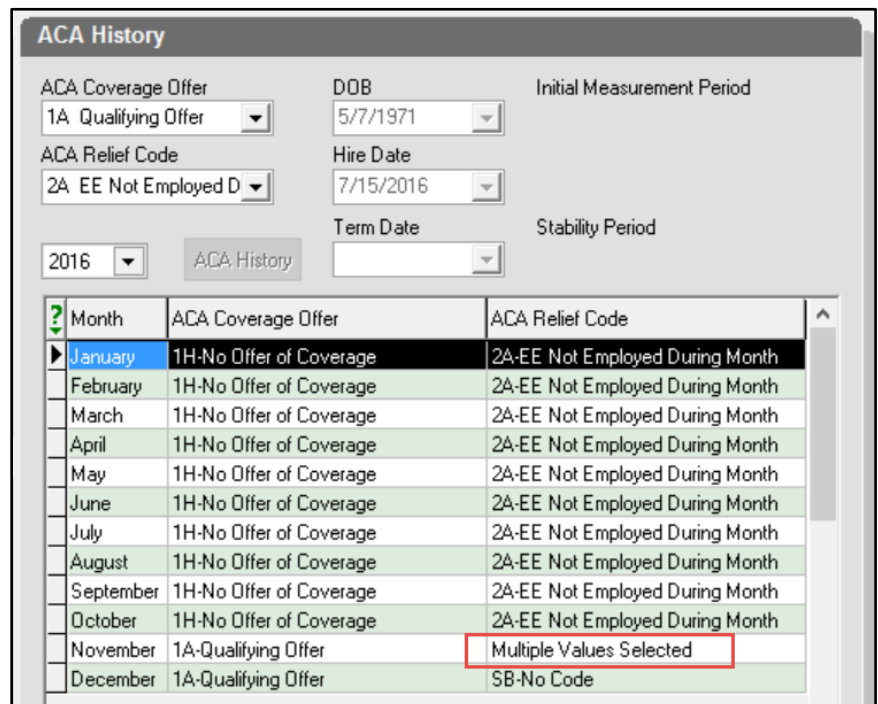
Begin Effective Date	End Effective Date	ACA Coverage Offer
1/1/1900	5/31/2016	1H
6/1/2016	12/30/9999	1A

Important Note:

If “**Multiple Values Selected**” appears in either column of the history grid:

- 1) Click the drop-down icons at the top of the **ACA History** section.
- 2) Right-click and delete EVERY Effective Date row (including rows with multiple values per month).
- 3) In the now blank history grid, select the values in the months where changes happen (top-down).

*The selected code will repeat for all the subsequent months, and “**Multiple Values Selected**” will then be cleared.*



Month	ACA Coverage Offer	ACA Relief Code
January	1H-No Offer of Coverage	2A-EE Not Employed During Month
February	1H-No Offer of Coverage	2A-EE Not Employed During Month
March	1H-No Offer of Coverage	2A-EE Not Employed During Month
April	1H-No Offer of Coverage	2A-EE Not Employed During Month
May	1H-No Offer of Coverage	2A-EE Not Employed During Month
June	1H-No Offer of Coverage	2A-EE Not Employed During Month
July	1H-No Offer of Coverage	2A-EE Not Employed During Month
August	1H-No Offer of Coverage	2A-EE Not Employed During Month
September	1H-No Offer of Coverage	2A-EE Not Employed During Month
October	1H-No Offer of Coverage	2A-EE Not Employed During Month
November	1A-Qualifying Offer	Multiple Values Selected
December	1A-Qualifying Offer	SB-No Code

How to Enter Values That Have a Different Begin Effective Date

1. Right-click the field to contain the selected value.
2. Select **“Effective Period”**.
3. Click the **“Create”** button.
(The Effective Period Editor will be displayed.)
(Initially, the first row has a Begin Date of 1/11/900 and an End Date of 12/30/9999.)
4. Click the applicable row or click the **“Create”** button to add a new row.
5. If applicable, click the “Begin Effective Date” drop-down, select a date.
(The End Effective Date will automatically be set to 12/30/9999.)
6. If applicable, enter the value for that date range (or select from the drop-down list).
7. Click the **“OK”** button.
8. For additional Begin Effective Dates, repeat from Step 4.
9. Click the **“Save”** and **“Commit”** buttons.

The following fields enable you to adjust Effective Dates and allows you to automatically copy their value to multiple employees:

- ACA Status
- Lowest Cost Benefit
- ACA Policy Origin
- Benefits Eligible
- ACA Format
- Form Type
- ACA Coverage Offer.

Note that ONLY THE VALUE DISPLAYED in the selected field will be copied to multiple employees. Values NOT DISPLAYED (having a different Begin Effective Date & End Effective Date) will not be copied.

How to Copy a Selected Value to Multiple Employees

Follow these steps to automatically copy selected values to ONE or MORE employees.

1. Right-click the field that should be copied to multiple employees.
2. Select **“Copy to...”**
(All your employees will be listed in an Employees grid.)
3. If applicable, click the “Begin Effective Date” drop-down, and select a date.
4. If the selected value is to be copied to all employees listed in the grid:
 - a. Click the **“Copy to all”** button.
 - b. When prompted “Are you sure you want to do this?”, click the **“Yes”** button.
5. If the selected value is to be copied to multiple (but not all) employees listed in the grid:
 - a. Ctrl + Click each employee the value is to be copied to.
 - b. Click the **“Copy”** button.

Examples of Properly Entered Employee ACA Information

Note: Below are examples only. Your scenarios may be different. Please consult your Accounting Professional, Tax Professional, Health-Care-Coverage Broker or Benefits Administrator.

Example #1. Employee was hired Full Time on **March 15th, 2016** with a **60-day** waiting period. Health coverage was offered (and enrolled) on **June 1st, 2016**.

In the “**ACA**” section, in the **ACA Status** field: (as shown below)

Enter “Full Time” with a Begin Effective date of: **6/1/2016**.

Effective Period		
Begin Effective Date	End Effective Date	ACA Status
1/1/1900	5/31/2016	Does Not Apply
6/1/2016	12/30/9999	Full Time

In the “**ACA History**” section, (as shown below)

Under **ACA Coverage Offer**:

In January, enter **1H - No Offer of Coverage**

In June, enter **1A - Qualifying Offer**

Under **ACA Relief Code**:

In January, enter **2A - EE Not Employed During Month**

In March, enter **2D - 4980H(b) Limited Non-Assessment**

In June, enter **2C - Employee Enrolled in Coverage**

ACA History		
ACA Coverage Offer	DOB	Initial Measurement Period
1A Qualifying Offer	3/5/1986	
ACA Relief Code	Hire Date	
2C Employee Enrolled in	3/5/2014	
2016	Term Date	Stability Period
Month	ACA Coverage Offer	ACA Relief Code
January	1H-No Offer of Coverage	2A-EE Not Employed During Month
February	1H-No Offer of Coverage	2A-EE Not Employed During Month
March	1H-No Offer of Coverage	2D-4980H(b) Limited Non-Assessment
April	1H-No Offer of Coverage	2D-4980H(b) Limited Non-Assessment
May	1H-No Offer of Coverage	2D-4980H(b) Limited Non-Assessment
June	1A-Qualifying Offer	2C-Employee Enrolled in Coverage
July	1A-Qualifying Offer	2C-Employee Enrolled in Coverage
August	1A-Qualifying Offer	2C-Employee Enrolled in Coverage
September	1A-Qualifying Offer	2C-Employee Enrolled in Coverage
October	1A-Qualifying Offer	2C-Employee Enrolled in Coverage
November	1A-Qualifying Offer	2C-Employee Enrolled in Coverage
December	1A-Qualifying Offer	2C-Employee Enrolled in Coverage

Example #2. Employee was hired Full-Time **March 5, 2014**.
 Employee was enrolled in coverage through termination on **Nov 7, 2016**.

In the “**ACA**” section, in the **ACA Status** field: (as shown below)
 Enter “Full Time” with a Begin Effective Date of: **3/5/2014**.

Effective Period		
Begin Effective Date	End Effective Date	ACA Status
1/1/1900	3/4/2014	Does Not Apply
3/5/2014	12/30/9999	Full Time

In the “**ACA History**” section, (as shown below)

Under **ACA Coverage Offer**:

In January, enter **1A - Qualifying Offer**

In December, enter **1H - No Offer of Coverage**

Under **ACA Relief Code**:

In January, enter **2C – Employee Enrolled in Coverage**

In December, enter **2A - EE Not Employed During Month**

ACA History

ACA Coverage Offer:
 DOB:
 Initial Measurement Period:

ACA Relief Code:
 Hire Date:

2016

 Term Date:
 Stability Period:

Month	ACA Coverage Offer	ACA Relief Code
January	1A-Qualifying Offer	2C-Employee Enrolled in Coverage
February	1A-Qualifying Offer	2C-Employee Enrolled in Coverage
March	1A-Qualifying Offer	2C-Employee Enrolled in Coverage
April	1A-Qualifying Offer	2C-Employee Enrolled in Coverage
May	1A-Qualifying Offer	2C-Employee Enrolled in Coverage
June	1A-Qualifying Offer	2C-Employee Enrolled in Coverage
July	1A-Qualifying Offer	2C-Employee Enrolled in Coverage
August	1A-Qualifying Offer	2C-Employee Enrolled in Coverage
September	1A-Qualifying Offer	2C-Employee Enrolled in Coverage
October	1A-Qualifying Offer	2C-Employee Enrolled in Coverage
November	1A-Qualifying Offer	2C-Employee Enrolled in Coverage
December	1H-No Offer of Coverage	2A-EE Not Employed During Month

Explanation of ACA Time Periods

Waiting Period

A “waiting period” is the period of time that must pass before coverage becomes effective for a new employee (who otherwise meets plan eligibility requirements). The ACA requires employers to offer eligible employees coverage that is effective by the 91st calendar day (including weekends and holidays). If an employee takes longer than 90 days to accept the offered coverage, the employer is not in violation of the 90-day limit.

Initial Measurement Period

New employees whose hours are unpredictable (such as seasonal or variable-hour), have their status determined by looking over a period of time called a “initial measurement period,” which can be 3-12 months.

Standard Measurement Period

Employers determine each on-going employee’s full-time status by looking back at the “standard measurement period” (between 3 and 12 consecutive calendar months). Employers specify the months in which the standard measurement period starts and ends. However, it must be applied on a uniform and consistent basis for all employees in the same category. Employees who average at least 30 hours per week during the “standard measurement period”, are considered Full-time during a subsequent “stability period,” regardless of the number of hours of service during the “stability period”, so long the employee is actively employed.

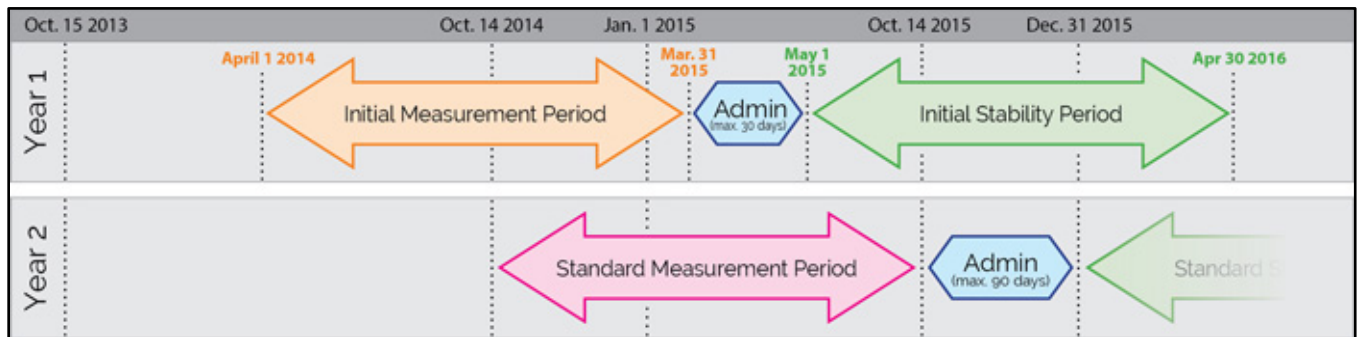
Administrative Period

Employers need time between the “standard measurement period” and the “stability period” to determine which ongoing employees are benefits-eligible, and to notify and enroll employees. Therefore, an “administrative period” is set after the “standard measurement period” ends but before the “stability period” begins. This permits time to process administrative paperwork and enroll employees in benefit plans. However, any “administrative period” between the “standard measurement period” and the “stability period” may neither reduce nor lengthen the “measurement period” or the “stability period”. The “administrative period” may last up to 90 days, however the sum of the “measurement period” and the “administrative period” cannot exceed 13 months.

Stability Period

The “stability period” must be a period of at least six consecutive calendar months (no shorter than the “standard measurement period”) and begins after the “standard measurement period”.

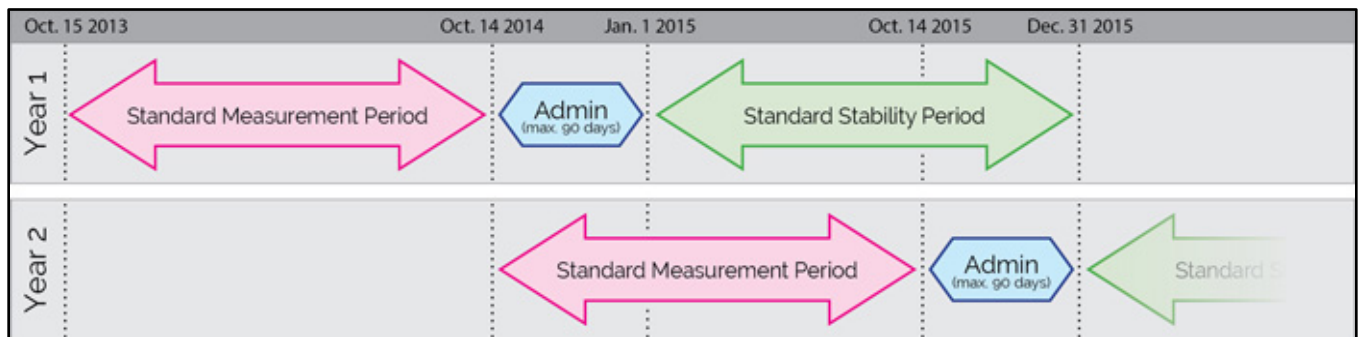
New Employee



New variable hour and seasonal employees are measured from the date of hire and may be measured simultaneously in both the Initial Measurement Period and the Standard Measurement Period.

Note: If the new employee was determined to be full-time during the Initial Measurement Period, but part-time in the Standard Measurement Period, the employee would cease to be eligible for healthcare insurance at the end of the following Initial Stability Period. Conversely, if the new employee was determined to be part-time during the Initial Measurement Period, but full-time during the Standard Measurement Period, the employee would become eligible for healthcare insurance from the following Standard Stability Period.

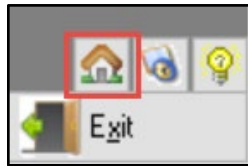
Ongoing Employee



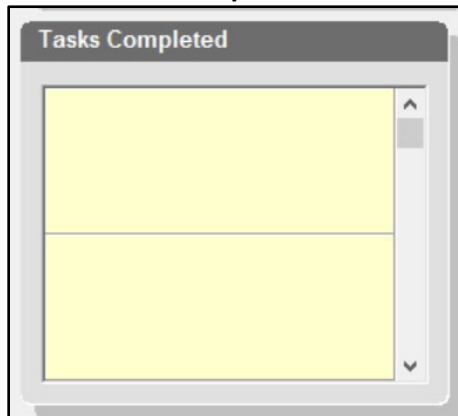
This process will continue from year-to-year for all employees to determine which employees must be offered healthcare insurance during the next Standard Stability Period.

How to Review the Employee Eligibility Report

1. In **Evolution**, click the house icon (located in the lower-left corner).



In the “**Tasks Completed**” section, automatically scheduled reports will appear.



2. On a **weekly basis**, click the most recent “ACA Eligibility Analysis Report”.

The report lists Variable Hour employees that have been employed for the exact number of months of the Measurement Period and will show each employee’s total and average hours paid per month. By the end of the Administration period, employees with over 130 average hours per month must be offered Healthcare Coverage for the duration of the Stability Period.

How to Preview the 1095-C Report

1. In **Evolution**, ensure the correct company is selected.
2. Click the “**Reports**” menu.
3. Click the “**Run Reports**” sub-menu.
4. In the “**Report**” section click “ACA 1095 Preview Report (S3125)” report.
5. Click the “**Misc.**” tab.
6. Ensure the correct **Report Year** is selected.
7. If Social Security numbers are to be masked, click the “**Mask Sensitive Information**” check-box.
8. Click the “**Run Report(s)**” button.

Explanation of Non-Affordability Safe Harbor Codes

2G - Federal Poverty Line Safe Harbor

The employee's contribution is considered non-affordable if the employee's contribution for the calendar month (for the lowest self-only coverage) exceeds 9.56% of a monthly amount determined as the federal poverty line for a single individual for the applicable calendar year, divided by 12.

For example: The maximum monthly premium is **\$96.08**
($\$12,140 / 12 * .0956$)

2H - Rate of Pay Safe Harbor

The employee's contribution is considered non-affordable if the employee's contribution for the calendar month (for the lowest self-only coverage) exceeds 9.56% of the employee's hourly wage x 130 hours (or exceeds 9.56% of the monthly wage).

For example: If the hourly wage is \$10.00 then the maximum monthly premium is **\$140.10**.
($\$10 \times 130 \times .0956$)

This safe harbor code can be used for exempt and non-exempt employees as long as the monthly salary is not reduced for exempt employees.

2F – Form W-2 Safe Harbor

The employee's contribution is considered non-affordable if the employee's contribution for the calendar month (for the lowest self-only coverage) exceeds 9.56% of the employee's average monthly wage.

For example: If annual wages are \$24,000 then the maximum monthly premium is **\$191.20**.
($\$24,000 / 12 \times .0956$)

The employer may calculate the affordability of the coverage based solely on the wages they paid to the employee as reported in Box 1 of the Form W-2 (Wage and Tax Statement) of the current year.

Note: The Affordability Rate is inflation-adjusted.

For healthcare plans beginning in **2016**, affordability rate is: **9.66%**
For healthcare plans beginning in **2017**, affordability rate is: **9.69%**
For healthcare plans beginning in **2018**, affordability rate is: **9.56%**
For healthcare plans beginning in **2019**, affordability rate is: **9.86%**

Note: For **2018**, the Federal Poverty line is **\$12,140** for a single individual for every state (including Washington DC) except Alaska and Hawaii.

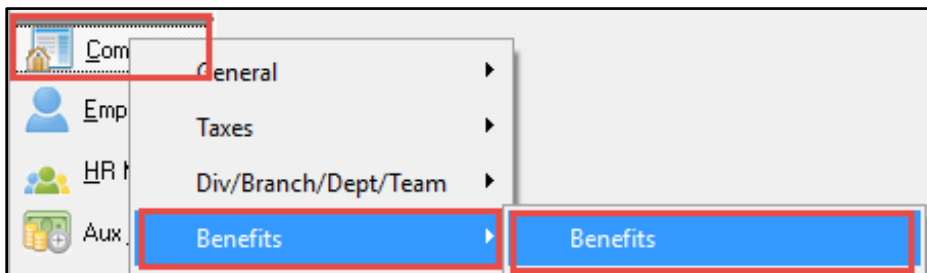
How to View Company ACA Benefit Information

Login into Evolution:

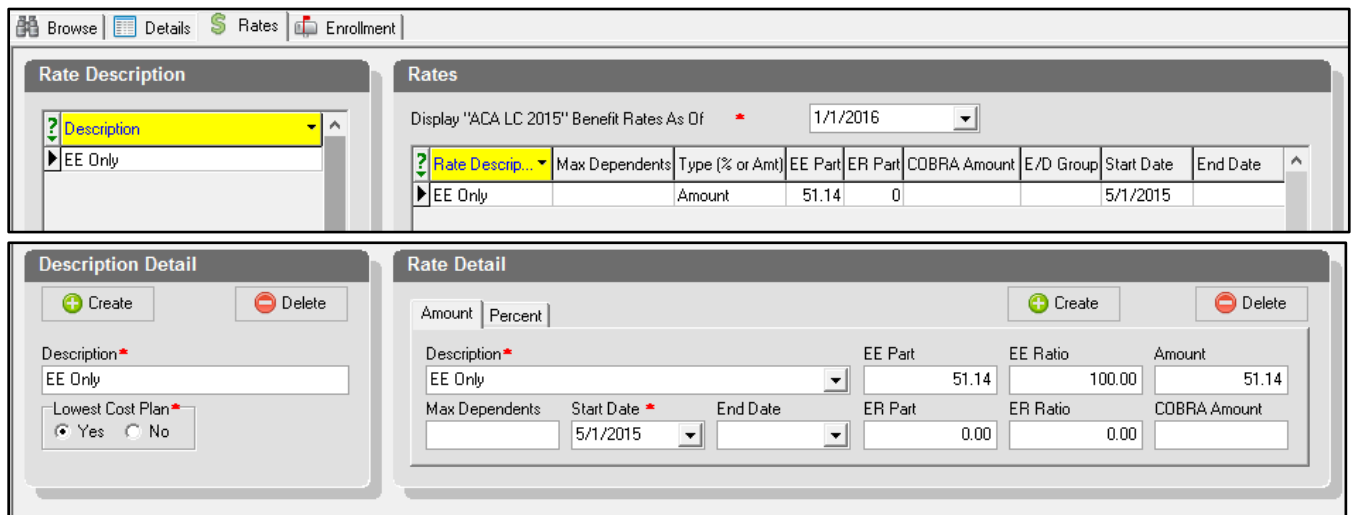
1. In Evolution, enter your **Login ID** and **Password**.
2. In the **Server** field, enter "henry.payrollexperts.com".
3. Click the "OK" button.



4. Click the **Company** menu.
5. Click the **Benefits** sub-menu
6. Click the **Benefits** sub-sub-menu



The **Company ACA Benefit Information** is in "View Only" mode.
For changes, contact your CSE.



Rate Description	Max Dependents	Type (% or Amt)	EE Part	ER Part	COBRA Amount	E/D Group	Start Date	End Date
EE Only		Amount	51.14	0			5/1/2015	

Description	EE Part	EE Ratio	Amount
EE Only	51.14	100.00	51.14

Max Dependents	Start Date	End Date	ER Part	ER Ratio	COBRA Amount
	5/1/2015		0.00	0.00	

IRS 2018 ACA Coverage Table

Code	Description
1A	Minimum essential coverage providing minimum value offered to full-time employee with employee contribution for self-only coverage equal to or less than 9.56% (as adjusted) single federal poverty line AND at least minimum essential coverage offered to spouse and dependent(s).
1B	Minimum essential coverage providing minimum value offered to employee ONLY.
1C	Minimum essential coverage providing minimum value offered to employee AND at least minimum essential coverage offered to dependent(s) (but NOT spouse).
1D	Minimum essential coverage providing minimum value offered to employee AND at least minimum essential coverage offered to spouse (but NOT dependent(s)).
1E	Minimum essential coverage providing minimum value offered to employee AND at least minimum essential coverage offered to dependent(s) AND spouse.
1F	Minimum essential coverage NOT providing minimum value offered to employee; employee AND spouse or dependent(s); or employee, spouse AND dependent(s).
1G	Offer of coverage to 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).
1I	Reserved
1J	Minimum essential coverage providing minimum value offered to employee, AND minimum essential coverage conditionally offered to employee's spouse, AND minimum essential coverage NOT offered to dependent(s).
1K	Minimum essential coverage providing minimum value offered to employee, AND minimum essential coverage conditionally offered to spouse, AND minimum essential coverage offered to dependent(s).

IRS 2018 Applicable Section 4980H Safe Harbors Code Table

Code	Description
No Code	Employee did not enroll in coverage offered
2A	Employee not employed on any day of the month
2B	Employee not a full-time employee
2C	Employee enrolled in coverage offered for each day of the month
2D	Employee in a section 4980H(b) Limited Non-Assessment Period (Waiting Period)
2E	Multi-employer interim rule relief
2F	Section 4980H affordability Form W-2 safe harbor
2G	Section 4980H affordability Federal poverty line safe harbor
2H	Section 4980H affordability Rate of pay safe harbor
2I	Reserved

IRS 2018 Guide to the Applicable 4980H Safe Harbors Code Table

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 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** for any month in which the multiemployer interim relief applies (enter code **2E**). Do not enter code **2C** if code **1G** is entered for all 12 months because the employee was not a full-time employee for any month of the calendar year. Do not enter code **2C** 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 Limited Non-Assessment Period for section 4980H(b). 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). For an employee in a section 4980H(b) Limited Non-Assessment Period for whom the ALE Member is also eligible for the multiemployer interim rule relief for the month, enter code **2E** (multiemployer interim rule relief) and not code **2D** (employee in a Limited Non-Assessment Period).

2E. Multi-employer interim rule relief. Enter code **2E** for any month for which the multiemployer arrangement interim guidance applies for that employee, regardless of whether any other code in Code Series 2 (including code **2C**) might also apply.

Note. Although ALE Members may use the section 4980H affordability safe harbors to determine affordability for purposes of the multiemployer arrangement interim guidance, an ALE Member eligible for the relief provided in the multiemployer arrangement interim guidance for a month for an employee should enter code **2E** (multiemployer interim rule relief), and not codes **2F**, **2G**, or **2H** (codes for section 4980H affordability safe harbors).

2F. Section 4980H affordability Form W-2 safe harbor. Enter code **2F** if the ALE Member used the section 4980H Form W-2 safe harbor to determine affordability for purposes of section 4980H(b) for this employee for the year. If an ALE Member uses this safe harbor for an employee, it must be used for all months of the calendar year for which the employee is offered health coverage.

2G. Section 4980H affordability Federal poverty line safe harbor. Enter code **2G** if the ALE Member 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).

2H. Section 4980H affordability Rate of pay safe harbor. Enter code **2H** if the ALE Member used the section 4980H rate of pay safe harbor to determine affordability for purposes of section 4980H(b) for this employee for any month(s).

2I. Reserved (This code is reserved for future IRS use; do not use)

DRAFT 4/14/18

Form 1095-C (2018)

Instructions for Recipient

You are receiving this Form 1095-C because your employer is an Applicable Large Employer subject to the employer shared responsibility provision in the Affordable Care Act. This Form 1095-C includes information about the health insurance coverage offered to you by your employer. Form 1095-C, Part II, includes information about the coverage, if any, your employer offered to you and your spouse and dependent(s). If you purchased health insurance coverage through the Health Insurance Marketplace and wish to claim the premium tax credit, this information will assist you in determining whether you are eligible. For more information about the premium tax credit, see Pub. 974, Premium Tax Credit (PTC). You may receive multiple Forms 1095-C if you had multiple employers during the year that were Applicable Large Employers (for example, you left employment with one Applicable Large Employer and began a new position of employment with another Applicable Large Employer). In that situation, each Form 1095-C would have information only about the health insurance coverage offered to you by the employer identified on the form. If your employer is not an Applicable Large Employer, it is not required to furnish you a Form 1095-C providing information about the health coverage it offered. In addition, if you, or any other individual who is offered health coverage because of their relationship to you (referred to here as family members), enrolled in your employer's health plan and that plan is a type of plan referred to as a "self-insured" plan, Form 1095-C, Part III, provides information to assist you in completing your income tax return by showing you or those family members had qualifying health coverage (referred to as "minimum essential coverage") for some or all months during the year. If your employer provided you or a family member health coverage through an insured health plan or in another manner, the issuer of the insurance or the sponsor of the plan providing the coverage will furnish you information about the coverage separately on Form 1095-B, Health Coverage. Similarly, if you or a family member obtained minimum essential coverage from another source, such as a government-sponsored program, an individual market plan, or miscellaneous coverage designated by the Department of Health and Human Services, the provider of that coverage will furnish you information about that coverage on Form 1095-B. If you or a family member enrolled in a qualified health plan through a Health Insurance Marketplace, the Health Insurance Marketplace will report information about that coverage on Form 1095-A, Health Insurance Marketplace Statement.



Employers are required to furnish Form 1095-C only to the employee. As the recipient of this Form 1095-C, you should provide a copy to any family members covered under a self-insured employer-sponsored plan listed in Part III if they request it for their records.

Additional information. For additional information about the tax provisions of the Affordable Care Act (ACA), including the individual shared responsibility provisions, the premium tax credit, and the employer shared responsibility provisions, see www.irs.gov/Affordable-Care-Act/Individuals-and-Families or call the IRS Healthcare Hotline for ACA questions (1-800-919-0452).

Part I. Employee

Lines 1-6, Part I, lines 1-6, reports information about you, the employee. Line 2. This is your social security number (SSN). For your protection, this form may show only the last four digits of your SSN. However, the employer is required to report your complete SSN to the IRS.

If you do not provide your SSN and the SSNs of all covered individuals to the plan administrator, the IRS may not be able to match the Form 1095-C to determine that you and the other covered individuals have complied with the individual shared responsibility provision. For covered individuals other than the employee listed in Part I, a Taxpayer Identification Number (TIN) may be provided instead of an SSN. See Part III.



Part I. Applicable Large Employer Member (Employer)

Lines 7-13, Part I, lines 7-13, reports information about your employer. Line 10. This line includes a telephone number for the person whom you may call if you have questions about the information reported on the form or to report errors in the information on the form and ask that they be corrected.

Part II. Employer Offer of Coverage, Lines 14-16

Line 14. The codes listed below for line 14 describe the coverage that your employer offered to you and your spouse and dependent(s), if any, (if you received an offer of coverage through a multiemployer plan due to your membership in a union, that offer may not be shown on line 14.) The information on line 14 relates to eligibility for coverage subsidized by the premium tax credit for you, your spouse, and dependent(s). For more information about the premium tax credit, see Pub. 974. 1A. Minimum essential coverage providing minimum value offered to you with an employee required contribution for self-only coverage equal to or less than 9.5% (as adjusted) of this 48 contiguous states single federal poverty line and minimum essential coverage offered to your spouse and dependent(s) (referred to here as a Qualifying Offer). This code may be used to report for specific months for which a Qualifying Offer was made, even if you did not receive a Qualifying Offer for all 12 months of the calendar year. For information on the adjustment of the 9.5%, see IRS.gov.

1B. Minimum essential coverage providing minimum value offered to you and minimum essential coverage NOT offered to your spouse or dependent(s).

1C. Minimum essential coverage providing minimum value offered to you and minimum essential coverage offered to your dependent(s) but NOT your spouse.

1D. Minimum essential coverage providing minimum value offered to you and minimum essential coverage offered to your spouse but NOT your dependent(s).

1E. Minimum essential coverage providing minimum value offered to you and minimum essential coverage offered to your dependent(s) and spouse.

1F. Minimum essential coverage NOT providing minimum value offered to you, or you and your spouse or dependent(s), or you, your spouse, and dependent(s).

1G. You were NOT a full-time employee for any month of the calendar year but were enrolled in self-insured employer-sponsored coverage for one or more months of the calendar year. This code will be entered in the All 12 Months box or in the separate monthly boxes for all 12 calendar months on line 14.

1H. No offer of coverage (you were NOT offered any health coverage or you were offered coverage that is NOT minimum essential coverage).

1I. Reserved.

1J. Minimum essential coverage providing minimum value offered to you; minimum essential coverage conditionally offered to your spouse; and minimum essential coverage NOT offered to your dependent(s).

1K. Minimum essential coverage providing minimum value offered to you; minimum essential coverage conditionally offered to your spouse; and minimum essential coverage offered to your dependent(s).

Line 15. This line reports the employee required contribution, which is the monthly cost to you for the lowest-cost self-only minimum essential coverage providing minimum value that your employer offered you. The amount reported on line 15 may not be the amount you paid for coverage if, for example, you chose to enroll in more expensive coverage such as family coverage. Line 15 will show an amount only if code 1B, 1C, 1D, 1E, 1J, or 1K is entered on line 14. If you were offered coverage but there is no cost to you for the coverage, this line will report a "0.00" for the amount. For more information, including on how your eligibility for other healthcare arrangements might affect the amount reported on line 15, see IRS.gov.

Line 16. This code provides the IRS information to administer the employer shared responsibility provisions. Other than a code 2C which reflects your enrollment in your employer's coverage, none of this information affects your eligibility for the premium tax credit. For more information about the employer shared responsibility provisions, see IRS.gov.

Part III. Covered Individuals, Lines 17-22

Part III reports the name, SSN (or TIN for covered individuals other than the employee listed in Part I), and coverage information about each individual (including any full-time employee and non-full-time employee, and any employee's family members) covered under the employer's health plan, if the plan is "self-insured." A date of birth will be entered in column (c) only if an SSN (or TIN for covered individuals other than the employee listed in Part I) is not entered in column (b). Column (d) will be checked if the individual was covered for at least one day in every month of the year. For individuals who were covered for some but not all months, information will be entered in column (e) indicating the months for which these individuals were covered. If there are more than 6 covered individuals, see the additional covered individuals on Part III, Continuation Sheet(s).

