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# **AFFORDABLE CARE ACT / EMPLOYER MANDATE UPDATE: TEN THINGS TO DO NOW**

*Gilpin Givhan Labor & Employment Seminar*

Montgomery, Alabama  
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# 1. Stay tuned.

- ❖ January 1, 2015 – “Large” employers with 100+ employees (and 80+ “full-time” employees) subject to §4980H penalties.
- ❖ January 6, 2015 – Forty Hours is Full Time Act (S.30) introduced in U.S. Senate
- ❖ January 8, 2015 – U.S. House passed Save American Workers Act (H.R. 30)
- ❖ March 4, 2015: U.S. Supreme Court – oral argument in King v. Burwell (re: exchange subsidies, or “premium tax credits”)
- ❖ January 1, 2016 – “Large” employers with < 100 employees (and more than 30 “full-time” employees) subject to §4980H penalties.
- ❖ February / March, 2016 – Large employers must notify employees, file first returns to meet §6056 reporting requirements.
- ❖ *For additional information, please [click here](#).*



## 2. Confirm *when* the employer mandate applies to you.

- ❖ Default: January 1, 2015
- ❖ *Transition relief*: No §4980H penalties until 2016 for employers with fewer than 100 employees – *subject to conditions*.
- ❖ *Transition relief*: §4980H penalties delayed for employers with non-calendar year health plans – *subject to conditions*.
- ❖ Every “large” employer must report in accordance with §6056 for *every month* beginning with *January, 2015*.
- ❖ *For additional information, please visit our website.*



### 3. Confirm your employee count.

- ❖ General: §4980H, §6056 apply to employers with 50+ employees – taking into account “full-time” employees *and* “full-time equivalents”
- ❖ ***Transition relief***: No §4980H penalties until 2016 for “large” employers with fewer than 100 employees – *subject to conditions*.
- ❖ Aggregate employees within a “controlled group” or “affiliated service group”
- ❖ Calendar year “look back” – calculate *monthly average* number of employees at end of each calendar year
- ❖ ***Transition relief (this year only)***: may use any period of 6+ consecutive calendar months
- ❖ “Seasonal worker” exception – *only* exception to “large” employer status
- ❖ ***For additional information, please click here and here.***



## 4. Confirm *how* you will identify your “full-time” employees.

- ❖ §4980H penalties, §6056 reporting focused on *full-time* employees.
- ❖ General Rule: “Full-time” = 30 hrs. / week (130 hrs. / mo.)
- ❖ May track hours based on existing payroll practices.
- ❖ Default: Monthly measurement period – identify “full-time” employees (and offer coverage) *every month*
- ❖ Alternative: “Look-back” measurement period:
  - Identify “full-time” employees (and offer coverage) *after* “look back” measurement period (3-12 months)
  - Employee deemed “full-time” (or not) for subsequent “stability” period, even if hours vary
- ❖ *For additional information, please visit our website.*



## 5. Confirm *when* you must offer coverage to your “full-time” employees to avoid Section 4980H penalties.

- ❖ New hires – status determined as of start date:
  - “Look back” measurement period available only for “seasonal,” “variable hour” employees
  - §4980H: Must offer coverage to “full-time” employee not later than first day of fourth full calendar month – subject to:
    - Must provide *minimum value*, or *limited non-assessment period* n/a.
    - Watch out for ACA 90 day (max) wait period – subject to bona fide orientation period.
- ❖ “Ongoing” employees:
  - May elect (“standard”) “look back” measurement period (must be consistent within categories) – employee *deemed* “full-time” (or not) during corresponding (“standard”) “stability” period.
  - ***Transition relief (this year only):*** May use 12 mo. (max) stability period as long as “look back” measurement period began not later than July 1, 2014.
  - *Limited non-assessment period* – standard stability period, for non-“full-time” employees.
- ❖ ***For additional information, please email me.***



## 6. Get familiar with IRS reporting forms and requirements, and begin capturing data.

- ❖ IRS posted “final” forms last month – for 2014 . . .
- ❖ Form 1095-C: Must be furnished to each “full-time” employee by January 31, 2016.
  - Verifies whether “full-time” employee may obtain PTC, for *each month*.
  - ***To do***: Study indicator codes, pp. 7-8 (next slide)
- ❖ Form 1094-C: Must be filed with the IRS by March 31, 2016 (e-filers). For *each calendar month*:
  - Verify offer of coverage (i.e., no § 4980H(a) penalty) – starting at line 23a
  - Quantify “full-time” (and total) employees each month – starting at line 23b
  - Specify transition relief – lines 22, 23(e)
  - Identify “Aggregated ALE Group” – lines 21, starting at 23d
- ❖ Self insured: Complete Part III in Form 1095-C; furnish to all *covered* employees.
- ❖ ***For additional information, please email me.***





To complete Form 1095-C, need to confirm *every month*, for *every* employee who was a *full-time* employee *any month* during the year:

1. Was the employee employed (during the month)?
2. Was the employee a *full-time* employee (during the month)?
3. Did *non-calendar year transition relief* apply to the employee?
4. Were you (employer) eligible for *multiemployer interim relief*?
5. Was the employee in a *limited non-assessment period*?
6. Did the employee receive an offer of coverage (for the month)?
7. Did the employee enroll in the offered coverage?
8. Did the offer include “dependent” coverage (i.e., children under 26 yrs old)?
9. Did the offer include the employee’s spouse?
10. Did the offered coverage provide *minimum value*?
11. What is employee’s share of (lowest) *single* premium for *minimum value* coverage?
12. Which affordability “safe harbor” (W-2, rate of pay, FPL) applies to the employee?

❖ *For additional information, please [click here](#) (see pp. 7-8).*





## 7. Identify and address any potential penalty exposure under Section 4980H.

To avoid a §4980H penalty for any month during 2015:

1. Qualify for transition relief for “large” employers with < 100 employees.
2. Confirm you have *not more than 80* “full-time” employees.
3. To avoid “big” penalty under §4980H(a) – based on *all* “full-time” employees: Confirm offer of coverage to **70%+** “full-time” employees (and children < 26) every month – taking into account:
  - **Transition relief (this year only):** for *some* employers re: dependent coverage
  - Transition relief for non-calendar year plans – analyze based on 2015 *plan year*.
  - Measurement period: monthly or “look back?”
  - Don’t count (“full-time”) employees during a *limited non-assessment period*.
  - **To do:** Confirm mechanism for confirming *refusals* of coverage.
4. To avoid a penalty under §4980H(b):
  - Confirm offered coverage provides *minimum value* to avoid §4980H(b).
  - Confirm offered coverage is *affordable* to (all) “full-time” employees.
    - **To do:** Confirm your “affordability” risk, if any.
  - Confirm employee enrolled in offered coverage, or cannot receive PTC.



To avoid a §4980H penalty for any month **in 2016**:

1. Confirm you have *not more than 30* “full-time” employees.
  2. To avoid “big” penalty under §4980H(a): Confirm offer of coverage to **95%+** (*or “all but 5”*) “full-time” employees (and children < 26) every month – taking into account:
    - Transition relief for non-calendar year plans – analyze based on 2016 *plan year*.
    - Measurement period: monthly or “look back?”
    - Don’t count (“full-time”) employees during a *limited non-assessment period*.
    - ***To do:*** Confirm mechanism for confirming *refusals* of coverage.
  3. To avoid a penalty under §4980H(b) – per “full-time” employee:
    - Confirm offered coverage provides *minimum value* to avoid §4980H(b).
    - Confirm offered coverage is *affordable* to (all) “full-time” employees.
      - What is your “affordability” risk?
    - Confirm employee enrolled in offered coverage, or cannot receive PTC.
- ❖ ***For additional information, please click here and here (and here).***



## 8. Review your health plan eligibility provisions.

- ❖ Tailor health plan document to define “full-time” in line with § 4980H – taking into account “look back” measurement periods, etc.
- ❖ May be more efficient to prepare separate policy (policies), and incorporate by reference.
- ❖ “Look back” measurement / stability periods may affect COBRA procedures.
- ❖ What other plans may be affected (e.g., cafeteria plan, dental, vision, FSA)?
- ❖ Watch out for ACA 90-day max waiting period.
- ❖ *For additional information, please email me.*



## 9. Identify special rules and issues that may apply to you, and plan accordingly.

- ❖ Independent contractors – who is “in control”?
- ❖ “Variable,” “seasonal” employees – key to (initial) “look back” measurement period
- ❖ “Break in service” rules – 13 week rule; “rule of parity”
- ❖ Staffing agencies – e.g., who is the employer?, multiemployer interim relief
- ❖ Particular employees – e.g., commissioned, \_\_\_\_\_.
- ❖ “Skinny” health plans – e.g., Notice 2014-49
- ❖ ACA / Legal issues:
  - Anti-discrimination rules – e.g., IRC §§105(h), 125(b); ERISA §510
  - 90-day max wait period
  - Health reimbursement arrangements – see IRS Notice 2015-17
  - ACA Health plan reforms
  - §4980H D penalties – \$100 per day
  - “Cadillac” tax becomes effective in 2018
- ❖ *For additional information, please email me.*



## 10. Prepare to receive (and respond to) ACA insurance exchange notices.

- ❖ Not clear when (federal) health insurance exchange will begin notifying employers regarding employees who receive PTCs.
- ❖ Notice is *not* a tax assessment, but may be appealed – i.e., *prior to* paying tax assessment.
- ❖ Notices will be mailed to addresses furnished *by employees*.
- ❖ ***To do:*** (i) Implement policies and procedures to address notices; (ii) Take steps to ensure you receive exchange notices.
- ❖ ***For additional information, please click [here](#) and [here](#).***



# Additional Resources

- ❖ [IRS Final Regulations – Employer Shared Responsibility \(Feb. 12, 2014\)](#)
- ❖ [IRS Q&A - Employer Shared Responsibility](#)
- ❖ [Form 1094-C / Form 1095-C / Instructions](#)
- ❖ [Blue Cross Blue Shield of Alabama – ACA for Employers](#)
- ❖ [Kaiser Permanente – Employer Responsibility Under the ACA](#)
- ❖ [Alabama \(federal\) health insurance exchange](#)
- ❖ [U.S. Treasury Department Fact Sheet – Employer Shared Responsibility](#)
- ❖ [Gilpin Givhan Resources](#)
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*Questions?*



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# *Thank you!*

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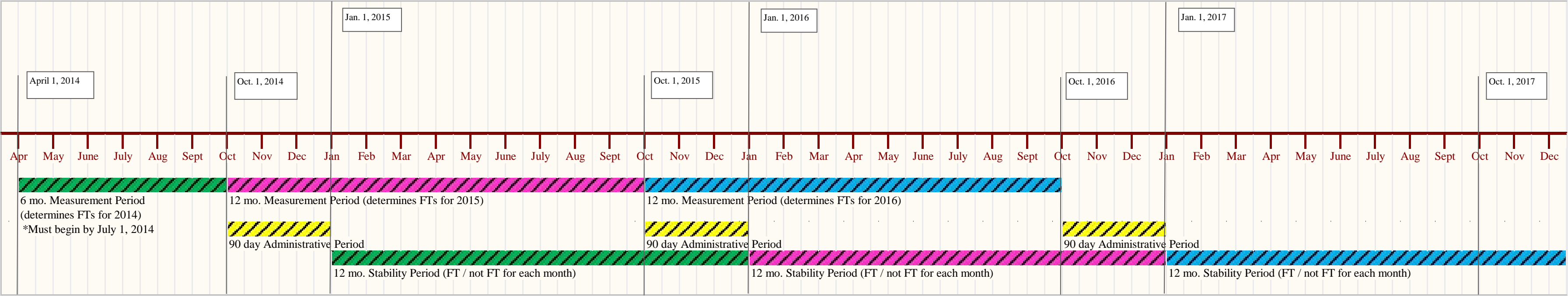


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## **ATTACHMENT 1**

**“Look Back” Measurement Period / Stability Period**

Measurement / Stability / Administrative Periods Timeline (for "ongoing" employees)



"FT" = "Full-Time" Employee (30+ hours of service per week)  
\*Assuming calendar year (12 mos.) measurement period, and maximum (90 days) administrative period

## **ATTACHMENT 2**

### **Employer Mandate Flowchart**

# 2015

## Are you part of a controlled group?

- Parent / subsidiary
- 80% control test / 50% identical interest test
- Attribution rules apply
- \*If yes, (i) *combine* employees to determine whether 50+ / 100+ (below); and (ii) §6056 and §4980H apply to *each* “member” in the group.

## Do you have 50+ employees?

- *Monthly average* for any six (or more) consecutive calendar months during 2014
- Combine (i) *full time* [30+ h/o/s per week] *and* (ii) equivalents [h/o/s for non-full time / 120]
- Combine employees of *controlled group*

No

Not a “large” employer - not subject to §4980H or §6056.

Yes

No

## Does the seasonal worker exception apply?

- 50+ employees for not more than 120 days / four months
- Not 50+ but for *seasonal workers*
- Based on *full calendar year* (2014)

Yes

Not a “large” employer - not subject to §4980H or §6056.

No

## Do you have 100+ employees?

- *Monthly average* for any six (or more) consecutive calendar months *during 2014*
- Combine (i) *full time* [30+ h/o/s per week] *and* (ii) equivalents [h/o/s for non-full time / 120]
- Combine employees of *controlled group*

No

Not subject to §4980H.

Yes

## Does the seasonal worker exception apply?

- 100+ employees for not more than 120 days / four months
- Not 100+ but for *seasonal workers*
- Based on *full calendar year* (2014)

Yes

Not subject to §4980H.

No

## Do you have 80 or more full-time employees?

- “Full-Time” = 30 h/o/s per week (in a month / during measurement period)
- Controlled group: Allocate 80 pro rata among members

No

No penalty under §4980H.

Yes

## Do you offer minimum essential health coverage to 70%+ of your full-time employees?

- Must *offer* MEC to *full-time* employees, but *not* required to *pay* for it (but see below re: affordability).
- No penalty if employee refuses coverage. (Document!)
- Most any major medical plan = MEC (low threshold).
- Must take steps to offer MEC to dependents.
- Controlled group: *Each member* must meet 70%+ threshold.

No

§4980H(a) penalty = \$167 each month (\$2,000 annual) x all full-time employees (-80)

- Same penalty if employer offers 69% or 0%
- Controlled group: *Each member* that offers < 70% is subject to penalty

Yes

## Does your health plan cover 60% of the costs of plan benefits? (“Minimum value” test)

- May confirm using M/V calculator (better: ask your plan rep / administrator)

No

§4980H(b) penalty = \$250 each month (\$3,000 annual) x each full-time employee who obtains a premium tax credit

- Full-time employee-by-employee
- Controlled group: *Each member* may be subject to penalty

Yes

## Is your plan affordable to your full-time employees?

- Is (lowest cost) *self-only* premium < 9.5% of *full-time* employee’s *household* income?
- Same test for *every* full-time employee. Does not take into account family coverage.
- Safe harbors – W2, Rate of Pay, FPL

No

§4980H(b) penalty = \$250 each month (\$3,000 annual) x each full-time employee who obtains a premium tax credit

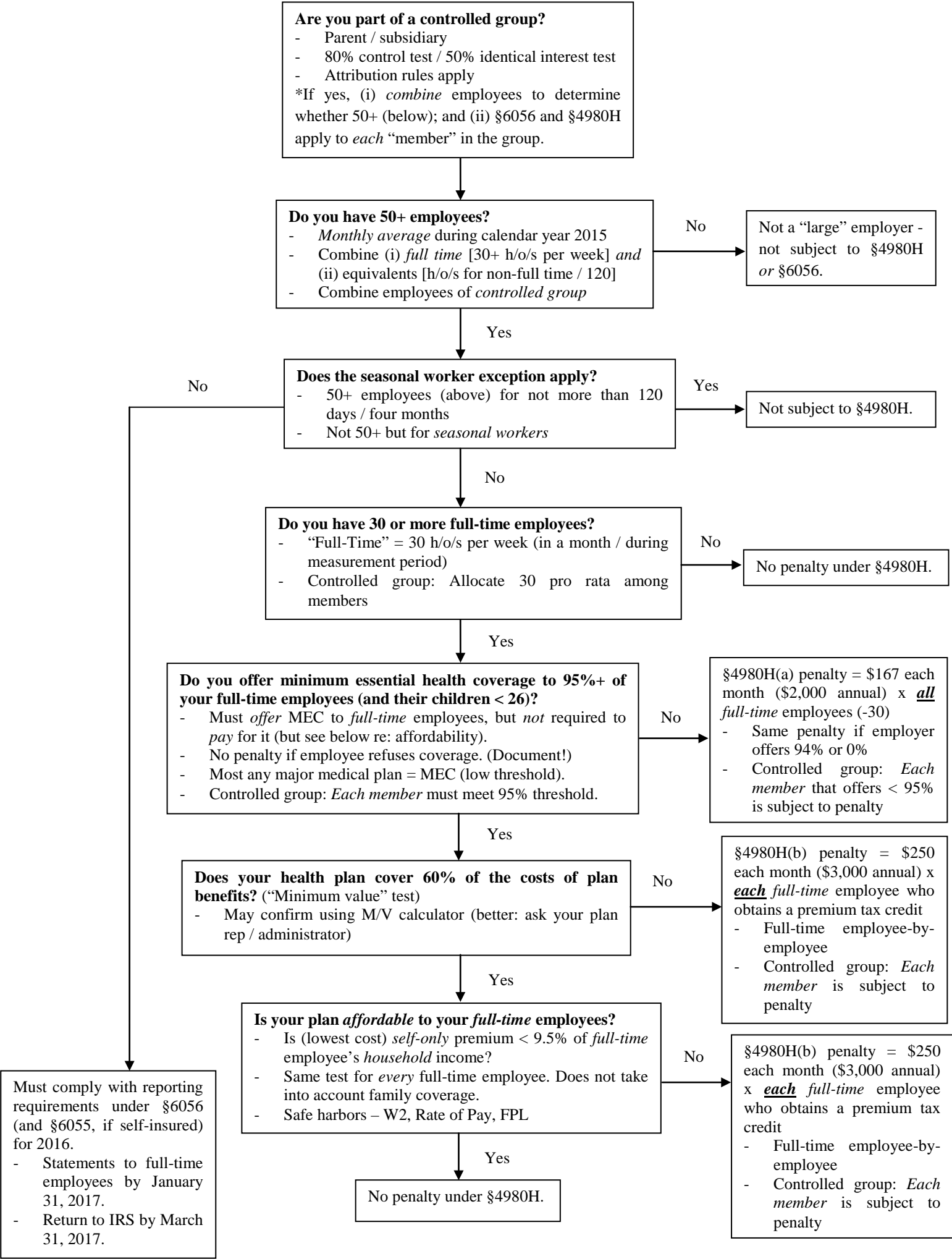
- Full-time employee-by-employee
- Controlled group: *Each member* may be subject to penalty

Yes

No penalty under §4980H.

Must comply with reporting requirements under §6056 (and §6055, if self-insured) for 2015.

- Statements to full-time employees by January 31, 2016.
- Return to IRS by March 31, 2016.



## **ATTACHMENT 3**

### **IRS Reporting Materials**

Please see attached:

1. IRS Form 1094-C for 2014
2. IRS Form 1095-C for 2015
3. Instructions for Form 1094-C and Form 1095-C



Form **1094-C**Department of the Treasury  
Internal Revenue Service**Transmittal of Employer-Provided Health Insurance Offer and  
Coverage Information Returns**► Information about Form 1094-C and its separate instructions is at [www.irs.gov/f1094c](http://www.irs.gov/f1094c).☐ CORRECTED120115  
OMB No. 1545-2251**2014****Part I Applicable Large Employer Member (ALE Member)**

1 Name of ALE Member (Employer)		2 Employer identification number (EIN)
3 Street address (including room or suite no.)		
4 City or town	5 State or province	6 Country and ZIP or foreign postal code
7 Name of person to contact		8 Contact telephone number
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 . . . . . ►

**Part II ALE Member Information**19 Is this the authoritative transmittal for this ALE Member? If "Yes," check the box and continue. If "No," see instructions . . . . . ☐

20 Total number of Forms 1095-C filed by and/or on behalf of ALE Member . . . . . ►

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. Qualifying Offer Method Transition Relief ☐ C. Section 4980H Transition Relief ☐ 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
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For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 61571A

Form **1094-C** (2014)

**Part III ALE Member Information – Monthly**

		(a) Minimum Essential Coverage Offer Indicator		(b) Full-Time Employee Count for ALE Member	(c) Total Employee Count for ALE Member	(d) Aggregated Group Indicator	(e) Section 4980H Transition Relief Indicator
		Yes	No				
23	All 12 Months	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
24	Jan	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
25	Feb	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
26	Mar	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
27	Apr	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
28	May	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
29	June	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
30	July	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
31	Aug	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
32	Sept	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
33	Oct	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
34	Nov	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
35	Dec	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	

**Part IV Other ALE Members of Aggregated ALE Group**

Enter the names and EINs of Other ALE Members of the Aggregated ALE Group (who were members at any time during the calendar year).

Name	EIN	Name	EIN
36		51	
37		52	
38		53	
39		54	
40		55	
41		56	
42		57	
43		58	
44		59	
45		60	
46		61	
47		62	
48		63	
49		64	
50		65	

# Employer-Provided Health Insurance Offer and Coverage

► Information about Form 1095-C and its separate instructions is at [www.irs.gov/f1095c](http://www.irs.gov/f1095c).

☐ VOID

☐ CORRECTED

600115

OMB No. 1545-2251

**2014**

## Part I Employee

1 Name of employee			2 Social security number (SSN)			7 Name of employer			8 Employer identification number (EIN)		
3 Street address (including apartment no.)						9 Street address (including room or suite no.)			10 Contact telephone number		
4 City or town	5 State or province	6 Country and ZIP or foreign postal code				11 City or town	12 State or province	13 Country and ZIP or foreign postal code			

## Part II Employee Offer and Coverage

	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
14 Offer of Coverage (enter required code)													
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)													

## Part III Covered Individuals

If Employer provided self-insured coverage, check the box and enter the information for each covered individual. ☐

(a) Name of covered individual(s)	(b) SSN	(c) DOB (If SSN 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			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2014



Department of the Treasury  
Internal Revenue Service

# Instructions for Forms 1094-C and 1095-C

Section references are to the Internal Revenue Code unless otherwise noted.

## Future Developments

For the latest information about developments related to Form 1094-C, Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns, and Form 1095-C, Employer-Provided Health Insurance Offer and Coverage, and instructions, such as legislation enacted after they were published, go to [www.irs.gov/form1094c](http://www.irs.gov/form1094c) and [www.irs.gov/form1095c](http://www.irs.gov/form1095c).

## Reminders

Forms 1094-C and 1095-C are not required to be filed by any employer for 2014. However, in preparation for the first required filing of these forms (that is, filing in 2016 for 2015), employers may, if they wish, voluntarily file in 2015 for 2014 in accordance with the forms and these instructions. For more information about voluntary filing for 2014, visit IRS.gov. No employer shared responsibility payments under section 4980H will apply for 2014 for any employer, regardless of whether they voluntarily file for 2014. For more information on transition relief from the reporting requirements and employer shared responsibility payments for 2014, see Notice 2013-45, 2013-31 I.R.B. 116, at [www.irs.gov/irb/2013-31\\_IRB/ar08.html](http://www.irs.gov/irb/2013-31_IRB/ar08.html).

## Additional Information

For information related to the Affordable Care Act, visit [www.irs.gov/uac/Affordable-Care-Act-Tax-Provisions-Home](http://www.irs.gov/uac/Affordable-Care-Act-Tax-Provisions-Home). For the final regulations under section 6056, Information Reporting by Applicable Large Employers on Health Insurance Coverage Offered Under Employer-Sponsored Plans, see T.D. 9661, 2014-13 I.R.B. 855, at [www.irs.gov/irb/2014-13\\_IRB/ar09.html](http://www.irs.gov/irb/2014-13_IRB/ar09.html). For the final regulations under section 6055, Information Reporting on Minimum Essential Coverage, see T.D. 9660, 2014-13 I.R.B. 842, at [www.irs.gov/irb/2014-13\\_IRB/ar08.html](http://www.irs.gov/irb/2014-13_IRB/ar08.html). For the final regulations under section 4980H, Shared Responsibility for Employers Regarding Health Coverage, see T.D. 9655, 2014-9 I.R.B. 541, at [www.irs.gov/irb/2014-9\\_IRB/ar05.html](http://www.irs.gov/irb/2014-9_IRB/ar05.html). For answers to frequently asked questions regarding the employer shared responsibility provisions and related information reporting requirements, visit IRS.gov.

## General Instructions for Forms 1094-C and 1095-C

See *Definitions*, later, for key terms used in these instructions.

### Purpose of Form

Employers with 50 or more full-time employees (including full-time equivalent employees) use Forms 1094-C and 1095-C to report the information required under sections 6055 and 6056 about offers of health coverage and enrollment in health coverage for their employees. Form 1094-C must be used to report to the IRS summary information for each employer and to transmit Forms 1095-C to the IRS. Form 1095-C is used to report information about each employee. In addition, Forms 1094-C and 1095-C are used in determining whether an employer owes a payment under the employer shared

responsibility provisions under section 4980H. Form 1095-C is also used in determining the eligibility of employees for the premium tax credit.

Employers that offer employer-sponsored self-insured coverage also use Form 1095-C to report information to the IRS and to employees about individuals who have minimum essential coverage under the employer plan and therefore are not liable for the individual shared responsibility payment for the months that they are covered under the plan.

### Who Must File

An employer subject to the employer shared responsibility provisions under section 4980H must file one or more Forms 1094-C (including a Form 1094-C designated as the Authoritative Transmittal, whether or not filing multiple Forms 1094-C), and must file a Form 1095-C (or a substitute form) for each employee who was a full-time employee of the employer for any month of the calendar year. Generally, the employer is required to furnish a copy of the Form 1095-C to the employee.



*For purposes of reporting on Forms 1094-C and 1095-C, an employee in a Limited Non-Assessment Period is not considered a full-time employee.*

Each employer has its own reporting obligation related to the health coverage the employer offered (or did not offer) to each of its full-time employees. An employer subject to the employer shared responsibility provisions under section 4980H generally refers to an employer with 50 or more full-time employees (including full-time equivalent employees) during the prior calendar year. For more information on which employers are subject to the employer shared responsibility provisions of section 4980H, see Employer, later in the *Definitions* section of these instructions. For more information on determining full-time employees, see *Full-Time Employee* in the *Definitions* section of these instructions, which includes information on the treatment of new hires and employees in Limited Non-Assessment Periods.

An employer that offers health coverage through an employer-sponsored self-insured health plan must complete Form 1095-C, Parts I, II and III, for any employee who enrolls in the health coverage, whether or not the employee is a full-time employee for any month of the calendar year.

If the employee who enrolled in self-insured coverage is a full-time employee for any month of the calendar year, the employer must also complete Part II. If the employee who enrolled is not a full-time employee, for any months of the calendar year (meaning that for all 12 calendar months the employee was not a full-time employee), the employer must complete Form 1095-C, Part III and on Part II, must enter code 1G on line 14 in the "All 12 Months" column or in each separate monthly box (the employer need not complete Part II, lines 15 and 16 in this case).

If an employer is offering health coverage to employees in another manner, such as through an insured health plan or a multiemployer health plan, the issuer of the insurance or the sponsor of the plan providing the coverage is required to furnish the information about their health coverage to any enrolled

employees, and the employer should not complete Form 1095-C, Part III, for those employees.

An employer that offers employer-sponsored self-insured health coverage but is not an applicable large employer subject to the employer shared responsibility provisions under section 4980H, should not file Forms 1094-C and 1095-C, but should instead file Forms 1094-B and 1095-B to report information for employees who enrolled in the employer-sponsored self-insured health coverage.

## Reporting of Enrollment Information for Non-Employees: Option to Use Forms 1094-B and 1095-B

Employers that offer employer-sponsored self-insured health coverage to non-employees who enroll in the coverage may use Forms 1094-B and 1095-B, rather than Form 1095-C, Part III, to report coverage for those individuals and other family members. For information on reporting with respect to non-employees enrolled in an employer-sponsored self-insured health plan using Forms 1094-B and 1095-B, see the instructions for those forms.

For employers that use Form 1095-C to report coverage information for non-employees enrolled in an employer-sponsored self-insured health plan, such as non-employee directors, an individual who was a retired employee during the entire year, or a non-employee COBRA beneficiary, see the specific instructions for Form 1095-C, Part III—Covered Individuals (Lines 17-22).

## Authoritative Transmittal for Employers Filing Multiple Forms 1094-C

A Form 1094-C must be filed when an employer files one or more Forms 1095-C. An employer may choose to file multiple Forms 1094-C, accompanied by Forms 1095-C for some of its employees, provided that a Form 1095-C is filed for each employee for whom the employer is required to file. In the case of an Aggregated ALE Group, each separate employer (referred to in these instructions as an ALE Member or employer) must file its own Authoritative Transmittal. Although an employer may file multiple Forms 1094-C, one "Authoritative Transmittal" Form 1094-C, identified on line 19, Part II as the Authoritative Transmittal, must be filed for each employer reporting aggregate employer-level data for all full-time employees of the employer. Specifically, one Authoritative Transmittal must be filed for each employer, even if multiple Forms 1094-C are filed by and on behalf of that single employer. For example, if an employer intends to file a separate Form 1094-C for each of its two divisions to transmit Forms 1095-C for each division's full-time employees, one of the Forms 1094-C filed must be designated as the Authoritative Transmittal and report aggregate employer-level data for both divisions, as required in Parts II, III, and IV of Form 1094-C.

The same rules apply in the case of a Governmental Unit that has delegated its reporting responsibilities for some of its employees to another Governmental Unit—see *Designated Governmental Entity (DGE)* in the *Definitions* section of these instructions for more information. In the case of a Governmental Unit that has delegated its reporting responsibilities for some of its employees, the Governmental Unit must ensure that among the multiple Forms 1094-C filed by or on behalf of the Governmental Unit transmitting Forms 1095-C for the Governmental Unit's employees, one of the filed Forms 1094-C is designated as the Authoritative Transmittal and reports aggregate employer-level data for the Governmental Unit, as required in Parts II, III, and IV of Form 1094-C.

**Example.** County is an ALE made up of ALE Members School District, Police District, and County General Office.

School District designates the state to report on behalf of the teachers and reports for itself for its remaining full-time employees. In this case, either the School District or the state must file an Authoritative Transmittal reporting aggregate employer-level data for all full-time employees of the School District.

## One Form 1095-C for Each Employee of Each Employer

For each full-time employee of an employer, there must be only one Form 1095-C filed for employment with that employer. For example, if an employer separately reports for each of its two divisions, the employer must combine the offer and coverage information for any employee who worked at both divisions during the calendar year so that a single Form 1095-C is filed for the calendar year for that employee which reports information for all twelve months of the calendar year from that employer.

In contrast, a full-time employee who works for more than one employer that is a member of the same Aggregated ALE Group (that is, works for two separate ALE Members) must receive a separate Form 1095-C from each employer, unless the ALE Member is not treated as the employer for any calendar month in the calendar year as described later. See the *Definitions* section of these instructions for a definition of ALE Member.

For any calendar month in which a full-time employee works for more than one ALE Member of an Aggregated ALE Group, only one ALE Member is treated as the employer and only that ALE Member reports for that employee for that calendar month (and the other ALE Member is not required to report for that employee for that calendar month). If under these rules, an ALE member is not required to report for an employee for any month in the calendar year, the employer is not required to report for that full-time employee for that calendar year. For a description of the rules related to determining which ALE Member in an Aggregated ALE Group is treated as the employer for a month in this situation, see the definition of *Employer* later.

## When To File

You will meet the requirement to file Forms 1094-C and 1095-C if the forms are properly addressed and mailed on or before the due date. If the regular due date falls on a Saturday, Sunday, or legal holiday, file by the next business day. A business day is any day that is not a Saturday, Sunday, or legal holiday.

You must file Forms 1094-C and 1095-C 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. For calendar year 2014, there is no filing requirement, but employers may voluntarily file Forms 1094-C and 1095-C.

For calendar year 2015, Forms 1094-C and 1095-C are required to be filed by February 29, 2016, or March 31, 2016, if filing electronically.

See the *Furnishing Forms 1095-C to Employees* section of these instructions for information on when Form 1095-C must be furnished.

## Where To File

Send all information returns filed on paper to the following:

**If your principal business, office or agency, or legal residence in the case of an individual, is located in:**

**Use the following address:**

Alabama, Arizona, Arkansas, Connecticut, Delaware, Florida, Georgia, Kentucky, Louisiana, Maine, Massachusetts, Mississippi, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, Texas, Vermont, Virginia, West Virginia

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

Alaska, California, Colorado, District of Columbia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Maryland, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, North Dakota, Oklahoma, Oregon, South Carolina, South Dakota, Tennessee, Utah, Washington, Wisconsin, Wyoming

Department of the Treasury  
Internal Revenue Service  
Center  
Kansas City, MO 64999

If your legal residence or principal place of business or principal office or agency is outside the United States, file with the Department of the Treasury, Internal Revenue Service Center, Austin, TX 73301.

## How To File Electronically



Form 1094-C and Form 1095-C are subject to the requirements to file returns electronically.

Filers of 250 or more information returns must file the returns electronically. The 250-or-more requirement applies separately to each type of return and separately to each type of corrected return.

Pub. 5165, Affordable Care Act (ACA) Information Returns (AIR) Guide for Software Developers and Transmitters, currently under development, will outline the communication procedures, transmission formats, business rules, and validation procedures for returns filed electronically through the AIR system. To develop software for use with the AIR system, transmitters and software developers should use the guidelines provided in Pub. 5165 along with the Extensible Markup Language (XML) Schemas published on IRS.gov. See Pub. 5165 for more information.

You will receive an electronic acknowledgment once you complete the transaction. Keep it with your records.

## Corrected Forms 1094-C and 1095-C

Reserved.

## Furnishing Forms 1095-C To Employees

You will meet the requirement to furnish Form 1095-C to an employee if the form is properly addressed and mailed on or before the due date. If the regular due date falls on a Saturday, Sunday, or legal holiday, file by the next business day. A business day is any day that is not a Saturday, Sunday, or legal holiday.

An employer 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.

The first Forms 1095-C are due to individuals by February 1, 2016.

For more information on alternative furnishing methods for employers, see the *Qualifying Offer Method* and the *Qualifying Offer Method Transition Relief for 2015*, later.

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 employer identification number (EIN) may not be truncated on the forms filed with the IRS.

Statements must be furnished on paper by mail, unless the recipient affirmatively consents to receive the statement in an electronic format. 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.

**Consent to furnish statement electronically.** An employer is required to obtain affirmative consent to furnish a statement electronically. This requirement ensures that statements are furnished electronically only to individuals who are able to access them. An individual may consent on paper or electronically, such as by email. If consent is on paper, the individual must confirm the consent electronically. A statement may be furnished electronically by email or by informing the individual how to access the statement on the employer's website.

## Specific Instructions for Form 1094-C

### Part I—Applicable Large Employer Member (ALE Member)

**Note.** Forms 1094-C and 1095-C are not required to be filed by any employer, and no employer shared responsibility payment will apply for 2014 for any employer.

**Line 1.** Enter employer's name.

**Line 2.** Enter the employer's EIN. An SSN may not be entered in lieu of an EIN. Enter the 9-digit EIN including the dash.



*If you are filing Form 1094-C, a valid EIN is required at the time the form is filed. If a valid EIN is not provided, the Form 1094-C will not be processed. If you do not have an EIN, you may apply for one online. Go to IRS.gov and enter "EIN" in the search box. You may also apply by faxing or mailing Form SS-4, Application for Employer Identification Number, to the IRS. See the Instructions for Form SS-4 for more information. See Publication 1635, Employer Identification Number, for more information.*

**Lines 3–6.** Enter the employer's complete address (including room or suite no., if applicable). This address should match the employer's address used on the Form 1095-C.

**Lines 7 and 8.** Enter the name and telephone number of the person to contact who is responsible for answering any questions.

**Note.** If you are a Designated Governmental Entity (DGE) filing on behalf of an employer, complete lines 9–16. If you are not a DGE filing on behalf of an employer do not complete lines 9–16. Instead skip to line 18. See *Designated Governmental Entity* or DGE in the *Definitions* section of these instructions.



**Line 9** If a DGE is filing on behalf of the employer, enter the name of the DGE.

**Line 10.** Enter the DGE's EIN (including the dash). An SSN may not be entered in lieu of an EIN.



*If you are a DGE that is filing Form 1094-C, a valid EIN is required at the time the return is filed. If a valid EIN is not provided, the return will not be processed. If the DGE does not have an EIN when filing Form 1094-C it can get an EIN by applying online at IRS.gov or by faxing or mailing a completed Form SS-4, Application for Employer Identification Number. See Publication 1635, Employer Identification Number, for more information.*

**Lines 11–14.** Enter the DGE's complete address (including room or suite no., if applicable).

**Lines 15 and 16.** Enter the name and telephone number of the person to contact who is responsible for answering any questions related to the Form 1094-C.

**Line 17.** This line is reserved for future use.

**Line 18.** Enter the total number of Forms 1095-C submitted with this Form 1094-C transmittal.

## Part II—ALE Member Information

**Line 19.** If this Form 1094-C transmittal is the Authoritative Transmittal that reports aggregate employer-level data for the employer, check the box on line 19 and complete the remainder of Part II and Parts III and IV, to the extent applicable. Otherwise, complete the signature portion of Form 1094-C and leave the remainder of the form (lines 20–22 of Part II, and all of Parts III and IV) blank.

There must be only one Authoritative Transmittal filed for each employer. If this is the only Form 1094-C being filed for the employer, this Form 1094-C must report aggregate employer-level data for the employer and be identified on line 19 as the Authoritative Transmittal. If multiple Forms 1094-C are being filed for an employer so that Forms 1095-C for all full-time employees of the employer are not attached to a single Form 1094-C transmittal (because Forms 1095-C for some full-time employees of the employer are being transmitted separately), one of the Forms 1094-C must report aggregate employer-level data for the employer and be identified on line 19 as the Authoritative Transmittal.

**Note.** Lines 20–22 should be completed only on the Authoritative Transmittal for the employer. For more information, see *Authoritative Transmittal for Employees Filing Multiple Forms 1094-C*, earlier.

**Line 20.** Enter the total number of Forms 1095-C that will be filed by and/or on behalf of the employer. This includes all Forms 1095-C that are filed with this transmittal including those filed for any individuals who enrolled in the employer-sponsored self-insured plan, and for any Forms 1095-C filed with a separate transmittal filed by or on behalf of the employer.

**Line 21.** If during any month of the calendar year the employer was a member of an Aggregated ALE Group, check "Yes." If you check "Yes," also complete the "Aggregated Group Indicator" in Part III, column (d), and then complete Part IV to list the other members of the Aggregated ALE Group. If, for all 12 months of the calendar year, the employer was not a member of an Aggregated ALE Group, check "No," and do not complete Part III, column (d), or Part IV.

**Line 22.** If the employer meets the eligibility requirements and is using one of the Offer Methods and/or one of the forms of Transition Relief indicated, it must check each applicable box.

See the description of the *Offer Methods* and *Section 4980H Transition Relief*, later.

**A. Qualifying Offer Method.** Check this box if the employer is eligible to use and is using the Qualifying Offer Method to report the information on Form 1095-C for one or more full-time employees. To be eligible to use the Qualifying Offer Method, the employer must certify that it made a Qualifying Offer to one or more of its full-time employees for all months during the year in which the employee was a full-time employee for whom an employer shared responsibility payment could apply.

If the employer reports using this method, it must not complete on Form 1095-C, Part II, line 15, for any month for which a Qualifying Offer is made. Instead it must enter the Qualifying Offer code 1A on Form 1095-C, line 14, to indicate that the employee received a Qualifying Offer for all 12 months (in which case the employer must not, for any month, report the dollar amount on line 15). An employer is not required to use the Qualifying Offer Method, even if it is eligible and instead may enter on line 14 the applicable offer code and on line 15 the dollar amount required as an employee contribution for the lowest-cost employee-only coverage providing minimum value for that month.



*If the employer is eligible to use the Qualifying Offer Method, it may report on Form 1095-C by entering the Qualifying Offer code 1A on Form 1095-C, line 14, for any month for which it made a Qualifying Offer to an employee, even if the employee did not receive a Qualifying Offer for all 12 calendar months. However, if employee receives a Qualifying Offer for less than all 12 months, the employer must furnish a copy of Form 1095-C to the employee unless the Qualifying Offer Method Transition Relief described later applies for 2015.*

**Alternative Method of Furnishing Form 1095-C to Employees under the Qualifying Offer Method.** An employer that is eligible to use the Qualifying Offer Method meets the requirement to furnish the Form 1095-C to its full-time employees who received a Qualifying Offer for all 12 months of the calendar year, and who did not enroll in coverage that is self-insured coverage, if it furnishes each of those full-time employees either a copy of Form 1095-C as filed with the IRS or a statement containing the following information:

- Employer name, address, and EIN.
- Contact name and telephone number at which the employee may receive information about the offer of coverage and the information on the Form 1095-C filed with the IRS for that employee.
- A statement indicating that, for all 12 months of the calendar year, the employee and his or her spouse and dependents, if any, received a Qualifying Offer and therefore are not eligible for a premium tax credit.
- A statement directing the employee to see Pub. 974, Premium Tax Credit (PTC), for more information on eligibility for the premium tax credit.

For a full-time employee who received a Qualifying Offer and enrolled in self-insured coverage, the employer must furnish the information reporting enrollment in the coverage on Form 1095-C, Part III. The employer **may not** use the alternative method of furnishing Form 1095-C under the Qualifying Offer Method for that employee. The employer may provide the information to the employee by furnishing a copy of Form 1095-C as filed with the IRS (with or without the statement described above).

**B. 2015 Qualifying Offer Method Transition Relief.** Check this box if the employer is eligible for and is using the Qualifying Offer Method Transition Relief for the 2015 calendar year to report information on Form 1095-C for one or more full-time employees. To be eligible to use the Qualifying Offer Method Transition Relief the employer must certify that it made a

Qualifying Offer for one or more months of calendar year 2015 to at least 95% of its full-time employees. For this purpose, an employee in a Limited Non-Assessment Period is not included in the 95% calculation.

If an employer reports using this method, it must not complete Form 1095-C, Part II, line 15, for any month for which a Qualifying Offer is made or for which Qualifying Offer Method Transition Relief applies. An employer that reports using this method must enter on Form 1095-C, line 14, either the Qualifying Offer code 1A for any months for which the employee received a Qualifying Offer, or the Qualifying Offer Method Transition Relief code 1I for any months for which the employee did not receive a Qualifying Offer. An employer is not required to use this method, even if it is eligible and the employer may report on line 14 the applicable offer code and on line 15 the dollar amount required as an employee contribution for the lowest-cost employee-only coverage providing minimum value for that month. An employer may not, for any month, use code 1A or code 1I and also report the dollar amount on line 15.

**Alternative Method of Furnishing Form 1095-C to Employees under the Qualifying Offer Method Transition Relief for 2015.** Solely for 2015, for any employee of an employer eligible for the Qualifying Offer Method Transition Relief who does not receive a Qualifying Offer for all 12 calendar months, including employees who receive no offer, the employer may, in lieu of providing the employee with a copy of Form 1095-C, furnish a statement containing the following information.

- Employer name, address, and EIN.
- Contact name and telephone number at which the employee may receive information about the offer of coverage (if any) and the information on the Form 1095-C filed with the IRS for that employee.
- A statement indicating that the employee and his or her spouse and dependents, if any, may be eligible for a premium tax credit for one or more months of 2015.
- A statement directing the employee to see Pub. 974 for more information on eligibility for the premium tax credit.

An employer that is eligible for the Qualifying Offer Method Transition Relief for any employee who receives a Qualifying Offer for all 12 months of the calendar year may, in lieu of furnishing the employee a copy of Form 1095-C, furnish a statement as described in *Alternative Method of Furnishing to Employees Under the Qualifying Offer Method*, earlier.

Whether or not an employee received a Qualifying Offer, for an employee who enrolled in self-insured coverage the employer must furnish the information reporting enrollment in the coverage on Form 1095-C, Part III. The employer may not use the alternative method of furnishing Form 1095-C under the Qualifying Offer Method or the Qualifying Offer Method Transition Relief for that employee. Rather, the employer may provide the information to the employee by furnishing a copy of Form 1095-C as filed with the IRS (with or without the statement described above).

**C. Section 4980H Transition Relief.** Check this box if the employer is eligible for section 4980H Transition Relief under either:

1. 2015 Section 4980H Transition Relief for ALEs with Fewer Than 100 Full-Time Employees, Including Full-Time Equivalent Employees (50-99 Transition Relief), or
2. 2015 Transition Relief for Calculation of Assessable Payments Under Section 4980H(a) for ALEs with 100 or More Full-Time Employees, Including Full-Time Equivalent Employees (100 or More Transition Relief) apply.

For a description of the relief, including which employers are eligible for the relief, see *Section 4980H Transition Relief for 2015*, later. If an employer checks this box, it must also complete Form 1094-C, Part III, column (e), Section 4980H Transition

Relief Indicator, to indicate the type of section 4980H transition relief for which it is eligible.

**D. 98% Offer Method.** Check this box if the employer is eligible for and is using the 98% Offer Method. To be eligible to use the 98% Offer Method, an employer must certify that it offered, for all months of the calendar year, affordable health coverage providing minimum value to at least 98% of its employees for whom it is filing a Form 1095-C employee statement, and offered minimum essential coverage to those employees' dependents. The employer is not required to identify which of the employees for whom it is filing were full-time employees, but the employer is still required to file Forms 1095-C on behalf of all of its full-time employees. (For this purpose, the health coverage is affordable if the employer meets one of the section 4980H affordability safe harbors.)

**Note.** If an employer uses this method, it is not required to complete the "Full-Time Employee Count" in Part III, column (b).

## Part III—ALE Member Information—Monthly (Line 23-35)

### Column (a) Minimum Essential Coverage Offer Indicator.

- If the employer offered minimum essential coverage to at least 95% of its full-time employees and their dependents for the entire calendar year, enter "X" in the "Yes" checkbox on line 23 for "All 12 Months" or for each of the 12 calendar months.
- If the employer offered minimum essential coverage to at least 95% of its full-time employees and their dependents only for certain calendar months, enter "X" in the "Yes" checkbox for each applicable month.
- For the months, if any, for which the employer did not offer minimum essential coverage to at least 95% of its full-time employees and their dependents, enter "X" in the "No" checkbox for each applicable month.
- If the employer did not offer minimum essential coverage to at least 95% of its full-time employees and their dependents for any of the 12 months, enter "X" in the "No" checkbox for "All 12 Months" or for each of the 12 calendar months.
- However, an employer that did not offer minimum essential coverage to at least 95% of its full-time employees and their dependents but is eligible for certain transition relief described in the instructions later under Section 4980H Transition Relief for 2015 should enter an "X" in the "Yes" checkbox for Part III, line 23, column (a), as applicable. See the instructions later under *Section 4980H Transition Relief for 2015*.

**Note.** For purposes of column (a), an employee in a Limited Non-Assessment Period is not counted in determining whether minimum essential coverage was offered to at least 95% of an employer's full-time employees and their dependents.



*An employee who is treated as having been offered health coverage for purposes of section 4980H (even though not actually offered) is treated as offered minimum essential coverage for this purpose. For example, for the months for which the employer is eligible for dependent coverage transition relief, non-calendar year transition relief, or multiemployer arrangement interim guidance (if the employer is contributing on behalf of an employee but the employee is not eligible for coverage under the multiemployer plan) with respect to an employee, that employee should be treated as having been offered minimum essential coverage for purposes of column (a). For different rules for purposes of reporting offers of coverage on Form 1095-C, see the specific instructions for Form 1095-C, Part II, line 14.*



*For purposes of column (a), if the employer offered minimum essential coverage to all but five of its full-time employees and their dependents, and five is greater*

than 5% of the number of full-time employees of the employer, the employer may report in column (a) as if it offered health coverage to at least 95% of its full-time employees and their dependents (even if it offered health coverage to less than 95% of its full-time employees and their dependents, for example to 75 of its 80 full-time employees and their dependents).

See *Definitions*, later, for more information on an Offer of health coverage.

**Column (b) Full-Time Employee Count for ALE Member.**

Enter the number of full-time employees for each month, but do not count any employee in a Limited Non-Assessment Period. (If the number of full-time employees (excluding employees in a Limited Non-Assessment Period) for a month is zero, enter 0.)

**Note.** If the employer certified that it was eligible for the 98% Offer Method by selecting box D, on line 22, it is not required to complete column (b).

**Column (c) Total Employee Count for ALE Member.** Enter 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. An employer must choose to use one of the following days to determine the number of employees per month and must use the same day for all months of the year: (1) the first day of each month; (2) the last day of each month; (3) the first day of the first payroll period that starts during each month; or (4) 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). If the total number of employees was the same for every month of the entire calendar year, enter that number in line 23, column (c) "All 12 Months" or in the boxes for each month of the calendar year. If the number of employees for any month is zero, enter 0.

**Column (d) Aggregated Group Indicator.** An employer must complete this column if it checked "Yes" on line 21, indicating that, during any month of the calendar year, it was a member of an Aggregated ALE Group. If the employer was a member of an Aggregated ALE Group during each month of the calendar year, enter "X" in the "All 12 Months" box or in the boxes for each of the 12 calendar months. If the employer was not a member of an Aggregated ALE Group for all 12 months but was a member of an Aggregated ALE Group for one or more month(s), enter "X" in each month for which it was a member of an Aggregated ALE Group. If an employer enters "X" in one or more months in this column, it must also complete Part IV.

**Column (e) Section 4980H Transition Relief Indicator.** If the employer certifies by selecting box C on line 22, that it is eligible for Section 4980H Transition Relief and is eligible for the 50 to 99 Relief, enter code A. If the employer certifies by selecting box C on line 22, that it is eligible for Section 4980H Transition Relief and is eligible for the 100 or More Relief, enter code B. An employer will not be eligible for both types of relief.

**Part IV—Other ALE Members of Aggregated ALE Group (Lines 36-65)**

An employer must complete this section if it checks "Yes" on line 21. If the employer was a member of an Aggregated ALE Group for any month of the calendar year, enter the name(s) and EIN of up to 30 of the other Aggregated ALE Group members. If there are more than 30 members of the Aggregated ALE Group, enter the 30 with the highest monthly average number of full-time employees (using the number reported in Part III, column (b), if a number was required to be reported) for the year or for the number of months during which the ALE Member was a member of the Aggregated ALE Group. Regardless of the number of members in the Aggregated ALE Group, list only the 30 members in descending order listing first the member with the

highest average monthly number of full-time employees. The employer must also complete Part III, column (d), to indicate which months it was part of an Aggregated ALE Group.



*If you are filing Form 1094-C, a valid EIN is required at the time it is filed. If a valid EIN is not provided, the Form 1094-C will not be processed. If you do not have an EIN, you may apply for one online. Go to [IRS.gov](https://www.irs.gov) and enter "EIN" in the search box. You may also apply by faxing or mailing Form SS-4, Application for Employer Identification Number, to the IRS. See the Instructions for Form SS-4 for more information. See Publication 1635, Employer Identification Number, for more information.*

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## Specific Instructions for Form 1095-C

### Part I—Employee

**Line 1.** Enter the name of the employee (first name, middle initial, last name).

**Line 2.** Enter the 9-digit SSN of the employee including the dashes.

**Lines 3–6.** Enter the employee's complete address (including apartment no., if applicable). All employers, including U.S. employers, should enter a country code.

### Part I—Applicable Large Employer Member (Employer)

**Line 7.** Enter the name of the employer.

**Line 8.** Enter the employer's EIN. Do not enter a SSN in lieu of an EIN. Enter the 9-digit EIN including the dash. The employer's name and EIN should match the name and EIN of the employer reported on lines 1 and 2 of Form 1094-C.



*If you are filing Form 1095-C, a valid EIN is required at the time it is filed. If a valid EIN is not provided, the Form 1095-C will not be processed. If you do not have an EIN, you may apply for one online. Go to [IRS.gov](https://www.irs.gov) and enter "EIN" in the search box. You may also apply by faxing or mailing Form SS-4, Application for Employer Identification Number, to the IRS. See the Instructions for Form SS-4 for more information. See Publication 1635, Employer Identification Number, for further information.*

**Lines 9 and 11–13.** Enter the employer's complete address (including room or suite no., if applicable). This address should match the address reported on lines 3–6 of the Form 1094-C.

**Line 10.** Enter the telephone number of the person to contact whom the recipient may call about the information reported on the form.

### Part II—Employee Offer and Coverage

**Line 14.** For each calendar month, enter the applicable code from Code Series 1. If the same code applies for all 12 calendar months, enter the applicable code in the "All 12 Months" box and do not complete the individual calendar month boxes, or complete all of the individual calendar month boxes.

An employer offers health coverage for a month only if it offers health coverage that would provide coverage for every day of that calendar month. However, under the employer shared responsibility provisions under section 4980H, if an employee terminates employment before the last day of a calendar month and the health coverage offer ends on the date of termination, the employer is treated as having offered the employee health coverage for the month only if the employee



would have been offered health coverage for the entire month had the employee been employed for the entire month.

A code must be entered for each calendar month January through December, even if the employee was not a full-time employee for one or more of the calendar months. Enter the code identifying the type of health coverage actually offered by the employer (or on behalf of the employer) to the employee, if any. Do not enter a code for any other type of health coverage the employer is treated as having offered (but the employee was not actually offered). For example, do not enter a code for health coverage the employer is treated as having offered (but did not actually offer) under the dependent coverage transition relief, non-calendar year transition relief, or multiemployer arrangement interim guidance (if the employer is contributing on behalf of an employee but the employee is not eligible for coverage under the multiemployer plan), even if the employee is included in the count of full-time employees offered minimum essential coverage for purposes of Form 1094-C, Part III, column (a).

The information related to whether the full-time employee was offered coverage (generally meaning the employee was eligible for coverage under the plan) must be accurate to facilitate administration of the premium tax credit, including in the case of coverage offered by a plan such as a multiemployer plan or a plan sponsored by a staffing firm or similar entity for which the client employer pays an additional amount for enrolled employees. The alternative reporting methods may be applied to the offer of coverage to the extent the employer is otherwise eligible to use these methods. For example, if a multiemployer plan represents to a contributing employer that the full-time employee on behalf of whom the employer contributed was eligible for coverage that is a Qualifying Offer for all 12 months, the contributing employer may use the alternative reporting method related to such a Qualifying Offer. See the sections of these instructions related to the Qualifying Offer Method, including the 2015 Qualifying Offer Method Transition Relief.

## Indicator Codes for Employee Offer and Coverage (Form 1095-C, Line 14)

**Code Series 1, Offer of Coverage.** The Code Series 1 indicator codes specify the type of coverage, if any, offered to an employee, the employee's spouse, and the employee's dependents. The term "dependent" has the specific meaning set forth in the *Definitions* section of these instructions. In addition, for this purpose an offer of coverage is treated as made to an employee's dependents only if the offer of coverage is made to an unlimited number of dependents regardless of the actual number of dependents, if any, an employee has during any particular calendar month.

If the type of coverage, if any, offered to an employee was the same for all 12 months in the calendar year, enter the Code Series 1 indicator code corresponding to the type of coverage offered in the "All 12 Months" box or in each of the 12 boxes for the calendar months.

- **1A.** Qualifying Offer: Minimum essential coverage providing minimum value offered to full-time employee with employee contribution for self-only coverage equal to or less than 9.5% mainland single federal poverty line and at least minimum essential coverage offered to spouse and dependent(s).



*This code may be used to report for specific months for which a Qualifying Offer was made, even if the employee did not receive a Qualifying Offer for all 12 months of the calendar year. However, an employer may not use the Alternative Furnishing Method for an employee who did not receive a Qualifying Offer for all 12 calendar months (except in cases in which the employer is eligible for and reports using the*

*Alternative Furnishing Method for 2015 Qualifying Offer Method Transition Relief as described in these instructions).*

- **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) (not spouse).
- **1D.** Minimum essential coverage providing minimum value offered to employee and at least minimum essential coverage offered to spouse (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, or employee and spouse or dependent(s), or employee, spouse and dependents.
- **1G.** Offer of coverage to employee who was not a full-time employee for any month of the calendar year 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).
- **1I.** Qualifying Offer Transition Relief 2015: Employee (and spouse or dependents) received no offer of coverage, received an offer that is not a qualifying offer, or received a qualifying offer for less than 12 months.

**Line 15.** Complete line 15 only if code 1B, 1C, 1D, or 1E is entered on line 14 either in the "All 12 Months" box or in any of the monthly boxes. Enter the amount of the employee share of the lowest-cost monthly premium for self-only minimum essential coverage providing minimum value that is offered to the employee. Enter the amount including any cents. If the employee is offered coverage but is not required to contribute any amount towards the premium, enter "0.00" (do not leave blank). If the employee share of the lowest-cost monthly premium amount was the same amount for all 12 calendar months, enter that monthly amount in each monthly box or enter that monthly amount in the "All 12 Months" box and do not complete the monthly boxes. If the employee share of the lowest-cost monthly amount was not the same for all 12 months, enter the amount in each calendar month for which the employee was offered minimum value coverage.



*For line 15, enter the lowest-cost monthly premium for self-only minimum essential coverage providing minimum value that is offered to the employee. This amount may not be the amount the employee is paying for the coverage, for example, if the employee chose to enroll in more expensive coverage such as family coverage.*

**Line 16.** For each calendar month, enter the applicable code, if any, from Code Series 2. You may enter only one code from Code Series 2 per calendar month. The instructions below address which code to use for a month if more than one code from Series 2 could apply. If the same code applies for all 12 calendar months, enter the applicable code in each monthly box or enter the code in the "All 12 Months" box. If none of the codes apply for a calendar month, leave the line blank for that month.

**Code Series 2—Section 4980H Safe Harbor Codes and Other Relief for Employers.** An employer enters the applicable Code Series 2 indicator code, if any, on Line 16 to report for one or more months of the calendar year that one of the following situations applied to the employee: the employee was not employed or was not a full-time employee; the employee enrolled in the minimum essential coverage offered; the employee was in a Limited Non-Assessment Period with respect to section 4980H(b); non-calendar year transition relief

applied to the employee; the employer met one of the section 4980H affordability safe harbors with respect to this employee, or the employer was eligible for multiemployer interim rule relief for this employee. In some circumstances more than one situation could apply to the same employee in the same month. For example, an employee could be enrolled in health coverage for a particular month during which he or she is not a full-time employee. However, only one code may be used for a particular calendar month. For any month in which an employee enrolled in minimum essential coverage, indicator code 2C reporting enrollment is used instead of any other indicator code that could also apply. For an employee who did not enroll in health coverage, there are some specific ordering rules for which code to use; see the descriptions of the codes.

- **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 employer on any day of the calendar month. Do not use code 2A for the month during which an employee terminates employment with the employer.
- **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). Also use this code for January 2015 if the employee was offered health coverage no later than the first day of the first payroll period that begins in January 2015 and the coverage offered was affordable for purposes of the employer shared responsibility provisions under section 4980H and provided minimum value.
- **2C.** Employee enrolled in coverage offered. Enter code 2C for any month in which the employee enrolled in health coverage offered by the employer for each day of the month, regardless of whether any other code in Code Series 2 might also apply (for example, the code for a section 4980H affordability safe harbor).
- **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 employer is also eligible for the multiemployer interim rule relief for the month code 2E, enter code 2E (multiemployer interim rule relief) and not code 2D (employee in a Limited Non-Assessment Period).

- **2E.** Multiemployer interim rule relief. Enter code 2E for any month for which the multiemployer interim guidance applies for that employee. This relief is described under Offer of Health Coverage in the *Definitions* section of these instructions.
- **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. If an employer 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 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).

- **2H.** Section 4980H affordability rate of pay safe harbor. Enter code 2H if the employer 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).

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

- **2I.** Non-calendar year transition relief applies to this employee. Enter code 2I if non-calendar year transition relief for section 4980H(b) applies to this employee for the month. See the instructions later under *Section 4980H Transition Relief for 2015 and 2015 Section 4980H(b) Transition Relief for Employers with Non-Calendar Year Plans (Form 1095-C, line 16, code 2I)*, for a description of this relief.

### Part III—Covered Individuals (Lines 17-22)

Complete Part III ONLY if the employer offers employer-sponsored self-insured health coverage in which the employee or other individual enrolled. For this purpose, employer-sponsored self-insured health coverage does not include coverage under a multiemployer plan.

If the employer is completing Part III, enter “X” in the check box in Part III. If the employer is not completing Part III, do not enter “X” in the check box in Part III.

This part **must** be completed by an employer offering self-insured health coverage for any individual who was an employee for one or more calendar months of the year, whether full-time or non-full-time, and who enrolled in the coverage.



*All employee family members that are covered individuals through the employee's enrollment (for example, because the employee elected family coverage) must be included on the same form as the employee (or individual to whom the offer was made). For example, if the employee is offered family coverage by his or her employer under a self-insured health plan and enrolls in the family coverage, the employee and the employee's family members that are covered under the plan must all be reported on Form 1095-C.*

If two or more employees employed by the same employer are spouses or employee and dependent, and one employee enrolled in a coverage option under the plan that also covered the other employee(s) (for example, one employee spouse enrolled in family coverage that provided coverage to the other employee spouse and their employee dependent child), the enrollment information should be reflected only on the Form 1095-C for the employee who enrolled in the coverage (but would report the other employee family members as covered individuals).

**Coverage of Non-Employee.** This part **may** be completed by an employer offering self-insured health coverage for any other individual who enrolled in the coverage under the plan for one or more calendar months of the year but was not an employee for any calendar month of the year, such as a non-employee director, a retired employee who retired in a previous year, a terminated employee receiving COBRA coverage who terminated employment during a previous year, and a non-employee COBRA beneficiary (but not including an individual who obtained coverage through the employee's enrollment, such as a spouse or dependent obtaining coverage when an employee elects family coverage). If the Form 1095-C is used with respect to an individual who was not an employee for any month of the calendar year, Part II must be completed by

using Code 1G in the "All 12 Months" box or the box for each month of the calendar year.



*In the case of a non-employee individual who enrolls in the coverage under a self-insured health plan, all family members that are covered individuals due to the individual's enrollment must be included on the same Form 1095-B or Form 1095-C as the individual who is offered, and enrolls in, the coverage.*

Columns (a) through (d), as applicable, must be completed for each individual enrolled in the coverage, including the employee reported on line 1. A date of birth will be entered in column (c) only if a SSN 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, complete one or more additional Forms 1095-C, Part I and Part III (do not complete Part II on the additional Forms 1095-C) and do not include the additional Forms 1095-C in the count of forms submitted with the accompanying Form 1094-C.



*Governmental Unit employers offering self-insured health coverage that have delegated another governmental unit (a DGE) for purposes of reporting and furnishing enrollment information (meaning the information that otherwise would be reported on Form 1095-C, Part III), but have not designated a DGE for purposes of reporting and furnishing offer of coverage information (meaning the information that is reported on Form 1095-C, Part II), should file and furnish Forms 1095-C with a completed Part I and Part II, but not a completed Part III, and **should not check the box indicating that the Governmental Unit offers self-insured health coverage**. In this case, the DGE should file Forms 1094-B and 1095-B to report enrollment information for employees on behalf of the Governmental Unit. See FAQs on IRS.gov.*

A DGE that has been delegated by a Governmental Unit for purposes of reporting and furnishing both offer of coverage and enrollment information (meaning the information that would be reported on Parts II and III of Form 1095-C) should file Forms 1094-C and 1095-C to report the information for employees on behalf of the Governmental Unit.

**Column (a).** Enter the name of each covered individual.

**Column (b).** Enter the 9-digit SSN for each covered individual including the dashes. For covered individuals who are not the employee listed in Part I, a Taxpayer Identification Number (TIN), rather than an SSN, may be entered if the covered individual does not have an SSN.

**Column (c).** Enter a date of birth (MM/DD/YYYY) for the covered individual only if column (b) is blank.

**Column (d).** Check this box if the individual was covered for at least **one day** per month for all 12 months of the calendar year.

**Column (e).** If the individual was not covered for all 12 months of the calendar year, check the applicable box(es) for the months in which the individual was covered for at least one day in the month.

## Definitions

This section contains the definitions of key terms used in Forms 1094-C and 1095-C and these instructions. For definitions of terms not included in this section, see the final regulations under section 4980H, T.D. 9655, 2014-9 I.R.B. and section 6056, T.D. 9661, 2014-13 I.R.B.

**Aggregated ALE Group.** An Aggregated ALE Group refers to a group of ALE Members treated as a single employer under

section 414(b), 414(c), 414(m), or 414(o). An ALE Member is a member of an Aggregated ALE Group for a month if it is treated as a single employer with the other members of the group on any day of the calendar month. If an ALE is made up of only one person or entity, that one ALE Member is not a part of an Aggregated ALE Group. Government entities and churches or conventions or associations of churches may apply a reasonable, good faith interpretation of the aggregation rules under section 414 in determining their status as an ALE or member of an Aggregated ALE Group.

**Applicable Large Employer (ALE).** An ALE is, for a particular calendar year, any single employer, or group of employers treated as an Aggregated ALE Group, that employed an average of at least 50 full-time employees (including full-time equivalent employees) on business days during the preceding calendar year. A new employer (that is, an employer that was not in existence on any business day in the prior calendar year) is an ALE for the current calendar year if it reasonably expects to employ, and actually does employ, an average of at least 50 full-time employees (including full-time equivalent employees) on business days during the current calendar year.

**Applicable Large Employer Member (ALE Member).** An ALE Member is a single person or entity that is an ALE, or if applicable, each person or entity that is a member of an Aggregated ALE Group. A person or entity that does not have employees or only has employees with no hours of service (for example, only employees whose entire service consists of work outside of the United States that does not count as hours of service under section 4980H) is not an ALE Member.

**Bona fide volunteer.** A bona fide volunteer is an employee of a government entity or tax-exempt organization whose only compensation from that entity or organization is (1) reimbursement for (or reasonable allowance for) reasonable expenses incurred in the performance of services by volunteers, or (2) reasonable benefits (including length of service awards), and nominal fees, customarily paid by similar entities in connection with the performance of services by volunteers.

**Dependent.** A dependent is an employee's child, including a child who has been legally adopted or legally placed for adoption with the employee, who has not reached age 26. A child reaches age 26 on the 26th anniversary of the date the child was born and is treated as a dependent for the entire calendar month during which he or she reaches age 26. For this purpose, a dependent does not include stepchildren, foster children, or a child that does not reside in the United States (or a country contiguous to the United States) and who is not a United States citizen or national. For this purpose, a dependent does not include a spouse.

**Designated Government Entity (DGE).** A DGE is a person or persons that are part of or related to the Governmental Unit that is the ALE Member and that is appropriately designated for purposes of these reporting requirements. In the case of a Governmental Unit that has delegated some or all of its reporting responsibilities to a DGE with respect to some or all of its employees, one Authoritative Transmittal must still be filed for that Governmental Unit reporting aggregate employer-level data for all employees of the Governmental Unit (including those for whom the Governmental Unit has delegated its reporting responsibilities). For more information, see the section entitled Authoritative Transmittal for Employers Filing Multiple Forms 1094-C.

**Eligible Employer-Sponsored Plan.** An eligible Employer-Sponsored Plan refers to group health insurance coverage for employees under (1) a governmental plan, such as the Federal Employees Health Benefits Program (FEHB), (2) an insured plan or coverage offered in the small or large group market within a state, (3) a grandfathered health plan offered in a



group market, or (4) a self-insured group health plan for employees.

**Employee.** For this purpose, an employee is an individual who is an employee under the common-law standard for determining employer-employee relationships. An employee does not include a sole proprietor, a partner in a partnership, a S corporation shareholder who owns at least 2-percent of the S corporation, a leased employee within the meaning of section 414(n) of the Code, or a worker that is a qualified real estate agent or direct seller. If an employee is an employee of more than one employer of the same Aggregated ALE Group during a calendar month, the employee is treated as an employee of the employer for whom the employee has the greatest number of hours of service for that calendar month; if the employee has an equal number of hours of service for two or more employers of the same Aggregated ALE Group for the calendar month, those employers must treat one of the employers as the employer of that employee for that calendar month. See the section entitled "One Form 1095-C for Each Employee of Each Employer" for a discussion of reporting in these circumstances. See Publication 15-A, Employer's Supplemental Tax Guide, for more information on determining who is an employee.

**Employer.** For purposes of these instructions, an employer is the person that is the employer of an employee under the common-law standard for determining employer-employee relationships and that is subject to the employer shared responsibility provisions of section 4980H (these employers are referred to as ALE Members). For more information on which employers are ALE Members, see the definition of Applicable Large Employer Member (ALE Member).

**Full-time employee.** A full-time employee is an employee who, for a calendar month, is employed an average of at least 30 hours of service per week with the employer. For this purpose, 130 service hours in a calendar month is treated as the monthly equivalent of at least 30 hours per week. An employer must complete information for all twelve months of the calendar year for any of its employees who were full-time employees for one or more months of the calendar year. For more information on the identification of full-time employees, see Regulations sections 54.4980H-1(a)(21) and 54.4980H-3 and Notice 2014-49, 2014-41 I.R.B. 66 (which describes a proposed approach to the application of the look-back measurement method in situations in which the measurement period applicable to an employee changes).

**Note.** A retiree (meaning an individual who was not an employee during the applicable period) is not a full-time employee. However, if the retiree was a full-time employee for any month of the calendar year (for example, before retiring mid-year), the employer must complete information in Part II of Form 1095-C for all twelve months of the calendar year, using the appropriate codes.



*An employer need not file a Form 1095-C for an individual who for each month of a calendar year is either not an employee of the employer or is an employee in a limited non-assessment period. However, for the months in which the employee was an employee of the employer, such an employee would be included in the total employee count reported on Form 1094-C, Part III, Column (c). Also, if during the Limited Non-Assessment Period the employee enrolled in coverage under a self-insured employer-sponsored plan, the employer must file a Form 1095-C for the employee to report coverage information for the year.*

**Full-time equivalent employee.** A combination of employees, each of whom individually is not treated as a full-time employee because he or she is not employed on average at least 30 hours of service per week with an employer, but who, in combination,

are counted as the equivalent of a full-time employee solely for purposes of determining whether the employer is an ALE. For rules on how to determine full-time equivalent employees, see Regulations section 54.4980H-2(c).

**Governmental Unit and Agency or Instrumentality of a Governmental Unit.** A Governmental Unit is the government of the United States, any State or political subdivision thereof, or any Indian tribal government (as defined in section 7701(a)(40)) or subdivision of an Indian tribal government (as defined in section 7871(d)). For purposes of these instructions, references to a Governmental Unit include an Agency or Instrumentality of a Governmental Unit. Until guidance is issued that defines the term Agency or Instrumentality of a Governmental Unit for purposes of section 6056, an entity may determine whether it is an Agency or Instrumentality of a Governmental Unit based on a reasonable and good faith interpretation of existing rules relating to agency or instrumentality determinations for other federal tax purposes.

**Health coverage.** As used in these instructions, refers to minimum essential coverage, unless otherwise indicated.

**Hours of service.** An hour of service is each hour for which an employee is paid, or entitled to payment, for the performance of duties for the employer, and each hour for which an employee is paid, or entitled to payment, for a period of time during which no duties are performed due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty, or leave of absence. An hour of service does not include any hour of service performed as a Bona Fide Volunteer of a government entity or tax-exempt entity, as part of a Federal Work-Study Program (or a substantially similar program of a State or political subdivision thereof) or to the extent the compensation for services performed constitutes income from sources without the United States. See [www.irs.gov/irb/2014-13\\_IRB/ar09.html](http://www.irs.gov/irb/2014-13_IRB/ar09.html) for a discussion of determination of hours of service for categories of employees for whom the general rules for determining hours of service may present special difficulties (including adjunct faculty and commissioned salespeople) and certain categories of work hours associated with some positions of employment, including layover hours (for example, for certain airline employees), on-call hours, and work performed by an individual who is subject to a vow of poverty as a member of a religious order.

**Limited Non-Assessment Period.** A Limited Non-Assessment Period generally refers to a period during which an ALE Member will not be subject to an assessable payment under section 4980H(a), and in certain cases section 4980H(b), for a full-time employee, regardless of whether that employee is offered health coverage during that period.

The first five periods described below are Limited Non-Assessment Periods only if the employee is offered health coverage by the first day of the first month following the end of the period, and are Limited Non-Assessment Periods for section 4980H(b) only if the health coverage that is offered at the end of the period provides minimum value. For more information on Limited Non-Assessment Periods and the application of section 4980H, see Regulations section 54.4980H-1(a)(26).

- **First Year as ALE Period.** January through March of the first calendar year in which an employer is an ALE, but only for an employee who was not offered health coverage by the employer at any point during the prior calendar year. For this purpose, 2015 is not the first year an employer is an ALE, if that employer was an ALE in 2014 (notwithstanding that transition relief provides that no employer shared responsibility payments under section 4980H will apply for 2014 for any employer).
- **Waiting Period under the Monthly Measurement Method.** If an employer is using the monthly measurement method to determine whether an employee is a full-time employee, the period beginning with the first full calendar month in which the



employee is first otherwise (but for completion of the waiting period) eligible for an offer of health coverage and ending no later than two full calendar months after the end of that first calendar month.

- **Waiting Period under the Look-Back Measurement Method.** If an employer is using the look-back measurement method to determine whether an employee is a full-time employee and the employee is reasonably expected to be a full-time employee at his or her start date, the period beginning on the employee's start date and ending not later than the end of the employee's third full calendar month of employment.

- **Initial Measurement Period and Associated Administrative Period under the Look-Back Measurement Method.** If an employer is using the look-back measurement method to determine whether a new employee is a full-time employee, and the employee is a variable hour employee, seasonal employee or part-time employee, the initial measurement period for that employee and the administrative period immediately following the end of that initial measurement period.

- **Period Following Change in Status that Occurs During Initial Measurement Period Under the Look-Back Measurement Method.** If an employer is using the look-back measurement method to determine whether a new employee is a full-time employee, and, as of the employee's start date, the employee is a variable hour employee, seasonal employee or part-time employee, but, during the initial measurement period, the employee has a change in employment status such that, if the employee had begun employment in the new position or status, the employee would have reasonably been expected to be a full-time employee, the period beginning on the date of the employee's change in employment status and ending not later than the end of the third full calendar month following the change in employment status. If the employee is a full-time employee based on the initial measurement period and the associated stability period starts sooner than the end of the third full calendar month following the change in employment status, this Limited Non-Assessment Period ends on the day before the first day of that associated stability period.

- **First Calendar Month of Employment.** If the employee's first day of employment is a day other than the first day of the calendar month, then the employee's first calendar month of employment is a Limited Non-Assessment Period.

**Minimum essential coverage (MEC).** Although various types of health coverage may qualify as minimum essential coverage, for purposes of these instructions, minimum essential coverage refers to health coverage under an eligible employer-sponsored plan. For more details on *Minimum essential coverage*, see Minimum essential coverage in Pub. 974.

**Minimum value.** A plan provides minimum value if the plan pays at least 60 percent of the costs of benefits for a standard population.

**Offer of health coverage.** An employer makes an offer of coverage to an employee if it provides the employee an effective opportunity to enroll in the health coverage (or to decline that coverage) at least once for each plan year. An employer makes an offer of health coverage to an employee for the plan year if it continues the employee's election of coverage from a prior year but provides the employee an effective opportunity to opt out of the health coverage. If an employer provides health coverage to an employee but does not provide the employee an effective opportunity to decline the coverage, the employer is treated as having made an offer of health coverage to the employee only if that health coverage provides minimum value and does not require an employee contribution for the coverage for any calendar month of more than 9.5 percent of a monthly amount determined as the mainland federal poverty line for a single individual for the applicable calendar year, divided by 12.

For purposes of reporting, an offer to a spouse includes an offer to a spouse that is subject to a reasonable, objective condition, regardless of whether the spouse meets the reasonable, objective condition. For example, an offer of coverage that is available to a spouse only if the spouse certifies that the spouse does not have access to health coverage from another employer is treated as an offer of coverage to the spouse for reporting purposes. Note that this treatment is for reporting purposes only, and generally will not affect the spouse's eligibility for the premium tax credit if the spouse did not meet the condition and therefore did not have an actual offer of coverage.

An employer offers health coverage for a month only if it offers health coverage that would provide coverage for every day of that calendar month. For reporting purposes, this means that an offer of coverage does not occur for a month if an employee's employment terminates before the last day of a calendar month and the health coverage also ends before the last day of that calendar month (or for an employee who didn't enroll in coverage, the coverage would have ended if the employee had enrolled in coverage). However, see the description of Code Series 2—Section 4980H Safe Harbor Codes and Other Relief for Employers, code 2B which may be applicable in these circumstances to indicate that the employer is treated as having offered coverage for the entire month for purposes of section 4980H.

An employer offers health coverage to an employee if it, or another employer in the Aggregated ALE Group, or a third party such as a multiemployer or single employer Taft-Hartley plan, a multiple employer welfare arrangement (MEWA), or, in certain cases, a staffing firm, offers health coverage on behalf of the employer.



**Interim Guidance Regarding Multiemployer Arrangements.** *An employer is treated as offering health coverage to an employee if the employer is required by a collective bargaining agreement or related participation agreement to make contributions for that employee to a multiemployer plan that offers, to individuals who satisfy the plan's eligibility conditions, health coverage that is affordable and provides minimum value, and that also offers health coverage to those individuals' dependents or is eligible for the section 4980H transition relief regarding offers of coverage to dependents. For more information, see section XV.E of the preamble to the final section 4980H regulations.*

**Qualifying offer.** A qualifying offer is an offer of MEC providing minimum value to one or more full-time employees for all calendar months during the calendar year for which the employee was a full-time employee for whom a section 4980H assessable payment could apply, at an employee cost for employee-only coverage for each month not exceeding 9.5 percent of the mainland single federal poverty line divided by 12, provided that the offer includes an offer of MEC to the employee's spouse and dependents (if any).

## Section 4980H Transition Relief for 2015

This section describes various types of section 4980H transition relief and how an employer reports its eligibility for any particular type of relief. For more details regarding this, and other, section 4980H transition relief, see section XV of the preamble to the final regulations under section 4980H.

The transition relief described in this section is solely for the employer for purposes of section 4980H and does not affect the employee's potential eligibility for the premium tax credit. Accordingly, regardless of whether the employer is eligible for relief under section 4980H for an employee for one or more months, the Form 1095-C for that employee must accurately report the health coverage offered to that employee (if any).

during that period, including, if applicable, the required employee contribution.

### **2015 Section 4980H Transition Relief Based on Number of Full-Time Employees (Form 1094-C, Line 22, Box C, and Form 1094-C, Lines 23-35, Column (e))**

An employer may be eligible for one of the two types of 2015 transition relief under section 4980H based on the employer's number of full-time employees (and full-time equivalent employees) if certain conditions described below are met. One of these two types of 2015 transition relief under section 4980H is for employers with 50 to 99 full-time employees and the other type of relief is for employers with 100 or more full-time employees (in each case including full-time equivalent employees). Eligibility for this transition relief is reported on Form 1094-C, line 22, box C, and the specific form of relief for which the employer is eligible must be reported on Form 1094-C, Lines 23-35, column (e), using either code A (50-99 Transition Relief) or code B (100 or more Transition Relief). An employer eligible for this relief is still subject to the Forms 1094-C and 1095-C reporting requirements for 2015 with respect to its full-time employees.

For purposes of determining eligibility for either of these types of section 4980H transition relief, the number of full-time employees (including full-time equivalent employees) for 2015 is determined in the same way that an employer determines whether it is an ALE (including using employment and hours of service data from 2014) and is calculated for the Aggregated ALE Group (rather than for each employer).

**1. 2015 Section 4980H Transition Relief for ALEs with Fewer Than 100 Full-Time Employees, Including Full-Time Equivalent Employees (50-99 Transition Relief).** For an employer that is eligible for this 2015 transition relief, no assessable payment under section 4980H(a) or (b) will apply for any calendar month during 2015 and, if the employer has a non-calendar-year plan, will not apply for the portion of the 2015 plan year that falls in 2016. To certify that an employer is eligible for this transition relief it must have met the following conditions:

- The employer is an ALE or is part of an Aggregated ALE Group that had 50 to 99 full-time employees, including full-time equivalent employees, on business days in 2014;
- During the period of February 9, 2014, through December 31, 2014, the ALE or the Aggregated ALE Group of which the employer is a member did not reduce the size of its workforce or reduce the overall hours of service of its employees in order to qualify for the transition relief; and
- During the period of February 9, 2014, through December 31, 2015, (or, if the employer has a non-calendar-year plan(s)), ending on the last day of the 2015 plan year) the ALE or Aggregated ALE Group of which the employer is a member does not eliminate or materially reduce the health coverage, if any, it offered as of February 9, 2014.

**Example.** As of February 9, 2014, Employer A (which is an ALE with only one ALE Member) sponsors a group health plan with a calendar year plan year under which 40 of its full-time employees are offered health coverage that provides minimum value and with an employer contribution of \$300 per month for employee-only coverage. The offer of health coverage is affordable for some, but not all, of Employer A's full-time employees. During the period from February 9, 2014, through December 31, 2014, two of Employer A's employees voluntarily terminate employment and Employer A terminates three employees because of the non-renewal of a customer contract but does not otherwise reduce the size of its workforce or reduce any employee's hours of service. Had those five employees continued in employment throughout 2014, the employer would

have had an average of 100 full-time employees (including full-time equivalent employees) on business days in 2014. However, as a result of the terminations, it had an average of only 97 full-time employees (including full-time equivalent employees) for business days in 2014. During the period of February 9, 2014, through December 31, 2015, Employer A does not change the eligibility requirements for the group health plan (including not amending it to eliminate its existing health coverage for dependents) and continues to make an employer contribution of \$300 per month toward the cost of employee-only coverage that provides minimum value. Employer A certifies in a timely manner as to its eligibility for the transition relief; Employer A is eligible for the transition relief.

**2. 2015 Transition Relief for Calculation of Assessable Payments Under Section 4980H(a) for ALEs with 100 or More Full-Time Employees, Including Full-Time Equivalent Employees (100 or More Transition Relief).** As 2015 transition relief, for each month in 2015 (and, in addition, for the portion of the 2015 plan year that ends in 2016 if the employer has a non-calendar year plan), if an employer is an ALE or is part of an Aggregated ALE Group that had 100 or more full-time employees (including full-time equivalent employees) on business days in 2014, and is subject to an assessable payment under section 4980H(a), the assessable payment under section 4980H(a) is calculated by reducing the employer's number of full-time employees by that employer's allocable share of 80 (rather than by the employer's standard allocable share of 30). For the rules on how the 80 employee reduction is allocated among the employers in an Aggregated ALE Group, see Regulations section 54.4980H-4(e).

### **2015 Section 4980H(a) Transition Relief if an Offer of Health Coverage is Made to at least 70 Percent of Full-Time Employees (Form 1094-C, Lines 23-35, Column (a))**

For each calendar month during 2015 (and any calendar months during the 2015 plan year that occur in 2016, if the employer has a non-calendar year plan), an employer that offers health coverage to at least 70 percent of its full-time employees (and their dependents) may, on Form 1094-C, lines 23-35, column (a), enter an "X" in the "Yes" checkbox either for "All 12 Months" or for the month(s) during which it met that 70-percent threshold, as applicable.

### **2015 Section 4980H(a) Transition Relief for Certain Arrangements that do not Offer Health Coverage for Dependents (Form 1094-C, Lines 23-35, Column (a))**

For the 2014 and 2015 plan years, for an employee who was not offered dependent health coverage during the 2013 or 2014 plan years, an employer may treat, solely for purposes of section 4980H, an offer of health coverage to a full-time employee but not his or her dependents, as an offer of health coverage to the full-time employee and his or her dependents, if the employer takes steps during the 2014 or 2015 plan year (or both) to extend coverage under the plan to dependents not offered coverage during the 2013 or 2014 plan year (or both). An employer using this transition relief for a calendar year is not eligible to report using the Qualifying Offer Method (or the Qualifying Offer Transition Relief Method) for that calendar year.

### **2015 Section 4980H(a) Transition Relief for Employers with Non-Calendar Year Plans (Form 1094-C, Lines 23-35, Column (a))**

An employer that sponsored a non-calendar year health plan as of December 27, 2012, (or two or more health plans with the

same non-calendar year plan year) may be eligible for certain transition relief. The relief would apply for some or all of its employees for the period during 2015 before the beginning of the 2015 plan year (for example, the months January, February, and March 2015 for an employer with a plan year starting April 1, 2015). In certain circumstances described below, this relief applies so that an employee and his or her dependents may be treated for purposes of section 4980H(a) as offered minimum essential coverage during that period even if not actually offered minimum essential coverage. An employer that is eligible for the relief may treat the employee and his or her dependents as offered minimum essential coverage for purposes of Form 1094-C, Part III, column (a), (and specifically for purposes of determining whether to enter an "X" in the "Yes" or "No" checkbox for the months during that period). See instructions for *2015 Section 4980H(b) Transition Relief for Employers with Non-Calendar Year Plans (Form 1095-C, line 16)*, later.

**Treatment of full-time employees eligible for the non-calendar year plan.** For an employee of the employer (whenever hired) who was eligible for health coverage under that non-calendar year health plan effective beginning on the first day of the 2015 plan year under the eligibility terms of the plan as in effect on February 9, 2014, for purposes of Form 1094-C, Part III, column (a), the employer may treat the employee (and his or her dependents) as having been offered coverage for the months in 2015 prior to the 2015 plan year if the employee was offered health coverage no later than the first day of the 2015 plan year.

**Treatment of full-time employees not eligible for the non-calendar year plan—Significant percentage transition guidance (all employees).** If an employer otherwise eligible for the relief described in this section:

1. had at least 1/4 of its employees enrolled in health coverage under the non-calendar year plan as of any date in the 12 months ending on February 9, 2014, or
2. offered health coverage under the non-calendar year plan to at least 1/3 of its employees during the open enrollment period that ended most recently before February 9, 2014.

Then purposes of Form 1094-C, Part III, column (a), Minimum Essential Coverage Offer Indicator, the employer may treat an employee who was not offered coverage for the months in 2015 prior to the 2015 plan year (and his or her dependents) as having been offered coverage for that period if the employee was offered health coverage no later than the first day of the 2015 plan year.

**Treatment of full-time employees not eligible for the non-calendar year plan—Significant percentage transition guidance (full-time employees).** If an employer otherwise eligible for the relief in this section:

1. had at least 1/3 of its full-time employees enrolled in health coverage under the non-calendar year plan as of any date in the 12 months ending on February 9, 2014, or
2. offered health coverage under the plan to at least 1/2 of its full-time employees during the open enrollment period that ended most recently before February 9, 2014.

Then purposes of Form 1094-C, Part III, column (a), Minimum Essential Coverage Offer Indicator, the employer may treat an employee (and his or her dependents) as having been offered coverage for the months in 2015 prior to the 2015 plan year if the employee was offered health coverage no later than the first day of the 2015 plan year.

## **2015 Section 4980H(b) Transition Relief for Employers with Non-Calendar Year Plans (Form 1095-C, Line 16, Code 2I)**

Relief under section 4980H(b) for an employee for the months in 2015 prior to the 2015 plan year is available for an employer that met the conditions described above under 2015 Section 4980H(a) Transition Relief for Employers with Non-Calendar Year Plans (Form 1094-C, Lines 23-35, column (a)), if the coverage offered to the employee by the beginning of the 2015 plan year was affordable and provided minimum value. In that case, the employee may be treated for purposes of section 4980H(b) as offered minimum essential coverage providing minimum value that is affordable for the months prior to the 2015 plan year. An employer that meets these requirements reports its eligibility on the Form 1095-C, line 16, code 2I for each full-time employee for which the employer is eligible for this relief.

## **Section 4980H Transition Relief for Health Coverage for January 2015 (Form 1094-C, Lines 23-24, Column (a) and Form 1095-C, Line 14)**

Solely for January 2015, if an employer offers health coverage to an employee no later than the first day of the first payroll period that begins in January 2015, the employer is treated as having offered health coverage for January 2015. An employer that is eligible for this transition relief for an employee for January 2015 should treat that employee as having been offered minimum essential coverage for January 2015 for purposes of Form 1094-C, line 23 or 24 (whichever is applicable), column (a). An employer that is eligible for this transition relief would report on Form 1095-C, line 14, that it did not offer its employee health coverage for the month of January (using code 1H). However, it would report on Line 16 using code 2A that it is eligible for this relief with respect to the employee if the coverage offered was affordable for purposes of the employer shared responsibility provisions under section 4980H and provided minimum value.

**Interim Guidance Regarding Multiemployer Arrangements.** For a description of the treatment of certain coverage provided through a multiemployer arrangement, see offer of health coverage in the *Definitions* section.

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**Privacy Act and Paperwork Reduction Act Notice.** We ask for the information on these forms to carry out the Internal Revenue laws of the United States and the Patient Protection and Affordable Care Act. Our legal right to ask for the information on this form is Internal Revenue Code sections 6055, 6056, 4980H and their regulations. We request it to confirm that you are providing your employees offers of, and enrollment in, health coverage and to determine the employer shared responsibility payments and eligibility of your employees for premium tax credits. You are not required to provide the information requested on these forms for 2014. If you do not provide this information, we may be unable to determine whether your employees are entitled to premium tax credits. Providing false or fraudulent information may subject you to penalties. We may disclose this information to the Department of Justice for civil or criminal litigation and to cities, states, and the District of Columbia for use in administering their tax laws. We may also disclose this information to other countries under a tax treaty, to Federal and state agencies to enforce Federal nontax criminal laws, or to Federal law enforcement and intelligence agencies to combat terrorism.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any

internal revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

Form 1094-C .....	4 hrs.
Form 1095-C .....	12 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Do not send the form to this office. Instead, see *Where To File*, earlier.

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## **ATTACHMENT 4**

### **Additional Materials**



# Shunning ObamaCare

By Andy Puzder

**A**mong the Affordable Care Act's many economic and political disruptions, the law has unintentionally encouraged employers to convert full-time jobs into part-time jobs. ObamaCare mandates that employers offer health insurance to employees who work more than 30 hours a week, or pay a penalty up to \$3,000 an employee. But employers have no such obligation for employees who work less than 30 hours a week, making part-time employment less costly.

It's a simple fact: Make something more expensive and people will use less of it; make something less expensive and they will use more of it. So naturally employee hours have been reduced, particularly in the retail segment, which has lowered wages and reduced consumer spending.

On Thursday the House addressed this issue by passing by 252-172 the Save American Workers Act, a bipartisan bill that would restore the definition of "full-time employee" to the 40-hour workweek threshold. Now it will head to the Senate, where

**Of my company's 5,453 eligible employees, only 420 actually enrolled. The other 5,033 opted to pay a penalty.**

Republicans will need six Democratic votes to send the legislation to the White House, which has already threatened to veto it. This isn't Republicans' first try; in April 2014, the House passed a near-identical measure that, like so many other bills, died in Democrat Harry Reid's Senate.

The White House is concerned that this legislation would substantially reduce the number of Americans with employer-based health insurance and encourage employers to reduce the hours of employees currently working 40 hours a week. As it turns out, such concerns are unfounded.

After two constitutionally dubious delays, ObamaCare's employer mandate took effect on Jan. 1 for employers with 100 or more full-time employees. The last open-enrollment date for our company, CKE Restaurant Holdings, Inc., was Dec. 4, 2014.



As of that date, our company had approximately 20,000 employees, 6,900 of whom worked 30 or more hours a week and were eligible for ObamaCare-compliant health insurance. We elected to offer them coverage rather than pay the employer penalty, which would have sent workers to ObamaCare's health-insurance exchanges, where those who qualified could receive federal subsidies to help pay for insurance.

Of the 6,900 eligible employees, 1,447 already had ObamaCare-compliant insurance through our pre-existing company plans. That left 5,453 employees eligible to sign up. A grand total of 420 actually enrolled. That's a mere 2% of total employees, or 6% of eligible employees.

ObamaCare will penalize the 5,033 eligible employees who elected not to enroll, unless they have compliant health insurance from another source. For 2015, the penalty is the higher of \$325 or 2% of annual household income above about \$10,000. The 5,033 employees who declined insurance make \$24,663 a year on average. As a result, the employees without insurance generally will pay the \$325 penalty, as it takes \$26,250 before the 2% penalty is higher.

The employee portion of the annual premium for our least-expensive "bronze plan" is \$1,104. If you don't believe you need health insurance, \$325 beats \$1,104. But employees compelled to pay the penalty still won't have compliant insurance. For

those who want insurance, then, we offer all our employees—full and part time—access to inexpensive group health-care coverage that is not ObamaCare compliant.

Concerns that companies would shift 40-hour employees to 39-hours or less are also unfounded. First, the Bureau of Labor Statistics defines "full-time workers" as "[p]ersons who work 35 hours or more per week." So contrary to White House claims, many full-time employees work less than 40 hours a week. In fact, in December Americans workers averaged 34.3 hours a week, according to BLS.

As noted above, 78% of our employees who enrolled in ObamaCare-compliant coverage already had such coverage through our company plans. We offered insurance to compete with other employers and because of the tax-exclusion for employer-sponsored insurance. The company didn't need an hourly requirement or any other government compulsion. If the hourly requirement were changed to 40 hours, our company would continue offering these individuals employer-sponsored coverage.

Of the 420 employees who enrolled in ObamaCare-compliant coverage, 197—less than 1% of our workforce—work 40 hours or more a week. Reducing their hours would cause problems. If we did, some employees would work for our competitors instead. Other employees such as cooks and shift leaders work more than 40 hours a week because they offer

expertise we need to run restaurants.

So what does ObamaCare's 30-hour rule accomplish? Some would argue that it does a lot, pointing to the previously uninsured who now have employer-sponsored health insurance. In our company, that would be 2% of total employees and 6% of eligible employees.

For results like that, ObamaCare has caused millions of full-time jobs to become part-time, imposed a tax on lower-income workers who cannot afford it, forced millions of people out of insurance they liked, restricted access to doctors for millions of others, and created an enormous bureaucracy that discourages our doctors and nurses while suppressing health-care system innovation.

People don't seem to think the trade-off is worth it, as our company's pathetically low enrollment rate shows. That doesn't mean Americans want to return to the pre-ObamaCare health-insurance market. The ultimate solution is market-based health-care legislation that is comprehensible, read and debated by the people voting on it, and, most important, actually provides affordable coverage to those who want it.

Meanwhile, returning the definition of full-time work to 40 hours a week would be a good place to start, addressing a serious problem for workers and businesses.

*Mr. Puzder is the chief executive officer of CKE Restaurants.*