ACA Manager

Reporting Checklists

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OVERVIEW

The following checklists steps should be used to guide you to completion of your required Affordable Care Act reports for each Applicable Large Employer. These steps should be completed prior to completing the 1094C and 1095-C process.

CHECKLIST 1: Healthcare Plans

Admin > Profiles/Policies > Benefits > Plans

It is important to confirm all your medical plans are properly set up inWorkforceGo! HCM since the ACA Manager product module must reference the correct plans when evaluating each employee.
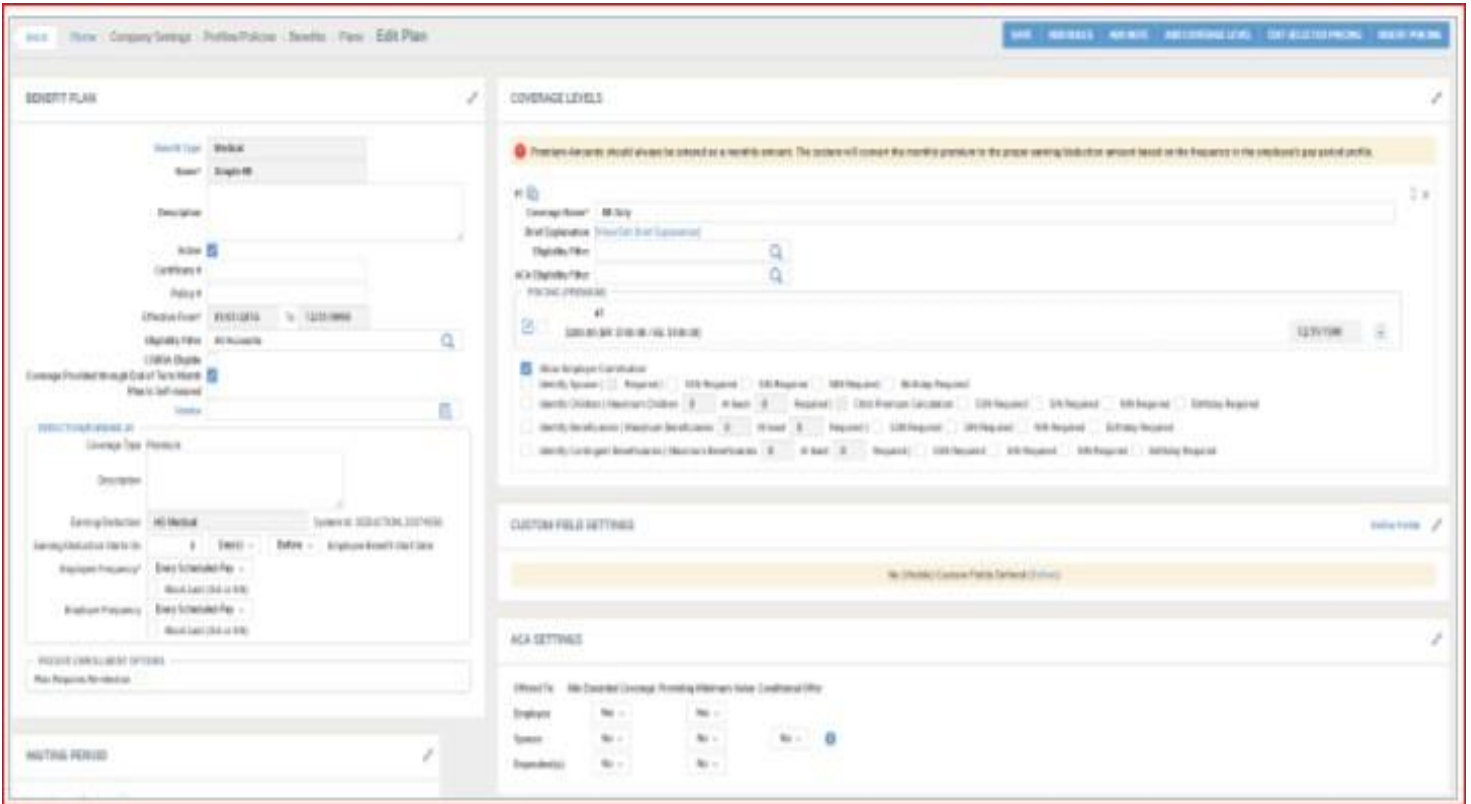
Benefit Type

The ACA Manager looks to those benefit plans marked as Base Type = Health when determining affordability and coverage offered, and evaluating the code on Line 14 Part II of Form 1095-C.

Click on the blue hyperlink OR Admin > Profiles/Policies > Benefits > Types

- Only your medical benefit type shows as Base Type = Health

- All other plans do not reflect Base Type = Health*

    *If you have other plans referenced with a Benefit Type = Health, please update the benefit base type to reflect the correct benefit type. If you have questions, please contact our Client Services team, as this setting will affect ACA reporting.

Effective From and Effective To Dates

ACA Manager looks to those benefit plans aligned with Base Type = Health that are active within the reporting year. Confirm your benefit plans are reflecting the correct benefit type for each of your medical plans.

Eligibility Filter

ACA Manager will look to the general Eligibility Filter to determine which plan(s) each employee is eligible to enroll in. Select the magnifying glass icon at the end of the field to confirm this filter is set up to only offer this plan to those eligible employees.
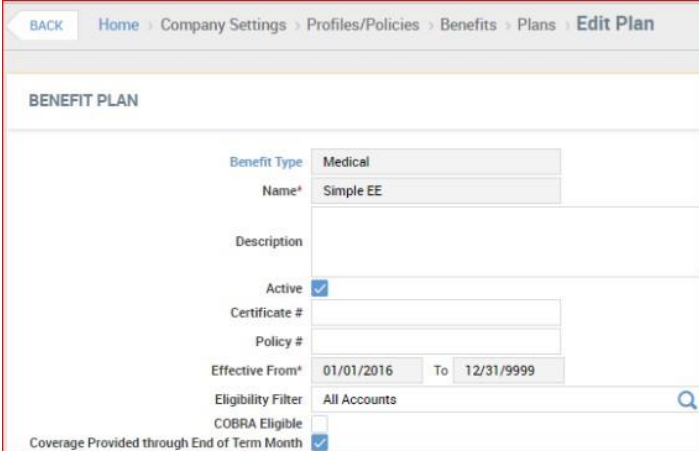
Hint: If the benefit plan has a defined benefit plan eligibility filter, the ACA eligibility filter must match thebenefit plan eligibility filter to report correct results

Coverage Provided Through End of Term Month

Only for customers with the WorkforceGO! HR module

Check the Coverage Provided through End of Term Month box if an employee terminates prior to the end ofthe month, the offer of coverage and enrollment (if the employee is enrolled in the plan) will extend to the end of the termination month. If you need to adjust a benefit plan(s), be mindful of the effective dates before saving.

OPTIONAL STEP — this step can be skipped if there are no healthcare plans that provide coverage through the end of the termination month.

For the system to properly end-date plans, the Benefit Coverage End Date field should be enabled. If Coverage Provided Through End of Term Month is checked on any medical plans, navigate to **Admin > Global Setup > Company Setup** and **HR** tab. Verify the Benefit Coverage End Date box is checked in the Termination Details section. If it is not, please check and save.

Plan Is Self-Insured

If your Medical plan is self-insured, Part III of Form 1095-C will need to include all employees, and dependents, who have enrolled and benefit plan effective date. Check "Plan is Self-Insured" (this can be confirmed with your benefit carrier/provider) and verify the effective dates on the plan are correct.
If your plans are not self-insured, no action is required within this step.

Coverage Levels

Coverage levels determine the amount that the employee and employer pay, as well as the level of coverage the employee elects (i.e., employee only,employee plus spouse, family, etc.).

The IRS has specified it is compliant to charge different premiums to employees based on tobacco use, all employees must be treated as non-smokers when determining affordability and/or reporting an amount in Line 15 in Part II of Form 1095-C. The ACA Eligibility Filter has been added to accomplish this.

ACA Settings

The ACA Settings widget on the Benefit Plan allows you to specify which plans provide Minimum Essential Coverage and Minimum Value, and the level at which they are provided. (Please consult with your benefits carrier/provider if you have questions on your plans.)

Tip: In WorkforceGo HCM, hover over the blue informational icon for a description of the conditional offer.

CHECKLIST 2: Benefit Profiles

Admin > Profiles/Policies > Benefits > Profiles

The Benefit Profile groups the Benefit Plans to direct ACA Manager to theMedical plans for calculating the lowest plan cost value. Verify Benefit Profile lists the appropriate Medical plan(s).

BENEFIT PROFILE

Name* Production

Description

Active ☑

Production Workers

Brief Explanation [View/Edit Brief Explanation]
Auto Add ☐
Use Waived Reason ☐
Employee Can Select Up To 1 ∨ Plan(s), At Least 0 ∨ Plan(s) Should Be Selected
Show On Life Change Event ☑ New Employee ☑

		PLAN NAME	EFFECTIVE FROM	EFFECTIVE TO	EARNING/DEDUCTION
⇅ ×	Q	Age Banded	01/01/2015	12/31/9999	HS Medical
⇅ ×	Q	PPO	01/01/2015	12/31/9999	HS Medical

ACA SETTINGS

Has Non Calendar Year Plans No ∨
Has Non Calendar Year Transition Relief No ∨
Eligible For All Full Time Employees ◉
Only For Employees Eligible For Coverage As Of 2/9/2014 ○

ACA Manager will only look at the Benefit Plans attached to a Benefit Profile assigned to the Employee.

Medical

Brief Explanation [View/Edit Brief Explanation]
Auto Add ☐
Use Waived Reason ☐
Employee Can Select Up To 1 ∨ Plan(s), At Least 0 ∨ Plan(s) Should Be Selected
Show On Life Change Event ☐ New Employee ☐

		PLAN NAME	EFFECTIVE FROM	EFFECTIVE TO	EARNING/DEDUCTION
⇅ ×	Q	MVP Plan	01/01/2015	12/31/9999	HS Medical
⇅ ×	Q	NoSpouse	01/01/2015	12/31/9999	HS Medical
⇅ ×	Q	PPO	01/01/2015	12/31/9999	HS Medical

CHECKLIST 3: ACA Profiles

The ACA Profiles are assigned on a per-employee basis and informs the system everything it needs to know for measuring and reporting on each employee. ACA Profiles measures hours worked, where to look for worked hours, ACA status qualifiers as well as the plan affordability qualifier.

Company Qualifies for Multi-Employer Interim Rule Relief
This checkbox is used to automatically assign the Line 14 and Line 16 codes in Part II of Form 1095-C associated with the Multi-Employer Interim Rule Relief.

This should be used if your employees enroll in medical coverage through another employer (for example, if your union employees enroll in medical coverage directly with the union, but you administer their premiums). Please contact your benefits carrier/provider if you have a question as to whether this should be selected.

Auto Run
If you are using the auto run feature to automatically run the ACA engine you will need to set the run days to great than 1 day from month end. The suggested setting is to run the 6 or 7 day after month end.

Break In Service
When a Break in Service is less than 13 weeks (26 weeks for educational employees), the system does not adjust the coding during the terminated months to indicate that coverage was offered the same as if the individual was still an employee (as specified in the Form 1095-C instructions). If the Break in Service is determined to be less than the number of weeks specified in the ACA Profile (13 weeks or 26 weeks), the coding of the ACA Timeline is adjusted so that the codes in Line 14 and Line 16 do not change after the employee is rehired. If the Break in Service is determined to be greater than or equal to the number of weeks specified in the ACA Profile, the months the individual was terminated will report as terminated.

Apply Rule of Parity

The rule of parity states to look at the employment period before the break in service when determining the re-hire/new hire ACA status for the employee. If the employee's prior period of employment was less than the break in service, the employee will be considered an ACA new hire.

If this box is checked, the rule of parity will be applied when any breaks in service are calculated.
Please note that checking this box is not required — the ACA laws state that it is the Applicable Large Employer's choice as to use this rule.

Calculate Month Hours from … Rule

Only one of the following calculation rules must be enabled within the ACA Profile. The calculation hours rule tells the system where to find hours worked for calculating FT and/or PT status

✎ **Calculate Monthly Hours From Timesheets**
For Total Time Use: Calculated Hours
Hours Calculated From: December 2020
No Filter Is Selected

✎ **Calculate Monthly Hours From Payroll**
PST Type List: ?
PST Earning List: ?
Hours Calculated From: December 2020

Calculate ACA Status Rule

This rule calculates an employee's average hours per month over their entire measurement period. **Effective From is not needed unless** the entire measurement period, or another time range is being used to calculate the status

Affordable Plan Offered Rule

The IRS publishes a standard percentage each year that employers use when determining if the healthcare plan is affordable. Confirm your Affordable Plan Offered rule reflects this new rate. Only configure **_one_** of these tables within this rule based on your affordable rate calculation.

✎ **Affordable Plan Offered**
Effective From **01/01/2021**
If At Least One Is True:
Plan Monthly Cost <= 9.83% Hourly Rate * 130.0

1095-C Line Rules

All 1095C forms are required to report codes for Line 14 and Line 16 — as well as a correct amount in Line 15 on Forms 1095-C, Part II.
Verify that all three 1095-C Line rules exist in each ACA profile and effective dates **_are not_** included in these rules.

Limited Non-Assessment Period

The Limited Non-Assessment Period is the time frame that the IRS allows for an employer to wait when offering medical coverage to an employee without an employer penalty. For example, many employers have a mandatory waiting period for new hires. Employers require that new hires wait until the first of the month after "x" days to be offered healthcare benefits.

Confirm the Limited Non-Assessment Period rule exists in each ACA profile and _effective dates are not needed_.
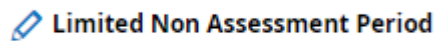
Minimum Value Plan Offered

Within a Benefit Plan (if Payroll or HR is enabled), there is an option to select if the health plan is considered a minimum value. The system will look at the employee's benefit profile and plans to check for this setting and will populate the ACA Timeline with Yes or No. Confirm the Minimum Valued Plan Offered rule exists in each ACA profile and _effective dates are not needed_.
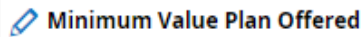
Is Employer With Most Hours

This rule should be enabled in the **ACA Profiles** for each EIN assigned to the employee. This rule populates a new line on the **ACA Timeline** in the **Recalculate Combined Status** section, so it will only display for employees in more than one EIN. It will flag as **Yes** or **No** to indicate whether, out of all the EINs the employee worked in this month, that this is the EIN with the most hours for that month. If the EIN being calculated has the same number of hours as another EIN, it will display as **Shared**.

CHECKLIST 4: Employee Information

My Employees > Employee Information
ACA Manager will review specific information in the employee's records

Benefit Profile
The Benefit Profile assigned to the employee will direct ACA Manager to the appropriate plan when determining which plan should be used for ACA reporting. For example, if you have three medical plans and the Benefit Profile

assigned to the employee only has two listed, ACA Manager will not consider the third plan when evaluating that employee. Confirm every employee who is eligible for benefits has a Benefit Profile attached.

Tip: To verify an employee has been assigned a Benefit Plan Profile, add the column labeled Current Benefit Profile (Effective) to your Employee information report.

Benefit Profile Effective Date

The Benefit Profile Effective Date informs the system the effective date of the benefit plans offered to your employee. Be mindful of this date, if the date falls prior to the actual date that the employee was truly eligible for benefits, this may affect ACA reporting. Confirm every employee with a Benefit Profile has the correct effective date.

Tip: To verify an Employees benefit profile effective date, add the column labeled Benefit Profile (Effective Date From) to your Employee information report.

ACA Profile

Verify every employee who should be included in the Form 1094-C employee count has an ACA Profile attached.

Tip: To verify your Employees have an ACA Profile assigned, add thecolumn labeled Current ACA Profile (Effective) to your Employee information report.

ACA Employees Status History widget

This widget stores all employee's action dates (hired, terminated, and re- hired), and the system looks at these dates to determine which codes to use on Form 1095-C.
If there are any questions regarding break in service calculations, please refer to this widget. If the employee has any of the following, manual corrections will be needed:

> Two consecutive re-hire dates without a termination date
> Two consecutive termination dates without a re-hire date
> A re-hire date without any corresponding termination date

Employee Benefit Plans

ACA Manager verifies if the employee is enrolled in coverage, or if a record exists that indicates the employee was offered coverage, but waived enrollment. (best practice: always enter waive records to easily show that coverage was indeed offered, even though the employee declined enrollment.) Verify Benefit Plan Coverage Effective From and Coverage Effective To dates are reflecting accurately for employees.

Tip: To verify Employee benefit plan dates, run the report My Employees > Employee HR Maintenance >

Benefits > Benefit Plans

Dependents/Beneficiaries Enrollment

OPTIONAL STEP — for Self-Insured Plans only

If the employee is enrolled in a self-insured medical plan, Part III of Form 1095-C must be completed. This section identifies the employee and dependents/beneficiaries enrolled within the employee benefit plan. If you have a self-insured healthcare plan, confirm the Effective From and Effective To dates are reflecting accurately for anyone enrolled in theemployee's plan.

Tip: To verify an Employees Dependents/Beneficiaries' enrollments, run My Team > Benefits > Dependent's report.

Dependents/Beneficiaries Demographics

OPTIONAL STEP — can be skipped if no plans are self-insured.

Part III of Form 1095-C requires a name as well as either a Social Security number (preferred) or date of birth (only to be populated if the SSN is not available) for every individual enrolled in the employee's plan.

If you have a self-insured healthcare plan, confirm Dependents Social Security Number and/or Date of Birth date is reflecting accurately.

Tip: To verify Dependents social security numbers and/or date of births areentered correctly, run My Employees > Employee HR Maintenance > Benefits > Dependents and add the Dependent birthday and Dependent SS# columns.

ACA Timeline

The ACA Timeline is a month-by-month review on each employee's statuswithin the ACA reporting period. Confirm employees' hours are reporting on a month-by-month basis forcalculating average hours worked.

Tip: To review the Employee ACA Timeline run the ACA Data Detailed report.

CHECKLIST 5: Reports That Can Assist in the Audit Process

My Team > Benefits > ACA
ACA reports are available based on the system user's security profile. If you are unable to view the ACA reports, please contact our Client Services Team.

Employee ACA Actions

*Columns for 1095-C Electronic Consent Given and 1095-C Electronic Consent Given On have been added to this report. *
The Employee ACA report also allows ACA mass recalculation, clearing an ACA Timeline and importing historic data for ACA reporting. The W-2 SafeHarbor process can be run from this report as well.

ACA Data Detailed

*Line 15 amount for Part II of Form 1095-C has been added. *
This report provides a month-by-month detail report view from the ACATimeline.

ACA Data Summary
The Data Summary report provides a month-by-month summary of employees and can include compliance alerts.

Form 1094-C Employee Count
The Form 1094-C report provides the month-by-month count that will appear in Part III of Form 1094-C.

ACA Account Status Change History
The ACA Account Status Change History report groups by employee and reports employee dates as they appear in the employee's ACA Employees widget.

CHECKLIST 6: ACA Settings Widget

Admin > Global Setup > Company Setup

This widget configures the default ACA Profile and populates the ACA contact information on the Form 1094-C and 1095-C. This widget also controls your employees electronic consent options. This widget is **required** for ACA contact information. If you need assistance in completing this widget, please contact our Client Service Team.

ACA Form Contact Phone

The contact information and phone number entered will populate on Form1094-C and Forms 1095-C for the selected EIN and is **required**.

Enable COBRA reporting for self-insured health plan

Optional

If you have a self-insured healthcare plan and have employees or former dependents enrolled in their own

COBRA policy, check this box to enable the new Form 1095-C Dependent functionality.

Electronic Consent

The IRS has stated that employees can give permission to their employer to provide Form 1095-C electronically only. Please note that this must be a separate consent from that for Form W-2. For your employees to give their consent to receive Form 1095-C electronically, the Electronic Consent box will need to be checked.

Mask SSN

Optional

If you will be providing paper copies of Forms 1095-C to your employees, check the Enable box to mask the Social Security Number (SSN) on the Form 1095-C. Once this box is checked, when the employee accesses their form via ESS or receives the printed copy, the first five digits of their SSN will be replaced with X's. (SSN 123-45-6789 will display as XXX-XX-6789) This will populate in both Part I (Employee Information) and Part III (Covered Individuals) of the Form 1095-C. Any message entered in the Box Text field will display on the top of theform when accessed via ESS. The default message is "Please note that Social Security Numbers have been masked on this form for increased security."

ACA Form 1095-C

The ACA report, Form 1095-C is available under Benefits > *ACA (AffordableCare Act) > Form 1095-C. A form for each e*mployee within your company will need to be populate. After reviewing and finalizing the 1095-C forms a PDF may be created.

Forms can be added, edited, and managed in mass, using the available options.

- **Mass Populate** – Allows you to populate 1095-C forms for multiple employees at the same time.
- **Mass Add New** - Allows you to add 1095-C forms to multiple employees at the same time.
- **Mass Edit** – Allows you to edit 1095-C forms for multiple employees at the same time.
- **Mass Delete** – Allows you to delete 1095-C forms for multiple employees at the same time.
- **Mass Finalize** – Allows for the finalization of 1095-C forms for multiple employees at the same time.
- **Mass Unfinalized** – Allows for the selection and un-finalization of multiple 1095-C forms at thesame time.
- **Mass Clear** – Allows for specific fields to be cleared on selected unfinalized 1095-C forms. Selecting a line will clear all contents in that line. For example, clearing *Line 17 – Covered Individual* will clear the Name, SSN, Date of Birth, and all associated checkboxes for that line.

Additional columns may be added to the report by clicking the **Select Columns** link and adding columns from the *Available Columns* list to the *Selected Columns* list, and then clicking the *Select Columns* button. To save a report that has been edited, click the Settings drop-down and select Save Settings, give the report a name, and save.

ACA Form 1094-C

The ACA report, Form 1094-C is available under Benefits > *ACA > Forms >1094-C*, which will allow users to create multiple 1094-C forms.

For Multi-EIN companies, a drop-down field is available to select which company will be selected when creating the form. This will allow for the selection of the Default Company, or any of the other Company EIN's listed. This field can also be manually cleared from the form after it is auto populated. The forms will be able to be populated and finalized, and a PDF may be created.

After selecting **Add New** button, the form will display.

Populate the form by selecting *Populate Form* button and the completingthe information in the *1094-C Questionnaire Confirmation* box. After population, the form can be edited as needed.
Finalize the 1094-C form by selecting the *Finalize Form* button. If, after finalizing, edits are needed, unfinalized the form by selecting the *Un- finalize Form* option.

After completing all edits, re-finalize the 1094-C form. The 1094-C form can be downloaded as a pdf document using the *Download PDF* option.

Form 1095-C: ESS for Employees

Employees can view their 1095-C Forms from Employee Self Service (ESS) after the finalization of the 1095-C form. *My Account > My Forms > Form 1095-C*. The ability to view their forms must be enabled through the employee's security profile, under Admin *> Profiles/Polices > Security*, under the *ESS* tab, within the *Employee* section. A security setting, **My 1095-Cs,** will allow *View* only access. Employees will have the ability to download the form. Access to Dependent Forms 1095-C, has been added to the line for ACA Timeline within the Security Profile (Admin > Profiles/Policies > Security > HR tab). This new security item is unchecked by default.

This security item is only visible when the Enable COBRA reporting for self-insured health plan within the ACA Settings widget under Admin > Global Setup > Company Setup is checked.

Minimizing Filing Errors

1. Form 1094C is required to report Company information in box 1-8
2. Form 1094C is checked as the Authoritative Transmittal, then 'Minimum Essential Coverage', Part III (a) from Jan through Decmust have a choice of "Yes" or "No" indicated or the 'Minimum Essential Coverage' for all 12 months must have a choice of "Yes" or "No" indicated.
3. All 1095C forms is required to report *all* Company information inbox 7-13
4. All contribution amounts in Line 15 must have a 2 decimal place value. (i.e., $0 – is not acceptable, $0.00 – is acceptable)
5. 1095C ACA codes "1B", "1C", "1D ","1E", "1J", or "1K must have a contribution value for each month reported.
6. All 1095C ACA codes in line 14 must be in capital form. (i.e., 1b is not acceptable, 1B is acceptable)
7. If Form 1095C 'Annual Offer Of Coverage', Part III (d) does not have a value, then all 'Monthly Offer of Coverage' (Jan throughDec), Part III (e) must have a value.
8. All Covered Individuals in Part III (a) of the 1095C form are required to have a Social Security number or Date of Birth (yyyy-mm-dd), if self-insured health care coverage is offered.
9. Employee Name and Social Security number must match the IRS database.
10. Employee's Dependents Name and Social Security number must match the IRS
11. database.

Form 1095-C: Line 14 - Code Series 1

Code Series 1 is used for **Line 14 of Form 1095-C** and addresses:

- Whether an individual was offered coverage
- What type of coverage was offered?
- Which months that coverage was offered

If an employee is benefit eligible in any month during the year, then line 14 should include a value foreach month, even during months where an employee is not/no longer employed.

Code	What does the code mean?	When should it be used?
1A	A Qualifying Offer was made by the employer to the employee, their spouse and dependents: Minimum Essential Coverage (MEC) with Minimum Value (MV) was made. The offer is affordable because it's < or = 9.5% of the single, mainland federal poverty line.	• Coverage was offered to the EE, their spouse and dependents • MEC was offered, providing MV • Coverage that was offered is considered affordable at the employee-only level
1B	Minimum Essential Coverage (MEC) was offered to the employee only and provides Minimum Value (MV).	• Coverage is only offered to the EE and not to their spouse or dependents
1C	Minimum Essential Coverage (MEC) that provides Minimum Value (MV) was offered to the employee and their children.	• Coverage is only offered to the EE and their children, but not to their spouse.
1D	Minimum Essential Coverage (MEC) that provides Minimum Value (MV) was offered to the employee and their spouse.	• Coverage was only offered to the EE and their spouse, but not their children.
1E	Minimum Essential Coverage (MEC) that is meets Minimum Value (MV) is offered to the employee, and coverage that meets MEC guidelines but not MV guidelines is offered to the spouse and children.	• The only difference between this code and 1A is that the coverage may not be considered "affordable" or it is affordable based on a safe harbor other than the federal poverty line.
1F	Minimum Essential Coverage (MEC) is offered to the EE or EE + spouse and/or dependents but the coverage does not provide Minimum Value (MV).	• The coverage offered does not meet the MV threshold
1G	Self-insured coverage was offered to the employee who is not full time at any point in the year	• A self-insured plan is offered • Non-full time EEs are eligible for the plan • The EE was enrolled in the plan, for that given month
1H	No offer of coverage was made (or one was made, but it did not meet the MEC threshold for the EE).	• The EE was not yet hired • The EE was in a limited-assessment period • The EE was otherwise ineligible for coverage • The offer of coverage was not MEC • The offer of coverage was not for an entire month • The EE terminated and was offered COBRA

COVID-19 Supplement Codes

Below are hypothetical examples of involving furloughs or layoffs that occurred in response to COVID-19 during the 2020/2021 calendar year. There may be other scenarios, not included below, where different code combinations may apply. All offers of coverage are assumed to be group coverage that provides minimum value, and all rehired employees remain in active status through the end of the year. In some cases, more than one set of codes may be appropriate for a given situation. You should consult your own legal or tax advisor regarding how best to complete Forms 1095-C

Examples		Code
Furlough (i.e Leave of Absence)	Brenda, a full-time Bank teller at ABC Bank, was placed on an unpaid furlough on April 10. ABC Bank offers affordable (Rate of Pay Safe Harbor) coverage and allowed furloughed employees to retain their coverage. Brenda paid her portion of the premium while on furlough. ABC called Brenda back to work July 1.	1E & 2C for all 12 months
Termination & Rehire	Charles was hired by Acme Manufacturing a few years ago and remained employed through May 11, when Acme terminated his employment. Charles was on Acme's affordable (W-2 Safe Harbor) coverage, but did not elect COBRA. Acme rehired Charles on August 1 (i.e., after less than 13 weeks) and offered him coverage as of that date.	Jan - May: 1E & 2C June and July: 1H & 2A Aug - Dec: 1E & 2C
Variable Hour Employee & Furlough (i.e Leave of Absence)	Juan is a server at Bob's BBQ. During the last measurement period, Juan averaged 30 hours per week and was offered affordable (Rate of Pay Safe Harbor) coverage during the current Stability Period which he chose to enroll in. On March 31, Juan was placed on furlough. The health insurance carrier allowed furloughed employees, including Juan, to stay on the plan through the furlough period. On August 1, Bob's BBQ re-opened and brought Juan back.	1E & 2C for all 12 months
Variable Hour Employee in a Stability Period	Leslee is a variable-hour server at Best Bodacious Burgers (BBB) and qualified for health insurance. Her Stability Period is January 1-December 31. In April, BBB placed Leslee on furlough and the carrier allowed continued coverage for employees on furlough. BBB continued to pay 100% of the employees' premiums during furlough. As of October 1, BBB required Leslee to pay her portion of the premium while still on furlough. Although Leslee remains employed (and continues to be benefit-eligible) through the end of the year, she does not intend to pay for her coverage. Her coverage ends October 1 due to failure to pay premiums. BBB uses the Rate of Pay safe harbor.	Jan - Sept: 1E & 2C Oct - Dec: 1E & 2H
Furlough and Waiver of Coverage	Jennifer is a variable hour employee of AAA Technology. She qualified for benefits in the most recent Standard Measurement Period. Her coverage is affordable under the Rate of Pay safe harbor, but she waived coverage. On April 9 she is furloughed during a Stability Period (meaning the offer of coverage to her, and her waiver, remain in effect). She was reinstated to work on June 6 (after <13 weeks) and not offered benefits.	1E & 2H for all 12 months

Form 1095-C: Line 16 - Code Series 2

Code Series 2 is used for **Line 16 for Form 1095-C** and address:
- Whether the individual was employed and, if so, whether he or shewas full-time or part-time
- Whether the employee was enrolled in coverage
- Whether the employer is eligible for transition relief as an employer with a non-calendar year plan or as a contributor to a union healthplan
- Whether coverage was affordable and, if so, based on which IRS safeharbor

Code	What does the code mean?	When should it be used?
2A	The EE was not employed during this month	• The EE had not yet been hired • The EE was no longer employed
2B	The EE was not full-time (FT) during this month	• The EE was part-time • The EE was a seasonal or variable hour worker • The EE is in a measurement period and FT status has not yet been established
2C	The EE has accepted and enrolled in the coverage offered	• The EE is enrolled in coverage offered by the employer
2D	The EE was in a Limited non-assessment period (LNAP) for this month	• The EE is in a waiting period under the look-back measurement period • The EE is in the first calendar month of their employment and did not start on the 1ˢᵗ day of the month • The employer is in their first year as an applicable large employer (ALE) • The EE has a status change during their initial look-back measurement period
2E	The employer is eligible for the multi-employer interim relief rule	• Some portion of the workplace is eligible for a multi-employer (union) plan • The employer makes an ongoing contribution to the plan on behalf of union EEs
2F	The coverage offered is affordable based on the Form W-2 safe harbor	• Coverage is considered affordable for this EE based on the W-2 safe harbor method • The W-2 safe harbor was used for every month that the EE was offered coverage
2G	The coverage offered is affordable based on the Federal Poverty Line safe harbor	• Coverage is considered affordable for this EE based on the federal poverty line safe harbor method
2H	The coverage offered is affordable based on the Rate of Pay safe harbor	• Coverage is considered affordable for this EE based on the rate of pay safe harbor method
2I	The employer is eligible for non-calendar year transition relief for this moth, which applies to the EE	• The employer offers a non-calendar year plan and is eligible for associated transition relief • The EE was only eligible for a non-calendar year plan • This code cannot be used if the EE is also eligible for a calendar year plan that is offered

This information is not tax or legal advice. Employers are encouraged to read the instructions and forms in their entirety and work with trusted advisors to prepare these ACA documents.