

Tips for Previewing your ACA Forms

October 10, 2024





Agenda

- ❖ Legislative Updates
- ❖ Reporting Deadlines
- ❖ Previewing Forms
- ❖ Common Issues
- ❖ Approving Forms



Thank You For Joining!

Thank you for joining our ACA Webinar. All participants have been muted for this webinar. We will review where to direct your questions at the end of the webinar. We will also send this presentation to all registrants.

Please be sure to register for the rest of our webinars this year. You can find these on your client landing page.

In addition, we have a YEAR-END resource for you that you can find on our website.

Legislative and Court Update on the ACA in 2024:

March marked Ten Years of the ACA

All time high enrollment of 21.4 million in the Marketplace; another 18 million enrolled in expanded Medicaid program.
Uninsured rate in this 10-year period has dropped from 6.5% to 3.4%

Fifth Circuit – conservative court

Ruled that “no-cost” preventive care is unconstitutional – this includes U.S. Task Preventive Services Task Force recommendations such as yearly exams, cancer screenings, etc.
Biden administration has appealed and asked Supreme Court to review decision. Whether the Federal government pursues this appeal, could hinge on the election.
Only in 5th Circuit, Texas, Louisiana, and Mississippi

Nationally

The Affordable Care Act prohibits discrimination on the basis of race, color, national origin, age, disability, or sex in programs or activities. HHS has clarified that “sex” includes: pregnancy, sexual orientation, gender identity, and sex characteristics. This is subject to legal challenge.

Marketplace premiums are expected to increase by approximately 6% for 2024 but can range between 2 and 10%.

IRS announced no statute of limitations for Employer Shared Responsibility Payment penalties.

IRS made clear that failure to pay penalties can result in property liens/seizures (this includes real property, vehicles, bank accounts, etc.)

Yearly increases in penalties – For 2024:

▪**4980H(a) Penalty** - \$2,970 (\$247.50/month) per employee for failure to offer minimum essential coverage and one (or more) employees receives a tax subsidy/credit from a Marketplace;

▪**4980H(b) penalty** - \$4,460 (\$372/month) for failure to offer coverage that meets minimum value or affordability standards per employee who receives a tax credit from the Marketplace.

ACA Reporting Deadlines

IRS DEADLINES

1095-C or 1095-B Participant Statements	Postmarked to employees by March 3, 2025
1094-C or 1094-B Employer Statements	March 31, 2025 (electronic filing)

CTR DEADLINES

Previewing your ACA Forms	You may begin previewing your ACA Forms Now!
Approving your ACA Forms	Must be approved by January 9, 2025.

- Individual statements for 2024 must be furnished within 30 days of January 31, 2025. If the deadline falls on a weekend, it is extended to the next business day, which is March 3, 2025.
- Electronic IRS returns for 2024 must be filed by March 31, 2025.
- ALE members must file Form 1095-C and Form 1094-C with the IRS annually, no later than February 28 (March 31 if filed electronically) of the year immediately following the calendar year to which the return relates.

View the IRS draft release with instructions and deadlines:

[2024 Instructions for Forms 1094-C and 1095-C \(irs.gov\)](https://www.irs.gov)

ACA Form Preview Screen

- ✓ Preview Forms under Client Management>ACA Forms Approval
- ✓ Make sure that you are Selecting Year 2024 from the Dropdown Menu
- ✓ If you have multiple FEINs, you will need to do a separate preview for each company

ACA Forms Approval

isoN

Report Information

* Reporting Year: 2024

Report Type for Selected Year: ACA 1094-C and 1095-C Employer



Preview Export with Audit



Run Alerts



Preview Forms



Approve Forms



Show History

ACA Form Preview Reports

- ✓ The “Run Alerts” option is a condensed version of the 1095-C Forms for fully-insured plans.
- ✓ If you are self-insured, you will not be able to see Part III of the 1095-C Forms. If you are self-insured, you should select “Preview Forms.”






ACA Forms Approval

iso

Report Information

* Reporting Year:

Report Type for Selected Year: **ACA 1094-C and 1095-C Employer**

 Preview Export with Audit	 Run Alerts	 Preview Forms	 Approve Forms	 Show History
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Run Alerts Report

- ✓ The report provides errors that may cause file rejections from the IRS
- ✓ The report also highlights in yellow potential social security number errors that could generate TIN errors or other issues (i.e. a Social Security number which is 123-45-6789)

Carson, Monica		101 Main											Original Hire Date: 12/10/2016	
Emp #: 32		Winston Salem, NC, 27104											Rehire Date:	
111-11-1111													Term Date:	
	All 12 Months	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	
	1K													
			\$100.00	\$100.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	

Castle, Troy		938 Crepe Myrtle											Original Hire Date: 08/10/2016	
Emp #: 86		WINSTON SALEM, NC, 27104											Rehire Date:	
666815842													Term Date:	
	All 12 Months	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	
		1H	1H	1H	1H	1H	1H	1H	1H	1H	1E	1E	1E	
											\$150.00	\$150.00	\$150.00	
		2A	2A	2A	2A	2A	2A	2A	2D	2D	2H	2H	2H	

Reviewing Form 1094-C

- **Part I**- Populates from Legal Demographic Information in isolved
- **Line 18**- This should match the total number of 1095-C Forms
- **Line 21**- This will be checked “yes” if you have more than 1 FEIN
- **Line 22**- This will populate based on information that is checked under ACA Report Options in isolved. It is currently set for 2023 Designations.

Form 1094-C		Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns		<input type="checkbox"/> CORRECTED	OMB No. 1545-2251
Department of the Treasury Internal Revenue Service		> Information about Form 1094-C and its separate instructions is at www.irs.gov/form1094c .			
Part I Applicable Large Employer Member (ALE Member)					
1 Name of ALE Member (Employer) Acme Corporation		2 Employer identification number (EIN) 76-7612345			
3 Street address (including room or suite no.) 1234 Main Street					
4 City or town Fairview Park		5 State or province OH	6 Country and ZIP or foreign postal code US 44126		
7 Name of person to contact Bridget Escobar		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 US		
15 Name of person to contact		16 Contact telephone number			
17 Reserved					
18 Total number of Forms 1095-C submitted with this transmittal >					49
19 Is this the authoritative transmittal for this ALE Member? If "Yes," check the box and continue. If "No," see instructions					<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Part II ALE Member Information					
20 Total number of Forms 1095-C filed by and/or on behalf of ALE Member >					49
21 Is ALE Member a member of an Aggregated ALE Group?					<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If "No," do not complete Part IV.					
22 Certifications of Eligibility (select all that apply):					
<input type="checkbox"/> A. Qualifying Offer Method		<input checked="" type="checkbox"/> B. Reserved		<input type="checkbox"/> C. Section 4980H Transition Relief	
				<input type="checkbox"/> D. 98% Offer Method	

For Official Use Only

Line 22 Certifications of Eligibility

A	Qualifying Offer Method	<ul style="list-style-type: none"> To check this box the ER must have made a qualifying offer (Code 1A on 1095-C Line 14) to one or more of its full-time employees for all months during the year in which the employee was a full-time employee. The plan must be offered to spouse and dependents
RESERVED	Qualifying Offer Transition Relief	<ul style="list-style-type: none"> This is no longer an option.
RESERVED	Section 4980H Transition Relief	<ul style="list-style-type: none"> This is no longer an option.
D	98% Offer Method	<ul style="list-style-type: none"> ER must offer a Qualifying Health Plan to 98% of its full-time employees and their dependents and; The full-time employee's offer of self-only coverage is affordable according to the ACA If the ER checks this box it does not have to complete the "Full-Time Employee Count" in Part III, column (b), of the 1094-C.

Reviewing Form 1094-C

If you have more than one FEIN that is part of an aggregate group for ACA Reporting, make sure all FEINS are included under Part IV:

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
36 Acme LTD	54-9987676	51
37		52
38		53
39		54
40		55
41		56
42		57
43		58
44		59
45		60
46		61
47		62

Additional FEINS may be added on the ACA Reporting Groups page.

Manually Editing Your 1094-C Form

You can manually override your 1094-C Form by navigating to ACA Report Options and then click on the Employer Overrides tab at the top:

ACA Report Options isolved University [Help](#)

Report Options **Employer Overrides**

[Edit](#) [Refresh](#) [Save](#) [Cancel](#)

Minimum Essential Coverage Offer Indicator Overrides

1094-C Part III Column (a) Lines 23-35 will be populated using information from the Benefit Plan setup and the Report Options selected. Use the field below to override the value for a month. If the override value applies to all months, select the override value in the 'ALL MONTHS' drop-down.

ALL MONTHS	January	February	March	April	May	June	July	August	September	October	November
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Full-time Employee Count for ALE Member Overrides

1094-C Part III Column (b) Lines 24-35 will be calculated, by month, using information from the system. Per IRS instructions, if Option D is selected from the Report Options page, do not complete Column (b). Use the fields below to override the calculated count for any month. If the override value applies to all months, add the override value in the 'ALL MONTHS' field.

ALL MONTHS	January	February	March	April	May	June	July	August	September	October	November	December
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Total Employee Count for ALE Member Overrides

1094-C Part III Column (c) Lines 24-35 will be calculated, by month, using information from the system using the Count Method designated on the Report Options. Use the fields below to override the calculated count for any month. If the override value applies to all months, add the override value in the 'ALL MONTHS' field.

ALL MONTHS	January	February	March	April	May	June	July	August	September	October	November	December
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Reviewing Forms 1095-C

- Ensure that you have a form for each employee who was FT for any part of 2024 (**Note: If you have a self-insured plan, PT employees who were enrolled in coverage will also receive a 1095-C Form**)
- **Line 14:** Did you offer coverage?
- **Line 15:** Lowest cost EE Only option offered to employee, regardless of what the employee elected.
- **Line 16:**
 - **If Coverage Offered:** What did the employee do with the offer? Enroll in coverage or waive?
 - **If No Offer of Coverage:** What is your reason for not offering coverage for each month? [The employee was not employed, employee was in a waiting period, employee was PT.....]

Part II Employee Offer of Coverage	Plan Start Month (Enter 2-digit number):												
	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
14 Offer of Coverage (enter required code)													
15 Employee Required Contribution (see instructions)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
16 Section 4980H Safe Harbor and Other Relief (enter code, if applicable)													

Common Line 14 Codes

Codes	Description
1A	You offered a “super inexpensive” plan that was under the Federal Poverty Line.
1E	Employee, Dependents, and Spouse Coverage Offered.
1G	The EE was NOT a full-time employee for any month of the calendar year but was enrolled in self-insured employer-sponsored coverage. Offered coverage to non-employee.
1H	No offer of coverage
1J	Offer of coverage to employee and coverage conditionally offered to spouse; no offer to dependents. A conditional offer is an offer of coverage that is subject to one or more reasonable, objective conditions (for example, an offer to cover an employee’s spouse only if the spouse is not eligible for coverage under Medicare or a group health plan sponsored by another employer).
1K	Offer of coverage to employee and coverage conditionally offered to spouse; and minimum essential coverage offered to dependent(s).

Conditional Offers in isolved

If you have offered a plan with a conditional offer of coverage to spouses, please notify us so that we may confirm proper system setup.

Benefit Plans

Status: Active Benefit Type: All As of Date: 9/27/2021

Plan Name	Benefit	Provider	Plan Id
HDHP Gold	Medical Pre-Tax 125	Anthem BCBS	456MED
PPO Silver	Medical Pre-Tax 125	Anthem BCBS	123MED
Vol Lin SP Life/AD&D	SP Voluntary Life/AD&D	Lincoln	123SVOL
STD	STD With Tiered Rates...	The Hartford	123STD
Vision	Vision Pre-Tax 125	VSP	123VIS

Plans Dates Pay Items Options Life Events Dependencies Rates Messages

+ Add New Edit Delete Refresh Save Cancel Copy

Identification

*Plan Name: PPO Silver
Plan Description: Medical PPO Silver
Provider: Anthem BCBS
*Benefit Type: Medical Pre-Tax 125
Plan Id: 123MED
Group Id: 123ANT
Integration Code: MedPPO

COBRA Eligible
 Creditable Coverage
 Includes Rx Coverage
 Self Funded Plan
 Conditional Offer of Coverage for Spouse
 ACA Minimum Essential Coverage
 ACA Minimum Value
 Proof of Insurability Required

Benefit Plan Details

Dates
Plan Start Date:
Plan Stop Date:
Effective Dates Ba
NH Probation Peri
Following:
Length of Service |
Terminate On:
Following:
Loss of Eligibility 1
Following:

Payees
Employee:
EE Payee:
EE Schedule:
Employer:
ER Payee:
ER Schedule:
Allow EE Overrides
Allow ER Overrides

Enrollment Options
Display Order:
Auto Enroll All Em

Common Line 16 Codes

Code	Description
2A	Employee not employed during any day of the calendar month.
2B	Employee not a full-time employee or; Employee terminated employment that month (Will see with a 1H in Line 14)
2C	Employee enrolled in coverage offered.
2D	<ul style="list-style-type: none">• Employee is in probationary period• Employee is in initial measurement period. Note this code should be used instead of 2B (employee is not full-time)
2F	Unaccepted Offer with W-2 Safe Harbor
2H	Unaccepted Offer with Rate of Pay Safe Harbor

Employees in a Look Back or Initial Measurement Period

Example 1: Acme Corp uses a 12-month initial measurement period for all variable hour employees. Employee was still in his initial measurement period for the first 6 months of 2024 and then qualified and was offered coverage on June 1, 2024. Employee waived, but coverage was affordable under the Rate of Pay Safe Harbor. Codes should read as follows:

Department of the Treasury Internal Revenue Service		> Do not attach to your tax return. Keep for your records. > Go to www.irs.gov/form1095C for instructions and the latest information.				<input type="checkbox"/> CORRECTED							
Part I Employee						Applicable Large Employer Member (Employer)							
1 Name of employee Nathan [REDACTED]			2 Social security number (SSN) [REDACTED]			7 Name of employer Acme Corporation			8 Employer identification number (EIN) [REDACTED]				
3 Street address (including apartment no.) 138 Main Street						9 Street address (including room or suite no.) 1234 Main Street			10 Contact telephone number				
4 City or town Fairview Park		5 State or province OH		6 Country and ZIP or foreign postal code US 44126		11 City or town Fairview Park		12 State or province OH		13 Country and ZIP or foreign postal code US 44126			
Part II Employee Offer of Coverage						Plan Start Month (Enter 2-digit number): 01							
14 Offer of Coverage (enter required code)	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
		1H	1H	1H	1H	1H	1E	1E	1E	1E	1E	1E	1E
15 Employee Required Contribution (see instructions)													
	\$	\$	\$	\$	\$	\$	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00
16 Section 4980H Safe Harbor and Other Relief (enter code, if applicable)		2D	2D	2D	2D	2D	2H	2H	2H	2H	2H	2H	2H
Part III Covered Individuals													
If Employer provided self-insured coverage, check the box and enter the information for each individual enrolled in coverage, including the employee. <input type="checkbox"/>													

Employees in a Look Back or Initial Measurement Period

Example 2: Acme Corp. uses a 12-month ongoing measurement period for all variable hour employees. The Company’s plan year begins on July 1, 2024. For the prior plan year, the employee qualified as FT and was offered coverage. For the next plan year, the employee did not qualify as FT. Codes should be as follows:

500117

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

Employer-Provided Health Insurance Offer and Coverage VOID CORRECTED

OMB No. 1545-2251

> Do not attach to your tax return. Keep for your records.
> Go to www.irs.gov/form1095c for instructions and the latest information.

Part I Employee				Applicable Large Employer Member (Employer)											
1 Name of employee ████████████████████ Dameron		2 Social security number (SSN) ██████████		7 Name of employer Acme Corporation				8 Employer identification number (EIN) ██████████							
3 Street address (including apartment no.) 1036 Lexington Drive				9 Street address (including room or suite no.) 1234 Main Street				10 Contact telephone number							
4 City or town Alliquippa		5 State or province PA		6 Country and ZIP or foreign postal code US 15001				11 City or town Fairview Park		12 State or province OH		13 Country and ZIP or foreign postal code US 44126			
Part II Employee Offer of Coverage											Plan Start Month (Enter 2-digit number):			01	
	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec		
14 Offer of Coverage (enter required code)		1E	1E	1E	1E	1E	1E	1H	1H	1H	1H	1H	1H		
15 Employee Required Contribution (see instructions)	\$	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$	\$	\$	\$	\$	\$		
16 Section 4980H Safe Harbor and Other Relief (enter code, if applicable)		2H	2H	2H	2H	2H	2H	2B	2B	2B	2B	2B	2B		
Part III Covered Individuals															

Employees in a Look Back or Initial Measurement Period

In order for isolved to correctly populate the 1095-C Form for Variable Hour employees in their initial measurement periods, you will need to have ACA Measurement Policies in isolved. If no measurement policies are set up, then you will need to manually override the forms with code 2D for employees who were in their initial measurement period and met the hours for ACA FT. Employees who did not meet the hours will not need to be adjusted as they will not receive an ACA form. It is very important to audit your ACA Measurement Policies. (See ACA Checklist)

ACA Measurement Policies

Policy Group	Monthly Measurement Period
12 Month Measurement Policy	

Policies Eligibility Ongoing Measurement Periods

+ Add New Edit Delete Refresh Save Cancel

Identification

* Policy Group: 12 Month Measurement Policy

OFF Use Monthly Measurement Period

Rehire Option:

Priority: 0

Initial Measurement Period

* Start On: First Day

* Following: 0 days of service

* Duration (months): 12

Initial Stability Period

* Start On: First Day of the Month

* Following: 0 days after IMP end date

Manually Editing ACA Forms

- You can manually override any employee's ACA Form involved with the appropriate codes
- Simply select the line and month you want to override and pick the correct code in the drop down
- You would need to do this, for example, if you offer a jointly sponsored union plan

ACA Report Overrides

Year

+ Add New Edit Delete Refresh Save Cancel

ACA Reporting Year
* ACA Reporting Year: 2024 Plan Start Month: [v]

Code Series 1: Offer of Coverage
Line 14: Code used to specify the type of coverage, if any, offered to an employee, the employee's spouse, and the employee's dependents.

ALL	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
[v]	[v]	[v]	[v]	[v]	[v]	[v]	[v]	[v]	[v]	[v]	[v]	[v]

Employee Required Contribution
Line 15: Amount of the employee required contribution, which is, generally, the employee share of the monthly cost of the lowest cost self-only minimum essential coverage providing minimum value offered to the employee.

ALL	JAN	FEB	MAR	APR	MAY	JUN	JUL	SEP	OCT	NOV	DEC
[v]	[v]	[v]	[v]	[v]	[v]	[v]	[v]	[v]	[v]	[v]	[v]

Code Series 2: Section 4980H Safe Harbor and Other Relief
Line 16: Code used to specify why the employer should not be subject to a penalty for the employee, when applicable.

ALL	JAN	FEB	MAR	APR	MAY	JUN	JUL	SEP	OCT	NOV	DEC
[v]	[v]	[v]	[v]	[v]	[v]	[v]	[v]	[v]	[v]	[v]	[v]

ZIP Code
Line 17: ZIP code used for identifying the lowest cost silver plan used to calculate the Employee Required Contribution for HRA.

ALL
[v]

1A
1B
1C
1D
1E
1F
1H
1J
1K
1L
1M
1N
1O
1P
1Q
1R
1T

If you offer the “super inexpensive” plan...

- You will see a Code 1A in Line 14 of the Forms
- A Code 1A for any month means that you offered coverage for the month
- You will qualify for Code 1A if the employee contribution for self-only coverage is equal to or less than the IRS rules based on a percentage of an employee’s household income.
- Per IRS Rules, isolved uses the level in effect 6 months prior to the start of your plan year.

To qualify for the FPL safe harbor: The top premium for an employer's lower-cost, self-only 2024 is \$101.94 per month, based on a FPL of \$14,580 in annual income ([2024 ACA threshold released](#) | [Eastern Panhandle SHRM](#))

Part II	Employee Offer and Coverage							Plan Start Month (Enter 2-digit number): 04						
	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	
14 Offer of Coverage (enter required code)	1A													
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)					2C	2C	2C	2C	2C	2C	2C	2C	2C	

- If you have code 1A, Line 15 will be blank. Monetary values are not reported.
- If you have code 1A, Line 16 will be blank if the employee waives coverage.

If you have Code 1E in Line 14.....

- Code 1E Means that you offered coverage to the employee and their dependents
- If you have a 1E (or any other offer of coverage other than 1A) in Line 14 for any month you want to make sure that you do not have blanks in Line 16. Blanks indicate that the employee waived coverage, but the coverage did not qualify for one of the affordability safe harbors

Part II Employee Offer and Coverage		Plan Start Month (Enter 2-digit number): 08											
	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
14 Offer of Coverage (enter required code)	1E												
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage	\$	\$148.94	\$148.94	\$148.94	\$148.94	\$148.94	\$148.94	\$148.94	\$140.62	\$140.62	\$140.62	\$140.62	\$140.62
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)		2C	2C	2C	2C	2C	2C	2C					

- If the employee waived coverage and the offer of coverage was affordable, you will have a safe harbor code (either a 2F or 2H) in Line 16.

Part II Employee Offer and Coverage		Plan Start Month (Enter 2-digit number): 01											
	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
14 Offer of Coverage (enter required code)		1H	1H	1H	1H	1H	1E	1E	1E	1E	1E	1E	1E
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage	\$	\$	\$	\$	\$	\$	\$111.14	\$111.14	\$111.14	\$111.14	\$111.14	\$127.08	\$127.08
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)		2A	2A	2A	2D	2D	2H	2H	2H	2H	2H		

Common Issues- No offer of coverage

- A 1H Means No Offer of Coverage for the Month
- Any time you have a 1H for a month you need to make sure there is a code in line 16 indicating to the IRS why you did not offer coverage.
- If you do not have a code in Line 16, that will leave your company exposed to a potential penalty
- Common Codes you will find in line 16 would be 2A- Not Employed; or 2B- Employee Not FT; or 2D- Employee is in a waiting period
- These can easily be resolved by correcting the employee’s employment history in isolved

Part II Employee Offer and Coverage		Plan Start Month (Enter 2-digit number):											
	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
14 Offer of Coverage (enter required code)	1H												
15 Employee Share of Lowest Cost Monthly Premium, or Self-Only Minimum Value Coverage	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)		2A	2A	2A	2D	2D	2D		2A	2A	2A	2A	2A

Common Issues- Missing Employment Categories

- This employee form had blanks for the months of January through March because the employee did not have an employment category assigned from January through March in isolved
- All employees must be assigned the correct Employment Category with an effective date = to their Hire Date

Part II Employee Offer and Coverage							Plan Start Month (Enter 2-digit number): 06						
	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
14 Offer of Coverage (enter required code)					1H	1H	1H	1H	1H	1H	1H	1H	1H
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)					2B	2A	2A	2A	2A	2A	2A	2A	2A

Reginald Douglas Employee #: 1009 Status: Active Pay Group: Biweekly Hire Date: 3/24/2013

Employment Incorrect

Employment: Employed From 3/24/2013 to Current

Effective Date	Employment Category	ACA Status	Hours met for ACA F
4/1/2021	Full Time	ACA Full Time	

+ Add New Edit Delete Refresh Save Cancel

Employment Category Information

*Effective Date: 4/1/2021

*Employment Category: Full Time

ACA Employment Status: ACA Full Time

Hours (e.g., Variable) met for ACA Full-time Status

Statutory Employee

Qualified Pension Plan

Highly Compensated

Reginald Douglas Employee #: 1009 Status: Active Pay Group: Biweekly Hire Date: 3/24/2013

Employment Correct

Employment: Employed From 3/24/2013 to Current

Effective Date	Employment Category	ACA Status	Hours met for ACA
4/1/2021	Full Time	ACA Full Time	
3/24/2013	Part Time	ACA Variable	

+ Add New Edit Delete Refresh Save Cancel

Employment Category Information

*Effective Date: 3/24/2013

*Employment Category: Part Time

ACA Employment Status: ACA Variable

Hours (e.g., Variable) met for ACA Full-time Status

Statutory Employee

Qualified Pension Plan

Highly Compensated

Common Issues- Employees marked as Inactive

- Employees were marked as “Inactive” and not terminated in isolved
- The isolved ACA Forms do not know what to do with “Inactive” employees. isolved does not know whether these employees are on leave and still eligible for coverage.
- isolved will assume these employees were eligible and offered coverage during the months they were inactive
- If you want the forms to record Code 2A (not employed for the month) for the months the employee is inactive you need to “terminate” them in isolved under the General Screen.

Legal Name	Pay Group	Employee ID	First Name	Preferred Name	Middle Name	Last Name	Status	Division
ReneeC Master Test C...	Biweekly	1004	Daniel		L	Adams	Active	02 - 02
ReneeC Master Test C...	Biweekly	1015	Richard		L	Benjamin	Active	05 - 05
ReneeC Master Test C...	Biweekly	1010	Lydia		A	Davidson	Active	02 - 02
ReneeC Master Test C...	Biweekly	1009	Reginald			Douglas	Active	02 - 02
ReneeC Master Test C...	Biweekly	1014	Jesus		Gonzalez	Garcia	Active	05 - 05
ReneeC Master Test C...	Biweekly	1003	Sandra		A	Murphy	Inactive	02 - 02

COBRA Offers of Coverage: Fully Insured Plans

- You generally do not have to record COBRA Offers of Coverage if your plans are fully insured
- **EXCEPTION:** Report employees who have a reduction of hours and are offered coverage
- To report COBRA offers for reduction of hours, you will need to make adjustments to the employees' ACA Form by using the ACA Report Override Screen in isolved:
- This is under Employee Management>Employee Benefits>ACA Report Overrides.
- Click "Add New" and enter the ACA Reporting Year for the employee you are overriding.
- For the months the employee was either offered or enrolled in COBRA coverage due to a reduction in hours, enter the appropriate codes. (1A, 1E, or 1B if you offered; 2C if they enrolled; 2B if they were PT and waived).
- You only need to override the codes you are changing. Then click "Save."

ACA Report Overrides

ACA Report Overrides

+ Add New Edit Delete Refresh Save Cancel

Year

ACA Reporting Year

* ACA Reporting Year: 2024 Plan Start Month: [v]

Code Series 1: Offer of Coverage

Line 14: Code used to specify the type of coverage, if any, offered to an employee, the employee's spouse, and the employee's dependents.

ALL	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
[v]	[v]	[v]	[v]	[v]	[v]	[v]	[v]	[v]	[v]	[v]	[v]	[v]

Employee Required Contribution

Line 15: Amount of the employee required contribution, which is, generally, the employee share of the monthly cost of the lowest cost self-only minimum essential coverage providing minimum value offered to the employee.

ALL	JAN	FEB	MAR	APR	MAY	JUN	JUL	SEP	OCT	NOV	DEC
[v]	[v]	[v]	[v]	[v]	[v]	[v]	[v]	[v]	[v]	[v]	[v]

Code Series 2: Section 4980H Safe Harbor and Other Relief

Line 16: Code used to specify why the employer should not be subject to a penalty for the employee, when applicable.

ALL	JAN	FEB	MAR	APR	MAY	JUN	JUL	SEP	OCT	NOV	DEC
[v]	[v]	[v]	[v]	[v]	[v]	[v]	[v]	[v]	[v]	[v]	[v]

ZIP Code


Line 17: ZIP code used for identifying the lowest cost silver plan used to calculate the Employee Required Contribution for HRA.

ALL
[v]

1A
1B
1C
1D
1E
1F
1H
1J
1K
1L
1M
1N
1O
1P
1Q
1R
1T

COBRA Offers of Coverage: Fully Insured Plans

IRS Example 1: Employee was offered COBRA coverage following a reduction of hours in November and enrolled. Enter a Code 1E for family COBRA coverage offer (or Code 1B for self-only COBRA offer in this example, and a 2C to denote they enrolled).



COBRA Scenario #3

Full time employee offered MEC providing MV for employee, spouse, and dependents from Jan - Oct. Enrolled in employee only coverage. Reduced hours to 25 per week effective November 1. Employee is no longer eligible for employer coverage. For 4980H purposes employee is not full-time for November and December. Received COBRA offer for self-only coverage and enrolled in self-only COBRA coverage for the rest of the year. Premium = \$150.00 COBRA premium = \$250.00*

	All 12 Mos.	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Line 14		1E	1E	1E	1E	1E	1E	1E	1E	1E	1E	1B	1B
Line 15		\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$250.00	\$250.00
Line 16		2C	2C	2C	2C	2C	2C	2C	2C	2C	2C	2C	2C

1E Minimum Essential Coverage providing Minimum Value offered to employee and at least Minimum Essential Coverage offered to dependent(s) and spouse. Entry on line 15 required.

1B Minimum Essential Coverage providing Minimum Value offered to employee only. Entry on line 15 required.


2C Identifies an employee who was enrolled in coverage offered during the month.

When an employee receives a COBRA offer due a reduction in hours complete lines 14-16 as you would for any current employee.

*Updates Additional Scenario #5 from 7/28/2015 Webinar. The formation is current as of December 10, 2015. Regulations, FAQs, instructions the product page for the Forms should be referred to for specific information. .

COBRA Offers of Coverage: Fully Insured Plans

IRS Example 2: Employee was offered COBRA coverage following a reduction of hours in November and did not enroll. Enter a Code 1E for family COBRA coverage offer as in this example (or Code 1B for self-only COBRA offer), and a 2B denoting they were Part Time and did not enroll.



COBRA Scenario #4

Full time employee offered MEC providing MV for employee, spouse, and dependents from Jan - Oct. Enrolled in family coverage. Reduced hours to 25 hours per week on Nov 1, and is no longer eligible for employer coverage. Received COBRA continuation offer due to a reduction in hours and did not enroll in COBRA coverage. Premium = \$150.00 COBRA premium = \$250.00

	All 12 Mos.	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Line 14		1E	1E	1E	1E	1E	1E	1E	1E	1E	1E	1E	1E
Line 15		\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$250.00	\$250.00
Line 16		2C	2C	2C	2C	2C	2C	2C	2C	2C	2C	2B	2B

1E Minimum Essential Coverage providing Minimum Value offered to employee and at least Minimum Essential Coverage offered to dependent(s) and spouse. Entry on line 15 is required.

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.

2C Identifies an employee who was enrolled in coverage offered during the month. The codes entered for November and December on line 16 assume the employer is using the monthly measurement period to determine full-time employee status. If an employer uses the lookback stability method to measure whether an employee is a full-time employee, the employer would need to determine whether the employee was a full-time employee in November and/or December and enter the appropriate code, if any.

*Updates Additional Scenario #6 from 7/28/2015 webinar. The information is current as of December 10, 2015. Regulations, FAQs, instructions and the product page for the Forms should be referred to for specific information.

COBRA Offers of Coverage: Self-Insured Plans

For Self-Insured Plans:

PART II

- **Reduction of Hours-** Follow the same reporting procedures in Part II as a fully insured health plan with one exception: Part III of the form (which must only be completed by employers with self-insured plans), the employer should check the coverage overrides boxes for all months the employee and dependents were covered by the self-insured health plan, including through COBRA.
- **Terminated Employees-** For the months the employee was terminated (even if the employee enrolled in COBRA coverage) you will report 1H in Line 14 and 2A in Line 16. (This will automatically populate in isolved). Be sure to check the coverage overrides boxes for all months the employee and dependents were covered by the self-insured health plan, including through COBRA.

COBRA Offers of Coverage: Self-Insured Plans

For Self-Insured Plans:

PART III

COBRA coverage for terminated employees and reduction of hours must both be reported by employers who have a self-insured health plan. The employer must use the ACA Override screen to add coverage in Part III for the months that the employee and/or dependents were covered by COBRA. To do so, check the boxes under the “Coverage Overrides” section for the months the employee and dependents were covered by COBRA.

- Check the box for ALL months the employee/their dependents were covered by the self-insured health, plan including through COBRA.

Coverage Overrides

The coverage overrides are applicable to self-funded medical plans only. If not utilizing the system benefit module or the individual and/or dependents are enrolled in COBRA coverage use the fields below to indicate which individuals are covered and the months they are covered. Use of this feature will enable the system to generate the applicable 1095 form for distribution to the IRS and any covered individuals.

Employee Name	ALL	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Joshua Abernathy	<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"/>
Martha Abernathy	<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"/>
Judy Abernathy	<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"/>

COBRA Offers of Coverage: Self-Insured Plans

- Jacob Able was terminated in September and enrolled in COBRA through the end of the year- *See Part II Below (1H=not employed, 2A= enrolled in COBRA)*
- Part III- Check the box for all of the months Jacob was enrolled in coverage, including COBRA coverage

Part I Employee				Applicable Large Employer Member (Employer)												
1 Name of employee Jacob Able		2 Social security number (SSN) 295640001		7 Name of employer Acme Corporation				8 Employer identification number (EIN) 76-7612345								
3 Street address (including apartment no.) 131 WEXFORD BAYNE ROAD				9 Street address (including room or suite no.) 1234 Main Street				10 Contact telephone number								
4 City or town wexford		5 State or province PA		6 Country and ZIP or foreign postal code US 15090				11 City or town Fairview Park		12 State or province OH		13 Country and ZIP or foreign postal code US 44126				
Part II Employee Offer and Coverage				Plan Start Month (Enter 2-digit number): 01												
14 Offer of Coverage (enter required code)	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec			
		1A	1A	1A	1A	1A	1A	1A	1A	1H	1H	1H	1H			
	15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$			
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)		2C	2C	2C	2C	2C	2C	2C	2C	2A	2A	2A	2A			
Part III Covered Individuals																
If Employer provided self-insured coverage, check the box and enter the information for each covered individual. <input checked="" type="checkbox"/>																
	(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	Jun	Jul	Aug	Sept	Oct	Nov	Dec
17	Able, Jacob	295640001		<input checked="" 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"/>

COBRA Offers of Coverage: All Plans

If you need further guidance on how to report COBRA coverage, please refer to the following link at the IRS website which provides further scenarios and examples on proper reporting of COBRA coverage:

[Questions and Answers about Information Reporting by Employers on Form 1094-C and Form 1095-C | Internal Revenue Service \(irs.gov\)](https://www.irs.gov/affordable-care-act/employers/questions-and-answers-about-information-reporting-by-employers-on-form-1094-c-and-form-1095-c)

<https://www.irs.gov/affordable-care-act/employers/questions-and-answers-about-information-reporting-by-employers-on-form-1094-c-and-form-1095-c>

Don't Forget to Approve Your Forms!






- Forms must be approved prior to January 9, 2025, in order for the ACA forms to be filed by the deadline
- Approve forms on the ACA Forms Approval Screen in isolved
- **Remember!** Review your forms now to avoid errors later. Refer to our year-end guides.
- Employees who have opted out of receiving a paper W2 this year via electronic consent will also receive an electronic ACA Form through their employee portal.

ACA Forms Approval

Report Information

* Reporting Year:

Report Type for Selected Year: **ACA 1094-C and 1095-C Employer**

 Preview Export with Audit	 Run Alerts	 Preview Forms	 Approve Forms	 Show History
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Questions?

aca@ctrhcm.com



Thank You!