User Guide to the 1095-C Form and Associated Codes

A practical reference for Lines 14 through 17, valid code combinations, and correcting errors before they cost you.

Current as of July 2026

POINTS NORTH

How To Use This Guide

Form 1095-C looks like a small form. It is not. Part II asks you to describe, month by month, what you offered each employee, what it cost them, whether they took it, and why the IRS should not penalize you. All while using two-character codes that must be internally consistent with each other and with the employee's ACA full-time status.

This is a reference document, not filing instructions. Always confirm against the current-year IRS Instructions for Forms 1094-C and 1095-C, and consult your legal counsel on your specific facts.

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General purpose of forms 1094-C and 1095-C

The Affordable Care Act created two coverage mandates: an individual mandate and an employer mandate.

The individual mandate penalty was reduced to $0 effective Jan 1, 2019

The federal government no longer penalizes individuals for going without coverage. Several states have since enacted their own individual mandates.

The employer mandate was not repealed and remains fully in effect

Applies to all Applicable Large Employers (ALEs). ALEs, companies with 50 or more FTEs, are required to offer coverage that meets MEC, MV, and is affordable to all FT employees.

Who has to file?

Forms 1094-C and 1095-C are filed by Applicable Large Employers (ALEs), companies with 50 or more FTEs, to report who received a valid offer of coverage, the cost of the coverage, and who enrolled in the healthcare plan. IRS Section 6056 is the provision that outlines the requirements.

An ALE must report complete information for all 12 months of the calendar year for any employee who was full-time for one or more months of that year. Form 1094-C is the transmittal, or cover page. It summarizes employer-level information and accompanies the 1095-C forms sent to the IRS.

Form 1095-C serves two purposes:

1. It establishes the employer's compliance with the employer mandate.
2. It gives the IRS the information it needs to determine whether an individual was eligible for premium assistance through a Marketplace, and therefore who is eligible for premium tax credits.

Form 1095-C is also used to satisfy ALE's obligation to make the form available to current and former employees. ALEs may also need to make the form available to non-employees, such as retirees, if the ALE has a self-funded plan and the person has been offered a continuation of coverage.

Electronic filing is mandatory for most employers
If you file 10 or more information returns in aggregate across all types, W-2s, 1099s, 1094-C, 1095-C, you must file electronically. In practice, this captures nearly every ALE.

Basics of the 1095-C form

As illustrated in the image, the 1095-C form is made up of 3 parts

Part I →

Part II →

Part III →

600120

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

Employer-Provided Health Insurance Offer and Coverage
Do not attach to your tax return. Keep for your records.
Go to www.irs.gov/Form1095C for instructions and the latest information.

☐ VOID
☐ CORRECTED

OMB No. 1545-2251
2025

Part I Employee

1 Name of employee (first name, middle initial, last name)
2 Social security number (SSN)
3 Street address (including apartment no.)
4 City or town
5 State or province
6 Country and ZIP or foreign postal code

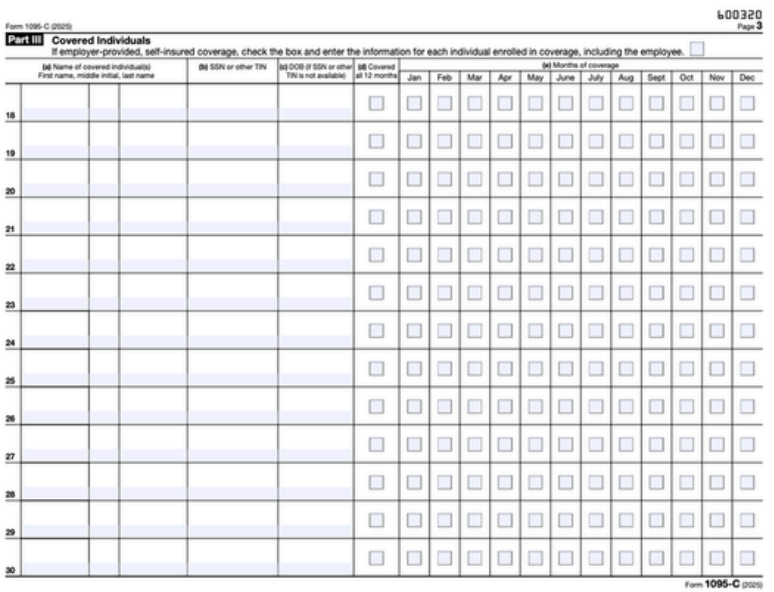
Applicable Large Employer Member (Employer)

7 Name of employer
8 Employer identification number (EIN)
9 Street address (including room or suite no.)
10 Contact telephone number
11 City or town
12 State or province
13 Country and ZIP or foreign postal code

Part II Employee Offer of Coverage — **Employee's Age on January 1** — **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)													
17 ZIP Code													

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 60705M Form **1095-C** (2025) Created 5/21/25



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

	(a) Name of covered individual(s) First name, middle initial, last name	(b) SSN or other TIN	(c) DOB (if SSN or other TIN is not available)	(d) Covered all 12 months	(e) Months of coverage Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
18				☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
19				☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
20				☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
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22				☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
23				☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
24				☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
25				☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
26				☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
27				☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
28				☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
29				☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
30				☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐

Form **1095-C** (2025)

Basics of the 1095-C form

As illustrated in the image, the 1095-C form is made up of 3 parts

Part I (Lines 1–13) — Identifying information for the employee and the employer.

Part II (Lines 14–17) — The employer compliance section, reported month by month. This is where the indicator codes live.

- Line 14 — What coverage was offered, and to whom.
- Line 15 — The employee's required contribution for the lowest-cost self-only coverage.
- Line 16 — Safe harbor and other relief. In effect: why no penalty should apply.
- Line 17 — The ZIP code used to determine ICHRA affordability. Only used for ICHRA offers.
- Part II also includes a field for the employee's age as of January 1, used only in connection with ICHRA affordability.

Part III (Lines 18–35) — Covered individuals. Only completed if the plan is self-insured.

Which parts do I complete?

Situation	Parts required
Employee is ACA full-time for any month, fully insured plan	I and II
Employee is ACA full-time for any month; self-insured plan and employee enrolled	I, II, and III
Employee is not full-time but enrolled in self-insured converage	I and III
Individual was a non-employee for all 12 months but enrolled in self-insured coverage (i.e., a retiree)	I I, II, and III. In part II enter 1G on line 14 and leave other lines blank
Employee did not enroll in self-insured coverage	Part III not required

Basics of the 1095-C form

Every code on the form depends on whether the employee was determined to meet ACA full-time status each month. The definition comes from Section 498-H and its regulations, not from your benefits eligibility rules, not from your HRIS, and not from what the offer letter says.

There are only two methods allowed to determine an employee's ACA status:

Monthly Measurement Method

An employee is full-time for a calendar month if they averaged at least 30 hours of service per week during that month.

Look-Back Measurement Method

An employee is full-time for each month of a stability period if they average at least 30 hours of service per week during the measurement period that preceded it.

> For both methods, **130 hours of service in a calendar month** is treated as the monthly equivalent of 30 hours per week.

Common pain points

Former employees. If a former employee was determined to meet ACA FT definition for one or more months before termination/retirement, you must complete Part II for **all 12 months**. There are different codes for the months they were not an employee.

The ACA FT definition may differ from the company's definition of FT. For ACA compliance, 30 hours per week / 130 hours per month is used to determine if an offer of coverage is required.

Nearly every invalid code combination traces back to a mismatch between the employee's ACA status and the codes reported for that month.

Line 14
offer of coverage codes

Line 14 repots what type of coverage, if any, was offered for each month. The same code may apply for all 12 months, or it may change month to month as the employee's status or offer changes. Two terms you will see constantly:

MEC

Minimum Essential Coverage: The baseline coverage standard

MV

Minimum Value: The plan pays at least 60% of total allowed benefit costs

Standard offer codes

Code	Meaning
1A	**Qualifying Offer.** MEC providing MV offered to the employee at a cost at or below the FPL affordability threshold, with at least MEC offered to spouse and dependents. Line 15 is left blank.
1B	MEC providing MV offered to the **employee only.**
1C	MEC providing MV offered to the employee; at least MEC offered to **dependents**, not spouse.
1D	MEC providing MV offered to an employee; at least MEC offered to **spouse**, not dependents
1E	MEC providing MV offered to the employee; at least MEC offered to **spouse and dependents**
1F	MEC offered, but it **does not provide MV.** Typically a limited-benefit plan.
1G	Offer of coverage to an individual who was **not a full-time employee for any month of the year** and who enrolled in self-insured coverage. Used for the entire year only.

Continued on the next page

Standard offer codes

Code	Meaning
1H	**No offer of coverage -** or an offer that did not provide MEC.
1J	MEC providing MV offered to the employee; at least MEC **conditionally offered to the spouse**; not offered to dependents
1K	MEC providing MV offered to the employee; at least MEC offered to dependents; at least MEC **conditionally offered to the spouse**

On 1J and 1K: a conditional offer is one made subject to a reasonable, objective condition — most commonly, that the spouse is not eligible for coverage through their own employer or through Medicare. If your plan carves out spouses who have other coverage available to them, 1J or 1K is likely your code, not 1D or 1E. These two codes were omitted from the prior edition of this guide.

ICHRA offer codes (1L - 1U)

If you offer an Individual Coverage Health Reimbursement Arrangement, these codes replace the standard offer codes. Which one you use depends on two things:

Who was covered

Which ZIP code you used to determine affordability

Codes 1V through 1Z are reserved for future use.

Guide to codes, who was offered, and ZIP used featured on the next page

ICHRA offer codes (1L - 1U)

Code	Who was offered	ZIP used for affordability
1L	Employee Only	Primary **residence**
1M	Employee + dependents (not spouse)	Primary **residence**
1N	Employee + spouse + dependents	Primary **residence**
1T	Employee + spouse (not dependents)	Primary **residence**
1O	Employee Only	Primary **employment site**
1P	Employee + dependents (not spouse)	Primary **employment site**
1Q	Employee + spouse + dependents	Primary **employment site**
1U	Employee + dependents (not spouse)	Primary **employment site**
1R	ICHRA offered that was **not affordable** - to the employee, to the employee and spourse or dependents, or to the employee, spouse, and dependents	n/a
1S	ICHRA offered to an individual who was **not a full-time employee**	n/a

Quick Guide

1L, 1M, 1N and 1T use the employee's home ZIP.

1O, 1P, 1Q, and 1U use the work site ZIP.

1R means the ICHRA was not affordable at all

1S means the person was not full-time

Employer Required Contribution

Line 15 reports the employee's share of the monthly cost for the lowest-cost, self-only, minimum-value coverage you offered them.

It is not what the employee actually paid. If the employee enrolled in family coverage, or chose a richer plan with a higher premium, Line 15 still reports the lowest-cost self-only option that was available to them.

Complete Line 15 only when Line 14 shows:

1B • 1C • 1D • 1E • 1J • 1K • 1L
1M • 1N • 1O • 1P • 1Q • 1T • 1U

Leave Line 15 block when Line 14 is:

1A • 1F • 1G • 1H • 1R • 1S

Three rules that cause most Line 15 errors

1

Zero is not blank

If the lowest-cost self-only coverage costs the employee nothing, **enter 0.00**. A blank Line 15 paired with a code that requires an amount is an incomplete return.

2

If the amount changed during the year, do not use the "All 12 Months" box

Enter monthly amounts individually. A contribution change at renewal is the most common trigger.

3

For an ICHRA, the calculation is different

The cost entered is determined using the age-banded lowest-cost silver plan (LCSP) premium in the applicable zip code minus an employer's contribution. This equals the employee's cost of coverage for themselves.

Why the IRS cares

Line 15 is how affordability gets tested. For plan years beginning in 2026, coverage is affordable if the employee's required contribution does not exceed **9.96%** of household income, or in practice, of one of the three safe harbor proxies in Section 11.

Line 16 — Section 4980H

Safe harbor and other relief

Line 16 explains the offer, or the absence of one, reported on Line 14. Functionally, it tells the IRS why no penalty should apply.

Line 16 is not always required. If no code applies, leave it blank. But understand what a blank means: you have given the IRS no reason not to assess a penalty for that month. Sometimes that is the correct and honest answer. It should never be an accident.

Code	Meaning
2A	**Not employed.** The employee was not employed on any day of the month.
2B	**Not full-time.** The employee was employed but not ACA full-time for the month and did not enroll in coverage if offered. **Also used** for the month in which a full-time employee terminates, where coverage ended before the last day of the month solely because of termination.
2C	**Enrolled in coverage.** The employee enrolled in coverage offered for every day of the month.
2D	**Limited Non-Assessment Period.** The employee's ACA full-time status has not yet been determined: a waiting period, initial measurement period, or administrative period.
2E	**Mutliemployer interim rule relief.** You are required to contribute to a multiemployer plan on the employee's behalf.
2F	**Form W-2 safe harbor** used to determine affordability.
2G	**Federal Poverty Line safe harbor** used to determine affordability.
2H	**Rate of Pay safe harbor** used to determine affordability.

Note: Code 2I is reserved for future use.

Continued on next page.

Line 16 — Section 4980H
Safe harbor and other relief

The 2A / 2B distinction is where money gets lost.

Do not use 2A for the month an employee terminates. If the employee was employed on any day of the month, even one, 2A is wrong. **Use 2B.**

This is one of the most common errors in ACA reporting, and it is expensive: a 2A in a month the employee was actually employed and unoffered is a contradiction the IRS can read straight off the form.

There is no code for “we offered, they declined”

This surprises people. **There is no Line 16 code meaning "the employee waived coverage."**

What you can do instead is **enter the safe harbor code 2F, 2G, or 2H** to demonstrate that your offer was affordable.

If no safe harbor is met, Line 16 stays blank, and you carry 4980H(b) exposure for that month if the employee takes a premium tax credit.

2E takes priority

If the multiemployer interim rule applies for a month, enter 2E, even if another code, including 2C, would also technically apply.

Line 17 — ICHRA ZIP code

Line 17 exists for one reason: ICHRA affordability depends on the price of the lowest-cose silver plan where the employee is, and that price is a function of geography.

If Line 14 is...	Enter the ZIP code of...
1L, 1M , 1N, 1T	The employee’s **primary residence**
1O, 1P, 1Q, 1U	The employee’s **primary employment site**

Never enter your company's ZIP code. **Line 17 is always about where the employee is, their home or their work site**, not your headquarters or mailing address. This is a frequent and easily avoidable error.

Employers who do not offer an ICHRA leave Line 17 blank. Same for the age field in Part II.

Valid and invalid code combinations

The pairing matrix

Line 14	Line 15	Valid Line 16 codes	Notes
1A	Blank	Blank, 2C, 2D, 2E	Safe harbor codes unnecessary — a Qualifying Offer is affordable by definition. **2B is invalid.**
1B, 1C, 1D, 1E, 1J, 1K	**Required**	Blank, 2B, 2C, 2D, 2E, 2F, 2G, 2H	The full range. A blank Line 16 here means: offer made, declined, no safe harbor met. Valid, but a penalty flag
1F	Blank	Blank, 2A, 2B, 2C, 2D, 2E	**Do not use 2F, 2G, or 2H.** Affordability safe harbors do not cure a lack of Minimum Value.
1G	Blank	Blank	"All 12 Months" box only. Lines 15 and 16 stay blank.
1H	Blank	Blank, 2A, 2B, 2D, 2E	**2C is invalid.** You cannot enroll in something that was never offered.
1L-1Q, 1T, 1U	**Required**	Blank, 2A, 2B, 2C, 2D, 2E	**Line 17 required.** 2F/2G/2H generally not used — affordability is signaled by the Line 14 code and the Line 17 ZIP.
1R	Blank	Blank, 2A, 2B, 2D	The offer was not affordable. Line 17 not required.
1S	Blank	2B	Individual was not a full-time employee. Line 17 not required.

Combinations that are valid but signal potential liability

These are not errors. They are reports of a compliance gap, and the IRS will read them as such.

- **1H + blank Line 16** for a month the employee was ACA full-time. No offer, no reason given. This is 4980H(a) territory.
- **1B / 1C / 1D / 1E / 1J / 1K + blank Line 16.** You made an offer, the employee did not enroll, and no safe harbor applies — meaning the offer was not affordable. If that employee receives a premium tax credit, this is 4980H(b) territory.
- **1F for a full-time employee.** The coverage offered did not meet Minimum Value.

Valid and invalid code combinations

A valid form is not the same as a compliant one.

Some perfectly valid code combinations are, in effect, a written admission. That is worth knowing before you file, not after you get the letter.

Don't forget that codes are subject to change.

The ICHRA codes did not exist before 2020. Code 2I is retired. Always confirm against the current-year IRS instructions before you file.

Combinations that are invalid

Combination	Why it fails
1H + 2C	No offer was made, yet the employee enrolled. Impossible.
1A + 2B	A Qualifying Offer was made to a full-time employee, but the employee was not full-time. Contradictory. Employers most often hit this when someone moves between full-time and non-full-time during the year, and 1A gets carried across all 12 months. **1A applies only to the months the employee was full-time.**
1F + 2F / 2G / 2H	An affordability safe harbor cannot rescue coverage that does not provide Minimum Value.
1A + 2F / 2G / 2H	Redundant. A Qualifying Offer already asserts affordability.
2A in a termination month	If the employee worked any day of the month, **use 2B.**
Any Line 15 — requried code with a blank Line 15	Incomplete return. **Use 0.00 if the cost is zero.**
Any ICHRA code with a **blank Line 17**	Incomplete return.

Month-by-month coding scenarios

Scenario 1 — Full-time employee, enrolled all year

A full-time employee is offered coverage meeting MEC and MV for themselves, their spouse, and their dependents. The lowest-cost self-only plan costs the employee $180 per month. The employee enrolls.

Part II Employee Offer of Coverage | Employee's Age on January 1 | 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)	1E												
15 Employee Required Contribution (see instructions)	$180.00	$	$	$	$	$	$	$	$	$	$	$	$
16 Section 4980H Safe Harbor and Other Relief (enter code, if applicable)	2C												
17 ZIP Code													

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	All 12 Months
Line 14	**1E**
Line 15	**$180.00**
Line 16	**2C**

The simplest case and the one you want. The employee enrolled, so 2C applies, and no penalty can be assessed for those months.

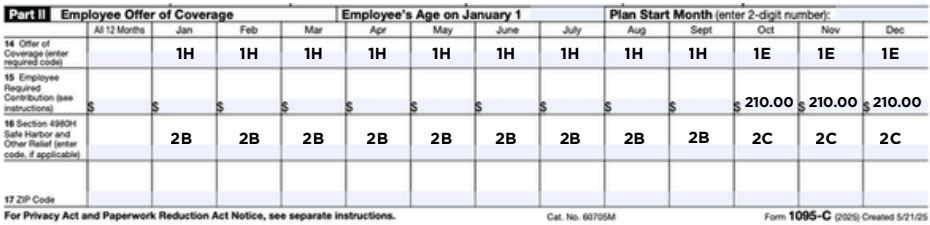
Sceanrio 2 — Variable-hour employee whose status changed mid-year

An employee at a multi-location restaurant group works variable hours. Under the lookback method, they were full-time for only three months of the year. No offer was made during the months they were not full-time. During the three full-time months, they were offered coverage and enrolled at $210 per month.

Continued on next page

Month-by-month coding scenarios

Scenario 2 continued



Part II Employee Offer of Coverage	Employee's Age on January 1							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	1H	1H	1H	1H	1H	1H	1H	1H	1E	1E	1E
15 Employee Required Contribution (see instructions)	$	$	$	$	$	$	$	$	$	$	$ 210.00	$ 210.00	$ 210.00
16 Section 4980H Safe Harbor and Other Relief (enter code, if applicable)		2B	2B	2B	2B	2B	2B	2B	2B	2B	2C	2C	2C
17 ZIP Code													

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	9 non-full-time months	3 full-time months
Line 14	**1H**	**1E**
Line 15	**Blank**	**$210.00**
Line 16	**2B**	**2C**

This is why the "All 12 Months" box is a trap for vairable-hour workforces. Same employee, same form, two entirely different code sets.

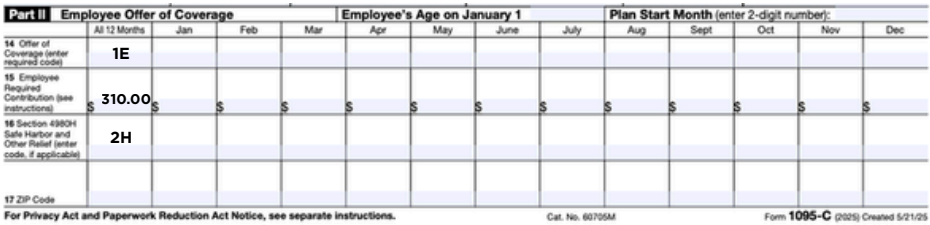
Scenario 3 — Employee offered coverage, declines it

A full-time employee is offered MEC/MV coverage for themselves, spouse, and dependents at $310 per month. They decline, they are on a spouse's plan. The employer uses the Rate of Pay safe harbor, and the offer is affordable under it.

Continued on next page

Month-by-month coding scenarios

Scenario 3 continued



Part II Employee Offer of Coverage		Employee's Age on January 1							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)	1E												
15 Employee Required Contribution (see instructions)	$ 310.00	$	$	$	$	$	$	$	$	$	$	$	$
16 Section 4980H Safe Harbor and Other Relief (enter code, if applicable)	2H												
17 ZIP Code													

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	All 12 Months
Line 14	**1E**
Line 15	**$310.00**
Line 16	**2H**

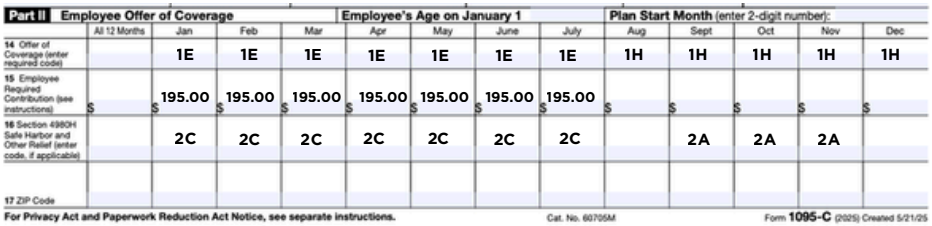
There is no code for "declined." The safe harbor code does the work: it tells the IRS the offer was affordable, so no 4980H(b) penalty applies even though the employee went elsewhere.

If the offer had not been affordable under any safe harbor, Line 16 would be blank, and you would be exposed if that employee took a premium tax credit.

Month-by-month coding scenarios

Scenario 4 — Mid-month termination

A full-time employee, enrolled since January, resigns on August 14. Coverage ends on the termination date.



Part II Employee Offer of Coverage	Employee's Age on January 1							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)		1E	1E	1E	1E	1E	1E	1E	1H	1H	1H	1H	1H
15 Employee Required Contribution (see instructions)	$	$ 195.00	$ 195.00	$ 195.00	$ 195.00	$ 195.00	$ 195.00	$ 195.00	$	$	$	$	$
16 Section 4980H Safe Harbor and Other Relief (enter code, if applicable)		2C	2C	2C	2C	2C	2C	2C		2A	2A	2A	
17 ZIP Code													

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	Jan-Jul	Aug	Sep - Dec
Line 14	**1E**	**1H**	**1H**
Line 15	**$195.00**	**Blank**	**Blank**
Line 16	**2C**	**Blank**	**2A**

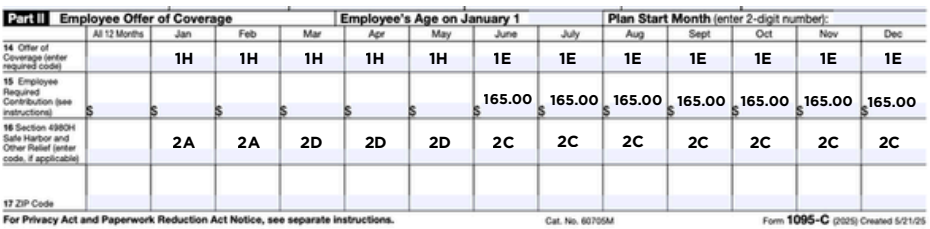
Two things are happening in August. An offer of coverage must be for every day of the month. Coverage ended August 14, so there is no offer for August. Line 14 is 1H, not 1E. And because the employee was employed for part of August, Line 16 is blank (if using the lookback measurement method) or 2B (if using the monthly measurement method), not 2A. 2A applies only to months in which the person was not employed on any day, which here is September onward.

This is the single most frequently miscoded scenario in ACA reporting.

Month-by-month coding scenarios

Scenario 5 — New hire in waiting period

A full-time employee is hired March 10. The plan has a 60-day waiting period; coverage becomes effective June 1. The employee enrolls at $165 per month.



Part II Employee Offer of Coverage | **Employee's Age on January 1** | **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	1H	1H	1H	1H	1E	1E	1E	1E	1E	1E	1E
15 Employee Required Contribution (see instructions)	$	$	$	$	$	$	$ 165.00	$ 165.00	$ 165.00	$ 165.00	$ 165.00	$ 165.00	$ 165.00
16 Section 4980H Safe Harbor and Other Relief (enter code, if applicable)		2A	2A	2D	2D	2D	2C	2C	2C	2C	2C	2C	2C
17 ZIP Code													

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 60705M Form **1095-C** (2025) Created 5/21/25

	Jan-Feb	Mar-May	June-Dec
Line 14	**1H**	**1H**	**1E**
Line 15	**Blank**	**Blank**	**$165.00**
Line 16	**2A**	**2D**	**2D** (June only) **2C**

For a full-time new hire, the Limited Non-Assessment Period runs the partial month of hire plus the three following full months — here, March through June. Code 2D applies across that whole window, and it is what protects you from a penalty before the employee's status is settled.

Note what happens in June: the employee has enrolled, so 2C is also technically true. But June is still inside the LNAP, so 2D is the correct code — when a relief code and an enrollment code both apply, use the relief code. This is also how an automated system like ACA Reporter would code it.

Common reporting errors and how to fix them

Error	What it looks like
2A used in the termination month	Employee worked part of the month; **2B or blank are correct**
"All 12 Months" used when something changed	A contribution increase at renewal, a status change, a mid-year hire
Line 15 left blank when the cost is zero	Must be **reported as 0.00**
Employer's ZIP entered on **Line 17**	Must be the **employee's residence or work site**
1H used when coverage was offered but lacked MV	**1F** is the correct code. 1H means no MEC offer at all
Part III completed for a fully insured plan	**Leave it blank.** The carrier files the 1095-B
1G used for someone who worked part of the year	**1G** is only for individuals who were not employees for any day of the year

How to file a corrected 1095-C

1. File a corrected Form 1095-C with the IRS, marked CORRECTED, containing the complete corrected information.
2. Furnish the corrected statement to the employee, unless you are relying on the furnish-on-request method, in which case provide it on request.
3. File a corrected 1094-C only if the error was on the 1094-C itself. A 1095-C correction does not require a new transmittal correction.
4. Document what you found, when you found it, and what you did. Reasonable-cause abatement is an evidentiary argument. Contemporaneous records are what win it.

Correct proactively. A self-identified, self-corrected error is a materially different conversation with the IRS than one they find first.

How ACA Reporter by Points North Helps

ACA Reporter determines the codes for you. It draws direclty on your payroll, employment, and benefit data to:

- Calculate ACA full-time status month by month under either the monthly or look-back measurement method
- Generate Line 14, 15, 16, and 17 entries for each employee for each month, including ICHRA codes and ZIP-based affordability.
- Flag invalid code combinations and penalty-risk patterns before you file
- Aggregate data across multiple locations, EINs, and payroll systems
- E-file with IRS and handle furnishing, including state requirements
- Support a Letter 226-J response with the underlying data behind every code

Talk to a compliance specialist about ACA Reporter

Call us at:
(888) 561-2072

Schedule a:
Demo

DISCLAIMER:
The information in this guide is provided for general informational purposes only. It does not address all specific questions or issues, and it should not be constructed as, nor is it intended to provide legal or tax advice. Questions regarding spefic issues and the application of these rules to your 1095-C reporting should be directed to your legal counsel. This guide is intended to give you an understanding of the 1095-C form and its indivator codes — it's not a substitute for the IRS Instructions for Forms 1094-C and 1095-C, which should be consulted for the applicable reporting year.

Regulations, code sets, dollar thresholds, and deadlines change. This edition reflects guidance current as of July 2026. Confirm current-year requirements before filing.

POINTS NORTH