



2022 Year-End ACA (1094/1095) Reporting

Note: This content is informational only. We are not licensed tax-professionals (we're the health guys). Please consult with your licensed tax-professional on the application and usage of any data or guidance provided by Take Command.

As we wrap up the 2022 plan year, we want to provide you (and your tax-professional) some of the data you need for the upcoming year end reporting season. You can find your ICHRA report for 2022 in the Documents section of the admin [Member Portal](#) on the Take Command website. The data file is titled, "2022 1095 Data – {company name}.csv" and can be opened in any standard spreadsheet application (Microsoft Excel, etc.).

As a reminder, Take Command can only provide data as it is captured in our system. We strive to make the report as accurate as possible, according our records. It's up to the ICHRA plan administrator (that's you!) to review the data to make sure that the eligible employee list and required information are complete and accurate.

What you should do with this report

You'll want to provide this spreadsheet to whomever prepares your 1094/1095 filings (if that's not you) as required by the employer information reporting provision of the Affordable Care Act (ACA).

If you are an applicable large employer (ALE) per the IRS definition

Current regulations require that you file a Form 1094-C and accompanying Forms 1095-C with the IRS and that you provide a 1095-C to any employee who is full-time for at least one month during the calendar year. Employers must report this information for all twelve months for each employee. This offer of coverage is not taxable, but it may impact an employee's eligibility for tax credits (if any) from the Marketplace.

If you are an ALE, please jump to page 2 of this document for further guidance.

If you are not an ALE per the IRS definition

Current regulations require that you file a Form 1094-B and accompanying Forms 1095-B with the IRS and that you provide a 1095-B to any employee that participated in the ICHRA program during the calendar year. This offer of coverage is not taxable, but it may impact an employee's eligibility for tax credits (if any) from the Marketplace.

If you are not an ALE, please jump to page 4 of this document for further guidance.

Not sure if you are ALE per the IRS definition?

We recommend consulting with a tax advisor and/or [visiting this IRS website](#).

Additional Resources Link: [Webinar on ACA Reporting and ICHRA \(from Jan 2023\)](#)



More Information for Applicable Large Employers (ALEs)

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The Form 1095-C has three parts. See screenshot below. For Part I you, as the employer, will want to use the data from your system of record (generally a payroll system or similar) to populate the employee and employer demographic data (name, address, contact information, etc.). The data file provided by Take Command will be helpful in completing Part II and Part III. For data matching purposes, the first few columns of the spreadsheet include the name and email address of the employees.

Use your own
'source of truth'

→

TC provides
helpful data

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TC provides
helpful data

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What parts of the data file provided by Take Command are relevant for Part II?

In the data file Take Command provides, the relevant columns for filling in Part II begin in column F – “Employee Age on Jan 1.” The mapping is below:

TC Data File Column Letter	TC Data File Field Name	1095-C Data Field Name
F	Employee Age on Jan 1	<i>Employee's Age on January 1</i>
G	Plan Start Month	<i>Plan Start Month (enter 2-digit number):</i>
I	Offer of Coverage 1	<i>Line 14 Offer of Coverage / Jan</i>
J	Employee Required Contribution 1	<i>Line 15 Employee Required Contribution / Jan</i>
K	Safe Harbor 1	<i>Line 16 Section 4980H Safe Harbor... / Jan</i>
L	Zip Code 1	<i>Line 17 ZIP Code / Jan</i>

Note that columns I / J / K / L repeat 11 more times to correspond with the 12 months of the year and correspond across Lines 14 – 17 in Part II.



For 1095-C reporting for ALEs, does the Take Command platform use employer worksite address or the employee's primary residence address when making calculations for the Employee Required Contribution on Line 15?

By default, the Take Command platform uses the employee's primary address to calculate the Employee Required Contribution amount for Line 15 and the accompanying zip code for Line 17 of Form 1095-C.

Note that if an employee never logged in to the Take Command platform and added their primary residence address or DOB, the system is unable to calculate an amount for Line 15 and the word "ERROR" will appear in the CSV file.

If you would like to change the location used for calculations to the company address Take Command has on file or update missing information, please reach out to your dedicated account manager or the Client Success team at clientsuccess@takecommandhealth.com.

What parts of the data file provided by Take Command are relevant for Part III of Form 1095-C?

In the data file Take Command provides, the relevant columns for filling in Part III begin with column BE – "Covered Individual 1 First Name." In this section the names of individuals covered by the plan should be listed and the relevant boxes checked for the months for which they were covered. In the data file, the months for which an individual is covered will be noted with a "Y" and the months of the year (Jan / Feb / ...Dec) are listed by numbers up to 12 (1 / 2 / ...12).

Do I check the box at the top of Part III of Form 1095-C?

Yes. An Individual Coverage Health Reimbursement Arrangement (ICHRA) is technically considered a self-insured group health plan.

Have additional questions on the data for Lines 14, 15 and 16? Please check out the FAQs and Additional Detail section of this document.



More Information for Non-ALEs (small employers)

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Completing the 1095-B forms for employees is much simpler than the 1095-C forms that ALEs need to complete. In fact, very little data in the file Take Command provides will be needed to complete the B series forms.

What should I use for Part I and Part II of Form 1095-B?

For Part I: You, as the employer, will want to use the data from your system of record (generally a payroll system or similar) to populate the employee demographic data (name, address, contact information, etc.).

For Part II: You, as the employer, will want to enter your employer information.

Do I need to complete Part III of Form 1095-B?

No, you do not need to complete this section. If any employees had coverage during the year, they will receive this information from their insurance carrier in a separate Form 1095-B.

How do I use the Take Command data file to complete Part IV of Form 1095-B?

In the data file Take Command provides, the relevant columns for filling in Part IV begin with column BE – "Covered Individual 1 First Name." In this section, the names of individuals covered by the plan are listed and the relevant boxes checked for the months for which they were covered. In the data file, the months for which an individual is covered will be noted with a "Y" and the months of the year (Jan/Feb /...Dec) are listed by numbers up to 12 (1/2 /...12).

What is the code I should enter in Line 8 of Part I of Form 1095-B?

G – Individual coverage health reimbursement arrangement (HRA)

What if I see the word "ERROR" in the data file?

You can disregard. This relates to information needed by ALEs, but is not necessary for non-ALEs and 1095-B forms.

If employees decided to waive coverage and not participate in the ICHRA, do I need to file a 1095-B for them?

No, we do not believe you should need to file a 1095-B for those employees. This is based on Take Command's interpretation of the guideline and please be sure to check with your CPA or tax adviser if necessary.



Frequently Asked Questions (FAQs) and Additional Detail

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What is an Applicable Large Employer (ALE) and is my organization one?

An applicable large employer (ALE) is a formal definition established by the Internal Revenue Service (IRS). While the 'rule of thumb' for an ALE is 50+ full-time equivalents, if you are not sure if you met the formal ALE definition for the calendar year, we recommend consulting with a tax advisor or [visiting this IRS website](#).

If your company is an ALE, you are subject to the employer shared responsibility provisions of the Affordable Care Act - also known as the "employer mandate" to offer health insurance coverage or make payments to the federal government. The reporting forms outlined below are used by the IRS to reconcile this responsibility. Note that as of 2022, there are no W-2 reporting requirements for an ICHRA.

What forms do I need to report if I offered an ICHRA in 2022?

If you are an applicable large employer (ALE), current regulations require that you:

1. File a **Form 1094-C** and accompanying **Forms 1095-C** with the IRS, and
2. Provide a **Form 1095-C** to any employee who is full-time for at least one month during the calendar year.

If you are not an ALE, current regulations require that you:

1. File a **Form 1094-B** and accompanying **Forms 1095-B** with the IRS, and
2. Provide a **Form 1095-B** to any employee who participated in the ICHRA program during the calendar year.

When do I need to file Forms to the IRS and furnish them to my employees?

For calendar year 2022, the 1095-C or 1095-B forms should be furnished to your employees no later than March 2, 2023. These forms and an accompanying 1094-C or 1094-B form should be filed with the IRS by February 28, 2023 if filing on paper or March 31, 2023 if filing electronically.



Where can I find the specific filing instructions?

The IRS provides formal guidance where you can find specific filing instructions, additional requirements, and answers to other questions:

- [Instructions for Forms 1094-C and 1095-C](#)
 - [Form 1094-C](#)
 - [Form 1095-C](#)
- [Instructions for Forms 1094-B and 1095-B](#)
 - [Form 1094-B](#)
 - [Form 1095-B](#)

Will Take Command complete and file these forms for me?

No. Take Command is not licensed to help our clients with completing, filing or distributing 1094/1095 forms. We recommend working with your payroll provider or tax advisors if assistance is needed.

Is there a specific vendor that Take Command can recommend to help with 1094/1095 form completion and filing?

Yes, we recommend ETC. The company is very knowledgeable on ACA reporting requirements and can help. [Here's a link to their website.](#)

www.eligibilitytrackingcalculators.com/take-command-ichra-reporting/

What do the codes mean in Line 14 of form 1095-C?

Form 1095-C Line 14 requires an "Offer of Coverage" code, also known as "Code Series 1." The list below includes the relevant codes when offering your employees health insurance in the form of an Individual Coverage HRA (ICHRA). If we had enough information, we have made a potential recommendation as to the appropriate code for each of your employees. Please remember, this is your data and you should verify the correct code is used. Please consult a tax professional or attorney if you have questions.



Form **1095-C** **Employer-Provided Health Insurance Offer and Coverage**
 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.

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OMB No. 1545-2251
2022

Part I Employee

1 Name of employee (first name, middle initial, last name) 2 Social security number (SSN) 7 Name of employer 8 Employer identification number (EIN)

3 Street address (including apartment no.) 9 Street address (including room or suite no.) 10 Contact telephone number

4 City or town 5 State or province 6 Country and ZIP or foreign postal code 11 City or town 12 State or province 13 Country and ZIP or foreign postal code

Part II Employee Offer 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** (2022)

Line 14 Codes

- 1H No offer of coverage (employee not offered any health coverage or employee offered coverage that is not minimum essential coverage, which may include one or more months in which the individual was not an employee).
- 1L Individual coverage HRA offered to employee only with affordability determined by using employee's primary residence location ZIP code.
- 1M Individual coverage HRA offered to employee and dependent(s) (not spouse) with affordability determined by using employee's primary residence location ZIP code.
- 1N Individual coverage HRA offered to employee, spouse and dependent(s) with affordability determined by using employee's primary residence location ZIP code.
- 1O Individual coverage HRA offered to employees only using the employee's primary employment site ZIP code affordability safe harbor.
- 1P Individual coverage HRA offered to employee and dependent(s) (not spouse) using the employee's primary employment site ZIP code affordability safe harbor.
- 1Q Individual coverage HRA offered to employee, spouse and dependent(s) using the employee's primary employment site ZIP code affordability safe harbor.
- 1R Individual coverage HRA that is NOT affordable offered to employee; employee and spouse, or dependent(s); or employee, spouse, and dependents.
- 1S Individual coverage HRA offered to an individual who was not a full-time employee.
- 1T Individual coverage HRA offered to employee and spouse (not dependents) with affordability determined using employee's primary residence location ZIP code.
- 1U Individual coverage HRA offered to employee and spouse (not dependents) with affordability determined using employee's primary employment site ZIP code affordability safe harbor.



What is the number that goes on Line 15 of Form 1095-C?

Form 1095-C Line 15 captures the monthly Employee Required Contribution for self-only (or employee-only) coverage.

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.

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OMB No. 1545-2251
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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):

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** (2022)

For an ICHRA program, calculating the monthly Employee Required Contribution for Line 15 is a bit more complex than with a traditional group health plan. This is because health insurance premiums in the individual market tend to vary by geography and age.

The simple formula for calculating the amount to enter on Line 15 is below:

$$\text{Employee Required Contribution} = \text{LCSP Premium} - \text{ICHRA Allowance}$$

LCSP = Lowest-cost silver plan an employee could purchase on the marketplace

ICHRA Allowance = Amount of \$\$ employer offering per month via ICHRA program

To calculate the LCSP premium, we need to look at geographic location (either the employee's address or employer's work-site location) and the employee's age.

For ALEs, what if the offer of coverage is not considered affordable?

For employees not provided an affordable offer, they can decline the ICHRA allowance. If they wish, they can choose to go on the public marketplace and enroll in an individual health plan while receiving government-funded subsidies (premium tax credits) to help pay for coverage.

In these situations, (1) If the coverage offer was unaffordable and (2) The employee received premium tax credits to help pay for their individual plan premium, the ALE may be subject to an Employer Shared Responsibility Payment ("Part B Penalty") of \$4,120 / year or \$343.33 / month in 2022 per employee.

What do the codes mean in Line 16 of Form 1095-C?

Form 1095-C Line 16 requires a "Section 4980H Safe Harbor and Other Relief" code, also known as "Code Series 2." The list below includes the relevant codes when offering your employees health insurance in the form of an Individual coverage HRA (ICHRA). If we had enough information, we have made a potential recommendation as to the appropriate code for each of your employees. Please remember, this is your data and you should verify the correct code is used. Please consult a tax professional or attorney if you have questions.



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

Employer-Provided Health Insurance Offer and Coverage
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2022

Part I Employee				Applicable Large Employer Member (Employer)												
1 Name of employee (first name, middle initial, last name)		2 Social security number (SSN)		7 Name of employer					8 Employer identification number (EIN)							
3 Street address (including apartment no.)				9 Street address (including room or suite no.)					10 Contact telephone number							
4 City or town		5 State or province		6 Country and ZIP or foreign postal code		11 City or town		12 State or province		13 Country and ZIP or foreign postal code						
Part II Employee Offer 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** (2022)

Line 16 Codes

- 2A Employee not employed during the month (use this code for months that an individual was not employed the entirety of the month). Enter code 2A if the employee was not employed on any day of the calendar month. Do not use code 2A for a month if the individual was an employee of the ALE Member on any day of the calendar month. Do not use code 2A for the month during which an employee terminates employment with the ALE Member.
- 2B Employee not a full-time employee (use this code if an employee was offered the benefit but did not participate and the individual was employed part-time). Enter code 2B if the employee is not a full-time employee for the month and did not enroll in minimum essential coverage, if offered for the month. Enter code 2B also if the employee is a full-time employee for the month and whose offer of coverage (or coverage if the employee was enrolled) ended before the last day of the month solely because the employee terminated employment during the month (so that the offer of coverage or coverage would have continued if the employee had not terminated employment during the month).
- 2C Employee enrolled in health coverage offered (use this code if the individual participated in the HRA, regardless if any other code applies). Enter code 2C for any month in which the employee enrolled for each day of the month in health coverage offered by the ALE Member, regardless of whether any other code in Code Series 2 might also apply (for example, the code for a section 4980H affordability safe harbor) except as provided below. Do not enter code 2C on line 16 for any month in which the multiemployer interim rule relief applies (enter code 2E). Do not enter code 2C on line 16 if code 1G is entered on line 14. Do not enter code 2C on line 16 for any month in which a terminated employee is enrolled in COBRA continuation coverage or other post-employment coverage (enter code 2A). Do not enter code 2C on line 16 for any month in which the employee enrolled in coverage that was not minimum essential coverage.



- 2D Employee in a section 4980H(b) Limited Non-Assessment Period (use this code for months that an individual is in a limited non-assessment period, such as a lookback/waiting period). Enter code 2D for any month during which an employee is in a section 4980H(b) Limited Non-Assessment Period. If an employee is in an initial measurement period, enter code 2D (employee in a section 4980H(b) Limited Non-Assessment Period) for the month, and not code 2B (employee not a full-time employee). For an employee in a section 4980H(b) Limited Non-Assessment Period for whom the ALE Member is also eligible for the multiemployer interim rule relief for the month, enter code 2E (multiemployer interim rule relief) and not code 2D (employee in a section 4980H(b) Limited Non-Assessment Period).
- 2F Section 4980H affordability Form W-2 safe harbor (use this code if an individual is offered the benefit but does not participate and you have used the W-2 Box 1 wage amounts to determine if the offer was affordable). Enter code 2F if the ALE Member used the section 4980H Form W-2 safe harbor to determine affordability for purposes of section 4980H(b) for this employee for the year. If an ALE Member uses this safe harbor for an employee, it must be used for all months of the calendar year for which the employee is offered health coverage.
- 2G Section 4980H affordability federal poverty line safe harbor (Take Command rarely uses the poverty line in calculation of affordability). Enter code 2G if the ALE Member used the section 4980H federal poverty line safe harbor to determine affordability for purposes of section 4980H(b) for this employee for any month(s).
- 2H Section 4980H affordability rate of pay safe harbor (we generally recommend using this code if an individual is offered the benefit but does not participate. When helping our employer clients evaluate whether an ICHRA offer is considered affordable, Take Command team members typically use the rate of pay safe harbor). Enter code 2H if the ALE Member used the section 4980H rate of pay safe harbor to determine affordability for purposes of section 4980H(b) for this employee for any month(s).

Thank you for being a Take Command client! If you have any questions, we are happy to help to the extent that we can. Please reach out to your dedicated account manager or contact our Client Success team at clientsuccess@takecommandhealth.com.

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