



What every HR leader should know about compliance, *at a glance*



IRS Issues Draft Form 1095-C

The Internal Revenue Service (IRS) recently issued the [2021 Draft Form 1095-C](#), which is required to be filed with the IRS by applicable large employers (ALEs), to report the offer of health coverage to employees.

New Codes

An ALE that offers an individual coverage health reimbursement arrangement (ICHRA) can now use two previously-reserved codes in order to report offers of coverage:

- **1T.** Individual coverage HRA offered to employee and spouse (no dependents) with affordability determined using employee's primary residence location ZIP code.
- **1U.** Individual coverage HRA offered to employee and spouse (no dependents) using employee's primary employment site ZIP code affordability safe harbor.

Additional Copies of Page 3 Permissible

The 2021 instructions also clarify that self-funded plans that are required to complete Part III of Form 1095-C, and that have more than 13 covered individuals on a single Form 1095-C, may use additional copies of page 3 for reporting purposes.

Request for Comments

The IRS has invited comments on the draft Form 1095-C and instructions, which may be submitted at [IRS.gov/FormsComments](https://www.irs.gov/formscomments), and has cautioned that they cannot respond to all comments due to the high volume likely to be submitted. Early release drafts are available at [IRS.gov/DraftForms](https://www.irs.gov/draftforms) and remain there after the final release is posted at [IRS.gov/LatestForms](https://www.irs.gov/latestforms). Information about all forms, instructions, and publications are located on [IRS.gov/Forms](https://www.irs.gov/forms).

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