

ACA Compliance Guide

Which form does your business need to file: 1095-B or 1095-C?

Navigating the Affordable Care Act (ACA) reporting requirements can be confusing for business owners. Choosing the correct form is essential to avoid IRS penalties. This guide clarifies the differences between Form 1095-B and 1095-C based on your company size, insurance type, and exactly what parts of the forms need to be issued and to whom.

What is Form 1095-C?

Purpose: Form 1095-C is the "Employer-Provided Health Insurance Offer and Coverage" form. Its primary purpose is to help the IRS determine if an **Applicable Large Employer (ALE)**—those with 50+ full-time employees—complied with the employer mandate to offer affordable, quality health insurance.

What is Form 1095-B?

Purpose: Form 1095-B is the "Health Coverage" form. Its primary purpose is to prove that an individual actually had **Minimum Essential Coverage (MEC)**. It focuses on who was covered and for which months of the year.

Don't Forget the 1094 Transmittal Forms!

Whenever you (or an insurance carrier) send 1095 forms to the IRS, they **must** be accompanied by a transmittal "cover sheet" summarizing the submission.

- **Form 1094-B:** The transmittal form sent to the IRS with a batch of 1095-B forms.
- **Form 1094-C:** The transmittal form sent to the IRS with a batch of 1095-C forms.

Filing Requirements & Form Details by Company Size

1. Small Businesses (Less than 50 Full-Time Employees)

Small businesses are generally not subject to the ALE mandate. However, their filing requirement depends on how their insurance is funded.

Insurance Plan Type	Employer Responsibility	Insurance Carrier Responsibility
<p>Fully-Insured (Third Party)</p>	<p>No Filing Required</p>	<p>Files Form 1095-B</p> <p>Issued To:</p> <ul style="list-style-type: none"> • Employees (Covered individuals) • IRS (with Form 1094-B) <p>Parts Completed:</p> <ul style="list-style-type: none"> • Parts I, II, III, & IV
<p>Self-Insured (Company pays claims)</p>	<p>Files Form 1095-B</p> <p>Issued To:</p> <ul style="list-style-type: none"> • Employees (Covered individuals) • IRS (with Form 1094-B) <p>Parts Completed:</p> <ul style="list-style-type: none"> • Parts I, II, III, & IV 	<p>No Filing Required</p>

2. Large Businesses (50 or More Full-Time Employees)

Once you reach 50 employees, you are an Applicable Large Employer (ALE). You are now responsible for reporting the *offer* of coverage to both your employees and the IRS, regardless of your plan type.

Insurance Plan Type	Employer Responsibility	Insurance Carrier Responsibility
Fully-Insured (Third Party)	Files Form 1095-C Issued To: <ul style="list-style-type: none">• Employees• IRS (with Form 1094-C) Parts Completed: <ul style="list-style-type: none">• Part I: Employee & Employer Info• Part II: Offer of Coverage & Safe Harbor Codes• <i>Part III is left blank</i>	Files Form 1095-B Issued To: <ul style="list-style-type: none">• Employees• IRS (with Form 1094-B) Parts Completed: <ul style="list-style-type: none">• Parts I, II, III, & IV
Self-Insured (Company pays claims)	Files Form 1095-C Issued To: <ul style="list-style-type: none">• Employees• IRS (with Form 1094-C) Parts Completed (Combined Reporting): <ul style="list-style-type: none">• Part I: Employee & Employer Info• Part II: Offer of Coverage & Safe Harbor Codes• Part III: Covered Individuals (Replaces the need for a separate 1095-B)	No Filing Required

Simplify Your ACA Filing with ez1095 Software

Whether you need to file Form 1095-B or 1095-C, ez1095 makes it easy. Import your data directly, print on plain paper, and e-file directly with the IRS—no manual XML editing required.

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