

LEGAL UPDATE

IRS Provides Additional Codes for ICHRAs Under Section 6056

On Feb. 2, 2021, the Internal Revenue Service (IRS) provided two additional codes from Code Series 1 that can be used on Form 1095-C, line 14, for reporting offers of individual coverage HRAs (ICHRAs) under Section 6056. These codes were previously reserved on the instructions for Forms 1094-C and 1095-C.

- **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

These additional codes may be used when an employer offers ICHRA coverage to an employee and their spouse, but not to dependent children.

Final Forms and Instructions

For plan years beginning on or after Jan. 1, 2020, employers may offer HRAs integrated with individual health insurance coverage or Medicare, subject to certain conditions (ICHRAs). When the final forms and instructions for reporting under Section 6056 were released, they included a number of changes related to offers of ICHRA coverage.

Most notably, the Form 1095-C included eight additional codes in Code Series 1 (Codes 1L-1M) that may be used to report offers of ICHRA coverage. Codes 1T-1Z were also added to the instructions, but were originally reserved for future use.

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Reporting Deadlines

March 1, 2021

Paper returns for 2020 must be filed with the IRS by March 1, 2021, since Feb. 28, 2021, is a Sunday.

March 2, 2021

The deadline for furnishing statements to individuals for 2020 was extended to March 2, 2021.

March 31, 2021

Electronic returns for 2020 must be filed with the IRS by March 31, 2021.

Codes 1T-1Z were added to the instructions for Forms 1094-C and 1095-C in 2020, but were originally reserved for future use.



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