

Caution: FTB DRAFT FORM – INTERNAL ONLY

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2020 Publication 3895C

California Instructions for Filing Federal Forms 1094-C and 1095-C

Section references are to the Internal Revenue Code unless otherwise noted.

What's New

General Information

Purpose of Form

Employers with 50 or more full-time employees (including full-time equivalent employees) in the previous year use federal Forms 1094-C and 1095-C to report the information required under IRC Sections 6055 and 6056 about offers of health coverage and enrollment in health coverage for their employees. Federal Form 1094-C must be used to transmit federal Forms 1095-C to the Internal Revenue Service (IRS). Federal Form 1095-C is used to report information about each employee to the IRS and to the employee. The same federal Forms 1094-C and 1095-C the employer transmits to the IRS can be provided to the Franchise Tax Board (FTB) under Revenue and Tax Code (R&TC) 61005(b).

Employers that offer employer-sponsored, self-insured coverage also use federal Form 1095-C to report information to the IRS, FTB, and to employees about individuals who have minimum essential coverage under the employer plan.

Who Must File

An employer that offers health coverage through a self-insured health plan must report information about each individual enrolled in such coverage. This information must be reported on federal Form 1095-C, Part III, for any employee who is enrolled in coverage (and any spouse or dependent of that employee). See below for the option to file federal Forms 1094-B and 1095-B, rather than federal Forms 1094-C and 1095-C, to report coverage of certain non-employees.

Employers that offer health coverage through an employer-sponsored, self-insured health plan must complete federal Form 1095-C, Parts I, II, and III, for any employee who enrolls in the health coverage, whether or not the employee is a full-time employee for any month of the calendar year.

Note. If an employer is offering health coverage to employees other than under a self-insured plan, such as through an insured health plan or a multiemployer health plan, the issuer of the insurance or the sponsor of the plan providing the coverage is required to furnish the information about their health coverage to any enrolled employees, and the employer should not complete federal Form 1095-C, Part III, for those employees. When the insurer furnishes employees with information about their health coverage the employer offering the health care coverage is not required to report to the FTB.

Substitute Statements to Recipients

If you are submitting a substitute form to the IRS that meets the federal requirements for substitute forms, the same substitute forms can be submitted to the FTB.

Authoritative Transmittal for ALE Members Filing Multiple Federal Forms 1094-C

Federal instructions regarding Authoritative Transmittal are not applicable for California purposes. Information on federal Form 1094-C, line 19, is not required by the FTB.

When To File

You will meet the requirement to file federal Forms 1094-C and 1095-C if the forms are properly addressed and mailed on or before the due date. If the due date falls on a weekend or legal holiday, then the due date is the following business day. A business day is any day that is not a Saturday, Sunday, or legal holiday.

For California purposes, federal Forms 1094-C and 1095-C must be provided to the FTB by March 31 of the year following the calendar year to which the return relates. Federal Form 1095-C must be provided to the employee by January 31 of the same year.

Where To File

Send all information returns filed on paper to the following:

Electronic Filing

If you're required to file 250 or more information returns, you must file electronically. The 250-or-more requirement applies separately to each type of form filed and separately for original and corrected returns. For example, if you must file 500 federal Forms 1095-B and 75 federal Forms 1095-C, you must file federal Forms 1095-B electronically, but you aren't required to file federal Forms 1095-C electronically. The electronic filing requirement doesn't apply if you apply for, and receive, a hardship waiver. The FTB encourages you to file electronically even if you're filing fewer than 250 returns.

For information about how to file information returns electronically, see *FTB File Exchange System - MEC IR Registration and Enrollment*, and *FTB File Exchange System - 1094 1095 Technical Specifications*.

Substitute Returns Filed With the IRS and FTB

If you are filing your returns on paper, see federal Pub. 5223 for specifications for private printing of substitute information returns. You may not request special consideration. Only forms that conform to the official form and the specifications in federal Pub. 5223 are acceptable for filing with the IRS and FTB. Substitute returns filed with the IRS and FTB must be printed in landscape format.

VOID Box

Do not use this box on federal Form 1095-C.

Corrected Federal Forms 1094-C and 1095-C

For information about filing corrections electronically, see *FTB File Exchange System - 1094 1095 Technical Specifications*.

Corrected Returns

A corrected return should be filed as soon as possible after an error is discovered. File the corrected returns as follows.

Federal Form 1094-C. For California purposes, it is not required to file a correction to a federal Form 1094-C.

Federal Form 1095-C. If correcting information on a federal Form 1095-C that was previously filed with the FTB, file a fully completed federal Form 1095-C including the correct information and enter an "X" in the "CORRECTED" checkbox. File a federal Form 1094-C (do not mark the "CORRECTED" checkbox on federal Form 1094-C) with corrected federal Form(s) 1095-C. Furnish the employee a copy of the corrected federal Form 1095-C, unless the employer was and continues to be eligible for and used the alternative method of furnishing under the Qualifying Offer Method for that employee for that year's furnishing. For more information, see federal *Alternative method of furnishing federal Form 1095-C to employees under the Qualifying Offer Method.*

Note. Enter an "X" in the "CORRECTED" checkbox only when correcting a federal Form 1095-C previously filed with the FTB. If you are correcting a federal Form 1095-C that was previously furnished to a recipient, but not filed with the FTB, write, type, or print "CORRECTED" on the new federal Form 1095-C furnished to the recipient.

If you fail to file correct information returns, you may be subject to a penalty.

If you file corrected returns with the IRS, the same corrected forms should be submitted to the FTB.

Furnishing Federal Forms 1095-C to Employees

You will meet the requirement to furnish federal Form 1095-C to an employee if the form is properly addressed and mailed on or before the due date. If the due date falls on a weekend or legal holiday, then the due date is the following business day. A business day is any day that is not a Saturday, Sunday, or legal holiday.

An employer must furnish a federal Form 1095-C to each of its full-time employees by January 31, 2021. The same statement provided to individuals under the federal requirement will satisfy California's reporting requirements. This individual does not have to be an employee.

Filers of federal Form 1095-C may truncate the SSN of an individual (the employee or any family member of the employee receiving coverage) on federal Form 1095-C statements furnished to employees by showing only the last four digits of the SSN and replacing the first five digits with asterisks (*) or Xs. Truncation is not allowed on forms filed with the FTB. In addition, an employer's EIN may not be truncated on the statements furnished to employees or the forms filed with the FTB.

Extensions of time to furnish statement to recipients. *Notice 2019-63* automatically extends the federal due date for furnishing federal Form 1095-C from January 31, 2021, to March 2, 2021. Thus, no additional extensions will be granted. The due date to furnish statements to recipients remains January 31, 2021 for California purposes.

Specific Instructions for Filing Federal Form 1094-C with FTB

Part I – Applicable Large Employer Member (ALE Member)

For California purposes, the completion of Part I is required. California and federal instructions are the same for this section. Please see federal Instructions for Forms 1094-C and 1095-C for more information.

Part II – ALE Member Information

For California tax purposes the information requested in Part II of federal Form 1094-C is not required. If you completed this section of the form for IRS purposes the FTB will disregard this information. The same federal Form 1094-C that is submitted to the IRS can be submitted to the FTB. Please refer to the federal 2020 Instructions for Forms 1094-C and 1095-C for more information.

Part III – ALE Member Information—Monthly (Lines 23–35)

For California tax purposes the information requested in Part III of federal Form 1094-C is not required. If you completed this section of the form for IRS purposes the FTB will disregard this information. The same federal Form 1094-C that is submitted to the IRS can be submitted to the FTB. Please refer to the federal 2020 Instructions for Forms 1094-C and 1095-C for more information.

Part IV – Other ALE Members of Aggregated ALE Group (Lines 36–65)

For California tax purposes the information requested in Part IV of federal Form 1094-C is not required. If you completed this section of the form for IRS purposes the FTB will disregard this information. The same federal Form 1094-C that is submitted to the IRS can be submitted to the FTB. Please refer to the federal 2020 Instructions for Forms 1094-C and 1095-C for more information.

Specific Instructions for Filing Federal Form 1095-C with FTB

Part I – Employee and Applicable Large Employer Member (Employer)

For California purposes, the completion of Part I is required. California and federal instructions are the same for this section. Please see federal Instructions for Forms 1094-C and 1095-C for more information.

Part II – Employee Offer of Coverage

For California purposes, the completion of Part II is required. California and federal instructions are the same for this section. Please see federal Instructions for Forms 1094-C and 1095-C for more information.

Part III—Covered Individuals (Lines 17–22)

For California purposes, the completion of Part III is required. California and federal instructions are the same for this section. Please see federal Instructions for Forms 1094-C and 1095-C for more information.