

SourceOne

ACA OnDemand

Understanding the ACA

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Employer Shared Responsibility Tax

Effective beginning in 2015

Tax will apply to these scenarios . . .

- ▶ Failure to offer healthcare coverage (Not Offering Employer)
- ▶ Offering minimum essential coverage that is “unaffordable” (Offering Employer)

Applies to.....

Applicable Large Employers

- ▶ 50 or more Full-Time equivalent employees in preceding year
- ▶ Full-Time
- ▶ Equivalent employees = Non-Full-Timers hours/120 each month
- ▶ Add number of Full-Timers to equivalent employees to get number of FTEs

Note*: Leased employees, seasonal employees, “common-law employee” standard

Transition Relief

What does this mean?

- ▶ Relief from penalties, different calculations, etc.
- ▶ Transitional Relief for Employers with 50 to 99 FTEs – **Does not relieve employer from reporting requirement**
- ▶ Non-Calendar Year Plan Transition Relief
- ▶ Transition Relief for Employers Over 100 FTEs
 - ▶ 80 employee reduction
 - ▶ 70% offer requirement

Who is Full-Time?

- ▶ Designated Full-Time
- ▶ Others
 - ▶ Employees that average 30 or more hours per week OR
 - ▶ Employees with 130 hours in a calendar month

Applicable Large Employer

- ▶ Employee Tracking
- ▶ Annual IRS Reporting

Important to Remember

Who is and who is not Full-Time.....

Tracking – Look Back Methodology

- ▶ Look Back - Regulations outline the process of tracking of employee status
- ▶ **Concept:** If an employee is determined to be an Full-Time during a Measurement Period, then the employee is treated as an Full-Time during a subsequent Stability Period
- ▶ If an employee is Designated as Full-Time then tracking is not required

Measurement Period

- ▶ Ongoing employee, New Employee, Variable Hourly employee
- ▶ 3 to 12 month length
- ▶ Tracking the hours worked by these employees
- ▶ Determines whether they are “Full-Time” for the corresponding Stability Period

Administrative Period

- ▶ Employer chooses 0 to 90 day period
- ▶ Time during which employer averages hours worked by employees
- ▶ Time during which employer offers coverage to those employees that worked 30 or more hours a week during measurement period

Data Reporting

- ▶ Reporting
 - ▶ Health Plan
 - ▶ Eligibility
 - ▶ Offers of Coverage
 - ▶ Self-funded Health Plan

Reporting Timeline

- ▶ Reporting becomes effective January 1, 2015
- ▶ Employee statements must be furnished by January 31, 2016
- ▶ Transmittal forms must be submitted by:
 - ▶ February 29, 2016 (if submitted non electronically)
 - ▶ March 31, 2016 (if submitted electronically)

ACA Risk

- ▶ Applicable Large Employer
- ▶ Part-Time and/or Seasonal Employees
- ▶ Variable schedule
- ▶ Turn-over
- ▶ Number of employees
- ▶ Control Group

ACA Compliance & IRS Reporting

- ▶ Applicable Large Employer Status
- ▶ Compliance Planning
 - ▶ Strategies
 - ▶ Documentation
- ▶ Regulatory
 - ▶ Reporting
 - ▶ Audits
 - ▶ Liabilities
- ▶ Forms and Content

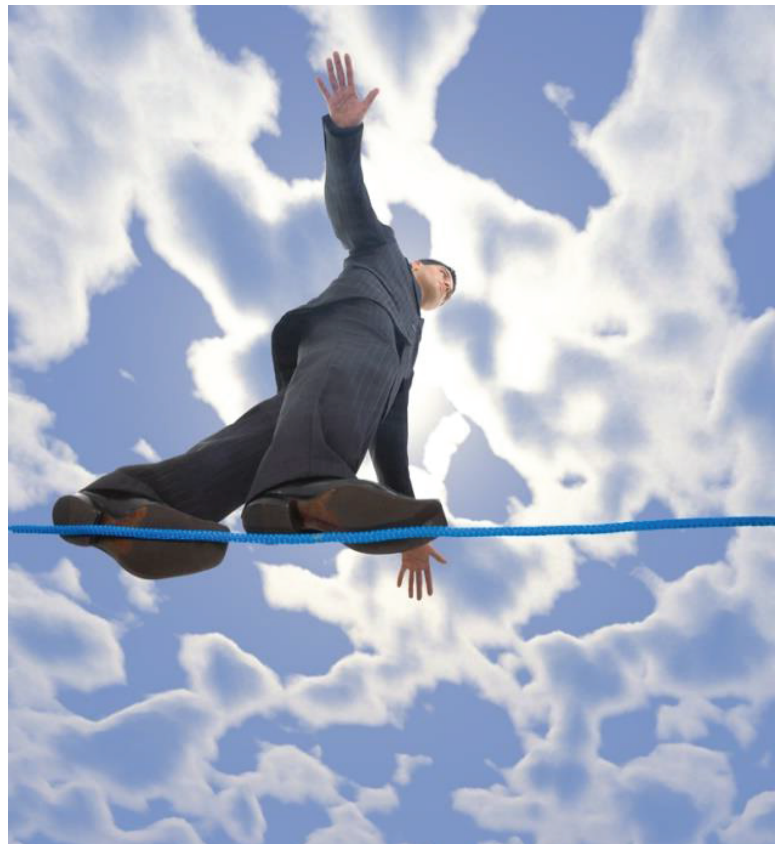
ACA OnDemand – ACA Dashboard

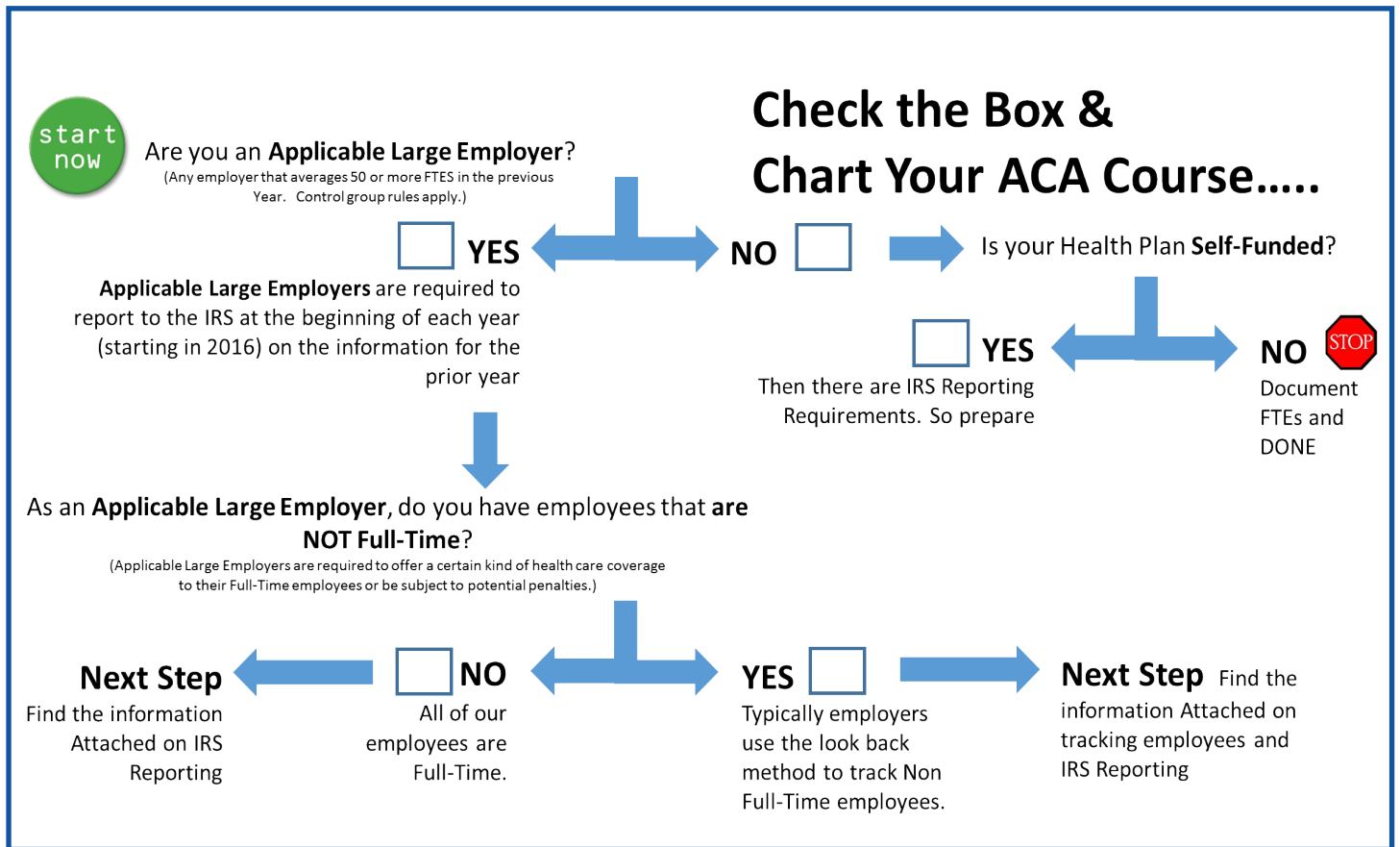
- ▶ Aids in managing ACA compliance
- ▶ Data
- ▶ Real-time information
- ▶ Documentation
- ▶ IRS reporting

ACA OnDemand - Reporting

Series 1094 & 1095 Reporting

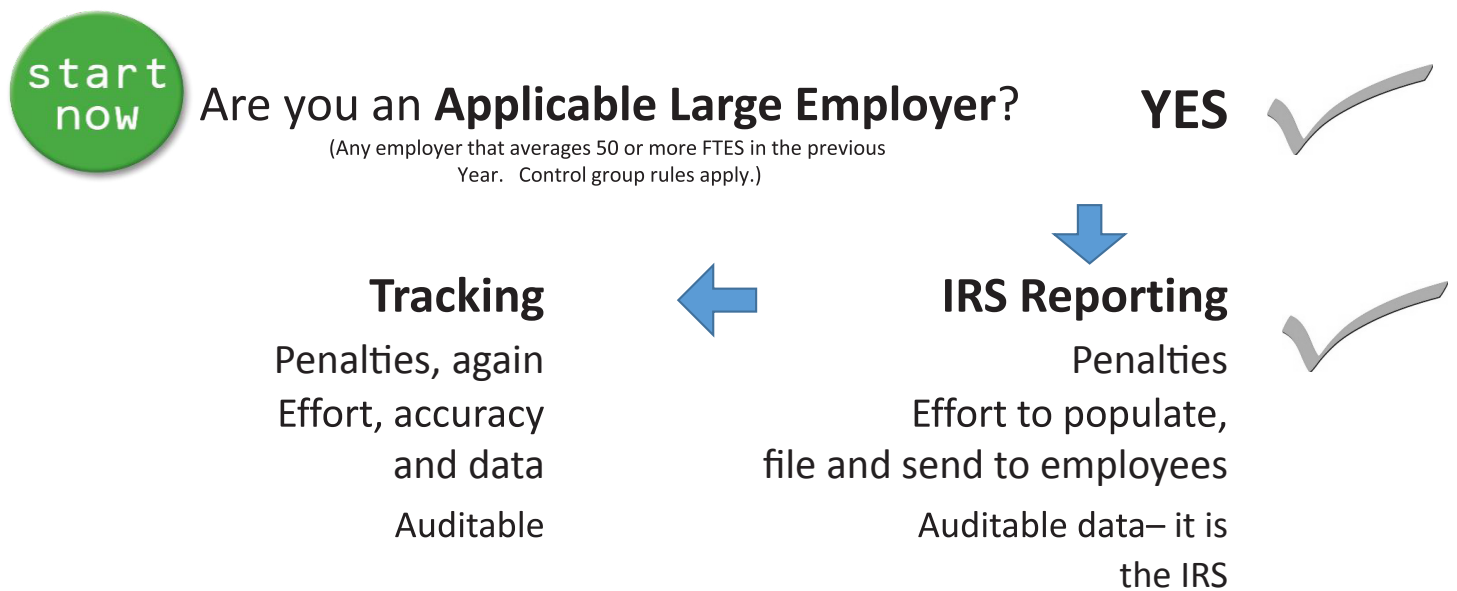
- ▶ 1094 C – Transmittals to the IRS
- ▶ 1095 C – Employee Statement (SBO can print for ACA OnDemand Clients or sign up for fulfillment)
- ▶ 1094 B – Transmittal form for Providers (Self Funded Plans)
- ▶ 1095 B – Covered Individual Statement (Self Funded Plans)
- ▶ Available in both Reporting Essentials & Dashboard Versions





Working with Employers

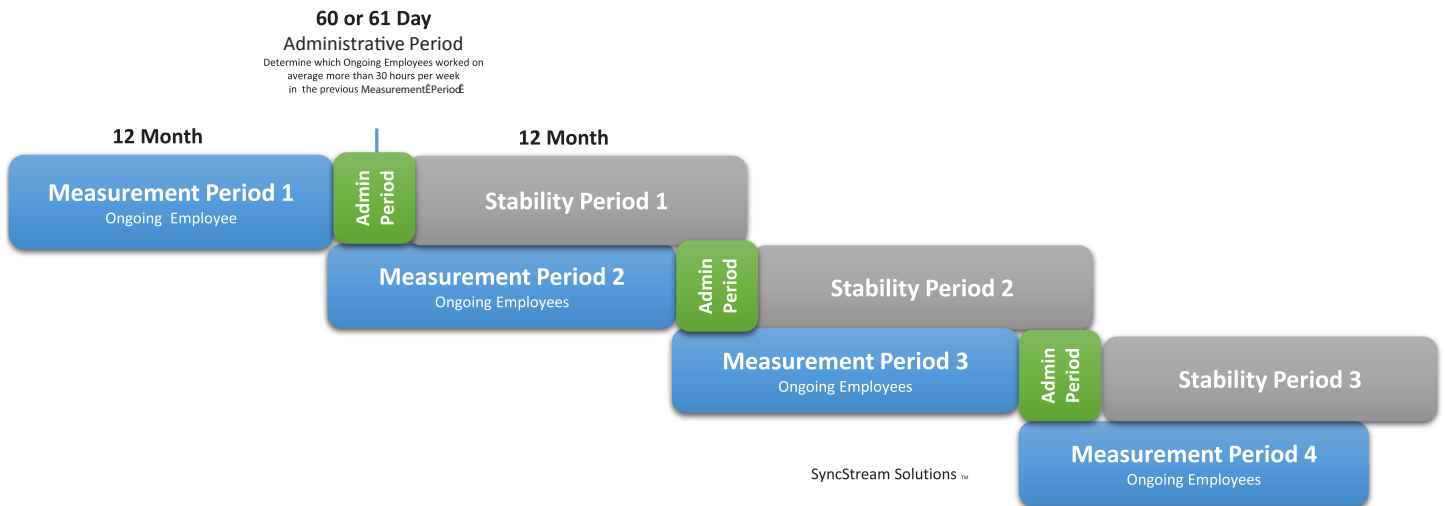
Keep it simple, actionable and what does it mean to me.....



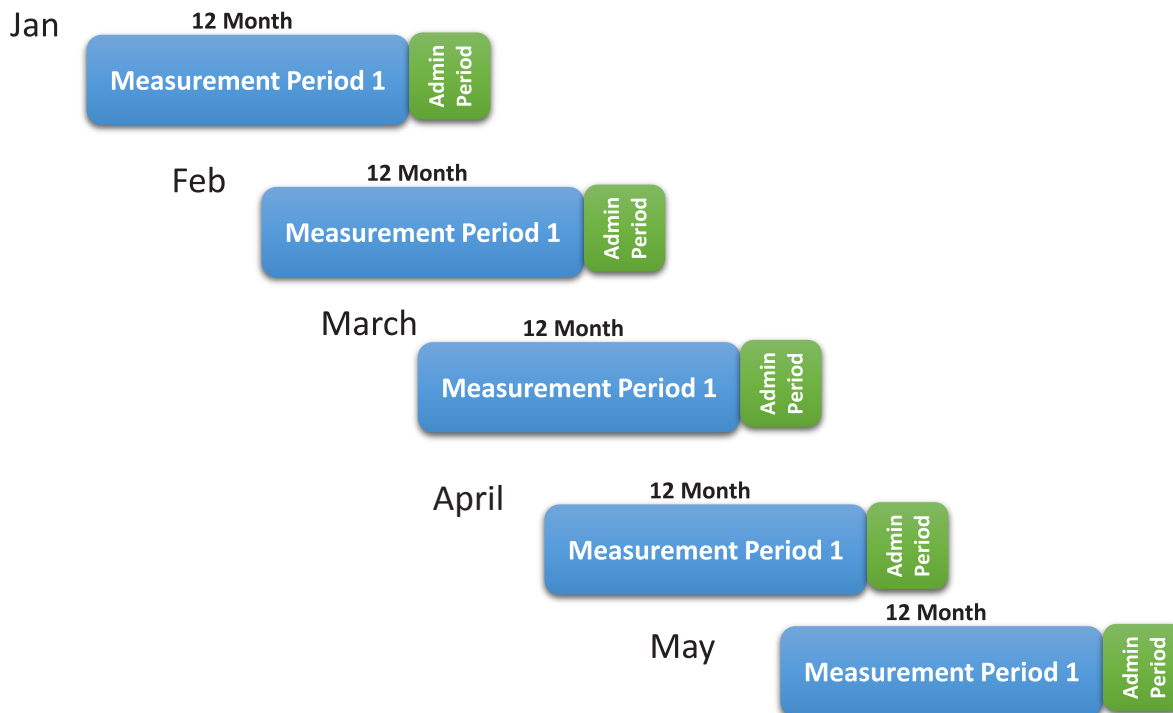
Stability Period

- ▶ The longer of 6 months or the length of the Measurement Period
- ▶ During this timeframe, any employee that averaged 30 or more hours worked a week during the Measurement Period is considered Full-Time, regardless of how many hours they worked in the actual timeframe

Ongoing Tracking



New Variable Tracking



Head Spinning? What are other Employers Doing?

Each company needs to look and plan out what is best for their needs

Common trends:

- ▶ Choosing long Measurement Period (12 months)
 - ▶ Minimizes the admin burden
 - ▶ Limits impact of seasonal variations
- ▶ Companies are aligning the start of the Stability Period to coincide with the start of their existing health plan year
 - ▶ Alleviates the need for multiple open enrollments for Ongoing Employees
 - ▶ Typically picking first calendar day of the calendar month after they start verses the day they actually start



What Reports Do I Need to File?

Employer	IRS Code	Who Report and/or Provides Statement	Forms Filed with the IRS	Statement Provided to Employee
Applicable Large Employer – Not Offering a Health Plan	6055	No Reporting Required	N/A	N/A
	6056	Employer	1094-C & 1095-C (no part III)	1095-C (no part III)
Applicable Large Employer – Offering an Insured Health Plan	6055	Insurer	1094-B & 1095-B	1095-B
	6056	Employer	1094-C & 1095-C (no part III)	1095-C (no part III)
Applicable Large Employer – Offering a Self-Funded Health Plan	6055	Employer	1094-C & 1095-C	1095-C
	6056			

Reporting 1094-C

Form **1094-C** Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns

Department of the Treasury Internal Revenue Service

OMB No. 1545-2251

2014

CORRECTED

Information about Form 1094-C and its separate instructions is at www.irs.gov/1094c.

Part I Applicable Large Employer Member (ALE Member)

1 Name of ALE Member (Employer) **ABC Corp** 2 Employer identification number (EIN) **XX-XXXXXX**

3 Street address (including room or suite no.) **1 Main Street**

4 City or town **Springfield** 5 State or province **MO** 6 Country and ZIP or foreign postal code **56332**

7 Name of person to contact **John Smith** 8 Contact telephone number **XXX-XXX-XXXX**

9 Name of Designated Government Entity (only if applicable)

10 Employer identification number (EIN)

11 Street address (including room or suite no.)

12 City or town 13 State or province 14 Country and ZIP or foreign postal code

15 Name of person to contact 16 Contact telephone number

17 Reserved

18 Total number of Forms 1095-C submitted with this transmittal

Part II ALE Member Information

19 Is this the authoritative transmittal for this ALE Member? If "Yes," check the box and continue. If "No," see instructions

20 Total number of Forms 1095-C filed by and/or on behalf of ALE Member

21 Is ALE Member a member of an Aggregated ALE Group? Yes No

If "No," do not complete Part IV.

22 Certifications of Eligibility (select all that apply):

A. Qualifying Offer Method B. Qualifying Offer Method Transition Relief C. Section 4980H Transition Relief D. 98% Offer Method

Under penalties of perjury, I declare that I have examined this return and accompanying documents, and to the best of my knowledge and belief, they are true, correct, and complete.

Signature _____ Title _____ Date _____

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 61571A Form **1094-C** (2014)



Reporting 1095-C

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

Department of the Treasury Internal Revenue Service

OMB No. 1545-2251

2014

VOID CORRECTED

Information about Form 1095-C and its separate instructions is at www.irs.gov/1095c.

Part I Employee

1 Name of employee **John Smith** 2 Social security number (SSN) **XXX-XX-XXXX** 7 Name of employer **ABC Corp** 8 Employer identification number (EIN) **XX-XXXXXX**

3 Street address (including apartment no.) **27 Lily Drive** 9 Street address (including room or suite no.) **1 Main Street** 10 Contact telephone number **XXX-XXX-XXXX**

4 City or town **Morristown** 5 State or province **NJ** 6 Country and ZIP or foreign postal code **85744** 11 City or town **Springfield** 12 State or province **NJ** 13 Country and ZIP or foreign postal code **US 85756**

Part II Employee Offer and Coverage

14 Offer of Coverage (enter required code)	All 12 Months	15 Employee Share of Monthly Premium, or Amount of Coverage												
		Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	
1A	\$ 87.50	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

16 Self-insured Harbor (enter code, if applicable)

Part III Covered Individuals

If Employer provided self-insured coverage, check the box and enter the information for each covered individual.

(a) Name of covered individual(s)	(b) SSN	(c) DOB (if SSN is not available)	(d) Covered all 12 months	(e) Months of Coverage											
				Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
17			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 60705M Form **1095-C** (2014)

Check out these codes

ACA OnDemand – Value Proposition

- ▶ Upon initial set-up Prior Payroll History will automatically be sent to ACA OnDemand (including prior years)
- ▶ Ongoing payroll data automatically flows to ACA OnDemand
- ▶ Single Sign-On access for payroll customers from GO or Employer OnDemand
- ▶ Reporting only option available for known full time employee companies
- ▶ Define measurement periods within the Dashboard set up
- ▶ Dashboard helps determine full time employees or equivalents
- ▶ Revenue opportunity options:
 - ▶ Annual Fee Each Year
 - ▶ Potential Set Up Fees
 - ▶ Consulting Fees
 - ▶ Reporting Fees

ACA OnDemand – Payroll Integration

- ▶ Payroll data does not directly translate to the reporting rules defined by the ACA
 - ▶ Valid pay types: salary or hourly
 - ▶ Full-time salary employees and tracking hours
 - ▶ Active Employees without payroll data should still have hours reported
- ▶ Incomplete HR or payroll records can lead compliance problems
 - ▶ Hire dates are required
 - ▶ Termination dates are required



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