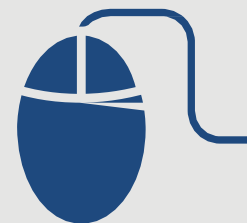




Benefit Technology Resources, LLC
Your Resource for HR Technology



ACA Required Reporting Q2 2015



1 BTR – Who are we and what do we do?

2 What needs to be tracked?

3 ACA Reporting (1095/1094)

4 How to track these data points?

5 What does the Marketplace look like?

6 What Questions to Ask?





- Benefit Technology Resources (BTR) is the largest mid-market HR technology consulting firm.
- Combined, our team has over 200 years experience in HR Technology.
- We are **independent** – provider agnostic (not tied to any providers).
- We specialize in HR technologies that include:
 - ✓ **Healthcare Reform Compliance**
 - ✓ HRIS – Human Resource Information Systems
 - ✓ Benefits Administration
 - ✓ Payroll Administration
 - ✓ Time Keeping
 - ✓ Talent Management
 - ✓ And More....

Dependent Eligibility (to age 26)

FSA Limits

Required Notices: SBC and Notice of Exchanges

Medical premiums on the W2

PCORI Fees

Re-Insurance Fees

Variable Hour Tracking (how many ALEs?)

1095 & 1094 Reporting (IRS 6055 & 6056)

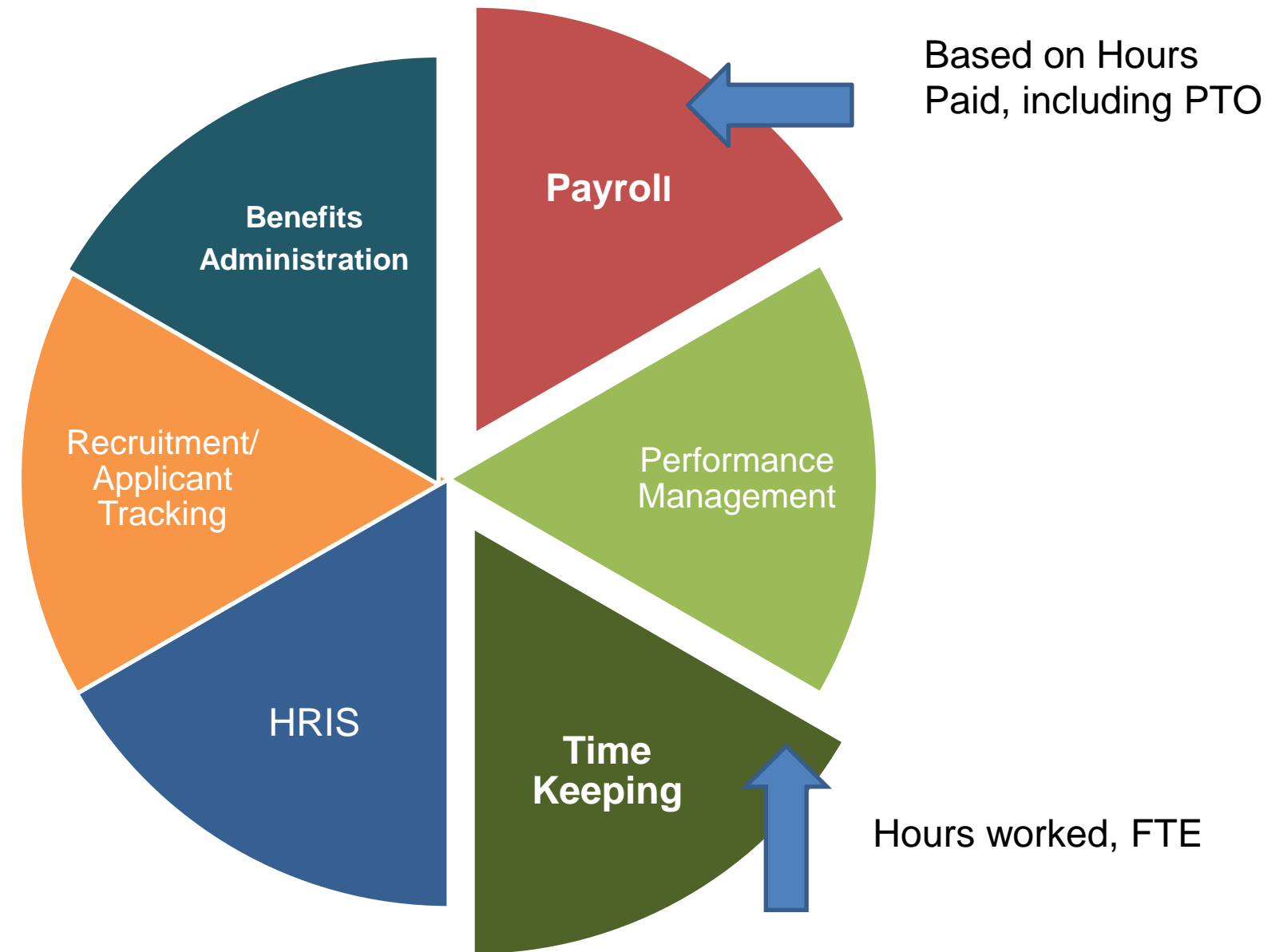


WHAT DO EMPLOYERS NEED TO TRACK?

A **full-time employee** is defined as an employee who is employed an average of at least 30 hours of service per week or 130 hours in a calendar month.

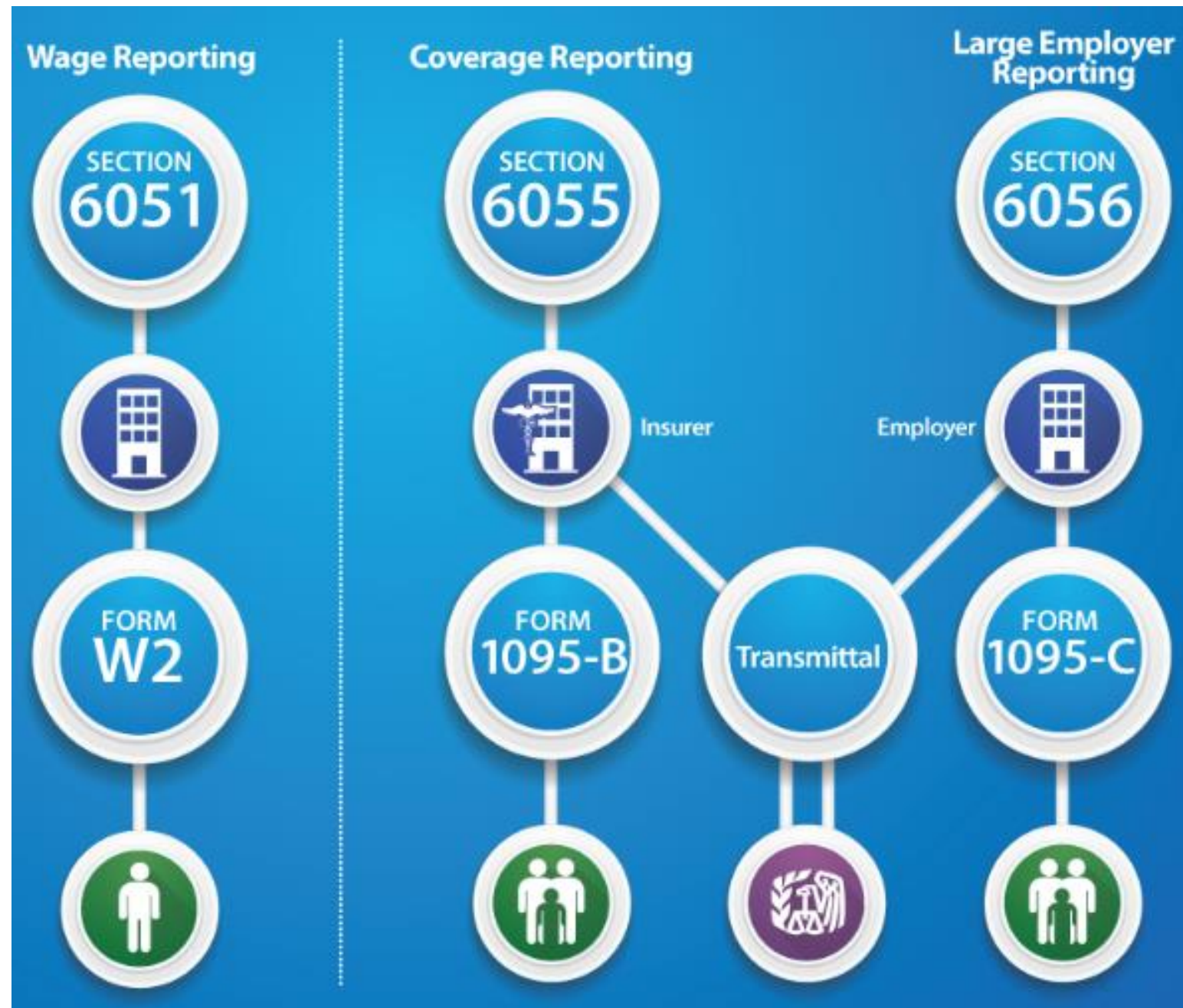
A **full-time equivalent employee (FTE)** is defined as a combination of employees, each of whom individually is not treated as a full-time employee because he or she is not employed on average at least 30 hours of service per week or 130 hours per month with an employer, who, in combination are counted as the equivalent of a full-time employee solely for the purpose of determining whether an employer is an Applicable Large Employer.

To calculate the number of full-time and FTEs in a calendar month, you add the total number of full-time employees plus the total hours worked by FTEs in a given month (capped at 120 hours for each employee) divided by 120.



Applicable Large Employer	6055	6056	1094-C	1095-C
Self-Funded	Required	Required	Required*	Required
Fully Insured	Not Required	Required	Required	Required
ALE with no Insurance	Not Required	Required	Required	Required





- **6056** Reporting is applicable to all ALEs.
 - Regardless of whether an employer offers medical coverage they have to complete sections I & II of the 1095C and the 1094C aggregate report.
- **6055** Reporting is applicable to Self-Funded ALEs.
 - It adds the responsibility for the Employer to report Dependent Data on the 1095C in Section III.

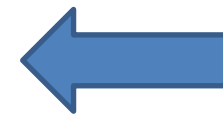


- Name
- Company/Division
- Location
- Employment Status
- Pay Frequency
- Benefit Status
- Hours Worked
- Scheduled Hours
- Pay Rate
- W2-Wages
- Birthdate
- Hire Date
- Rehire Date
- Full Time/PT/ Seasonal Indicator
- Benefits Eligibility Date
- Dependent Data (Name, DOB, SSN, Address etc.)
- Coverage Begin Date
- Coverage Begin End
- Waivers
- Indicator if Employee is on LOA
- Verification each month employee was covered even if only 1 day
- Indicator Code for Employee Offer of Coverage



Part II Employee Offer and Coverage

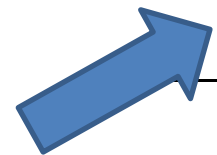
	All 12 Months	Jan	Feb	Mar
14 Offer of Coverage (enter required code)				
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage	\$	\$	\$	\$
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)				



All ALEs Required to complete Sections I & II

Part III Covered Individuals

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



Self Funded ALEs Required to complete Section III

17

(a) Name of covered individual(s)	(b) SSN	(c) DOB (If SSN is not available)	(d) Covered all 12 months	Jan	Feb	Mar	Apr
				<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"/>



Indicator Code Form 1095-C Part II Line 14

- **1A** – Qualified Offer providing MEC Includes MIN VAL with EE coverage less than or equal to 9.5% and MEC offered to spouse and children
- **1B** - MEC Includes MIN VAL offered to EE only
- **1C** - MEC providing MIN VAL offered to EE, and MEC to Dep (Not Spouse)
- **1D** - MEC providing MIN VAL offered to EE and MEC offered to Spouse (not Dep)
- **1E** – MEC providing MIN VAL offered to EE and MEC to Dep & Spouse
- **1F** - MEC *not* providing MIN to EE, Spouse, or Dep
- **1G** – Offer of coverage to EE who was not FT EE for any month of the year and who enrolled in self ins. coverage for one or more months.
- **1H** – No offer of coverage (EE not offered any coverage, not providing MEC)
- **1I** - Qualified offer transition relied 2015; EE, ES and Dep received no qualified offer, or receive a Qualified Offer less than 12 months.



Form 1095-C Part II Line 15

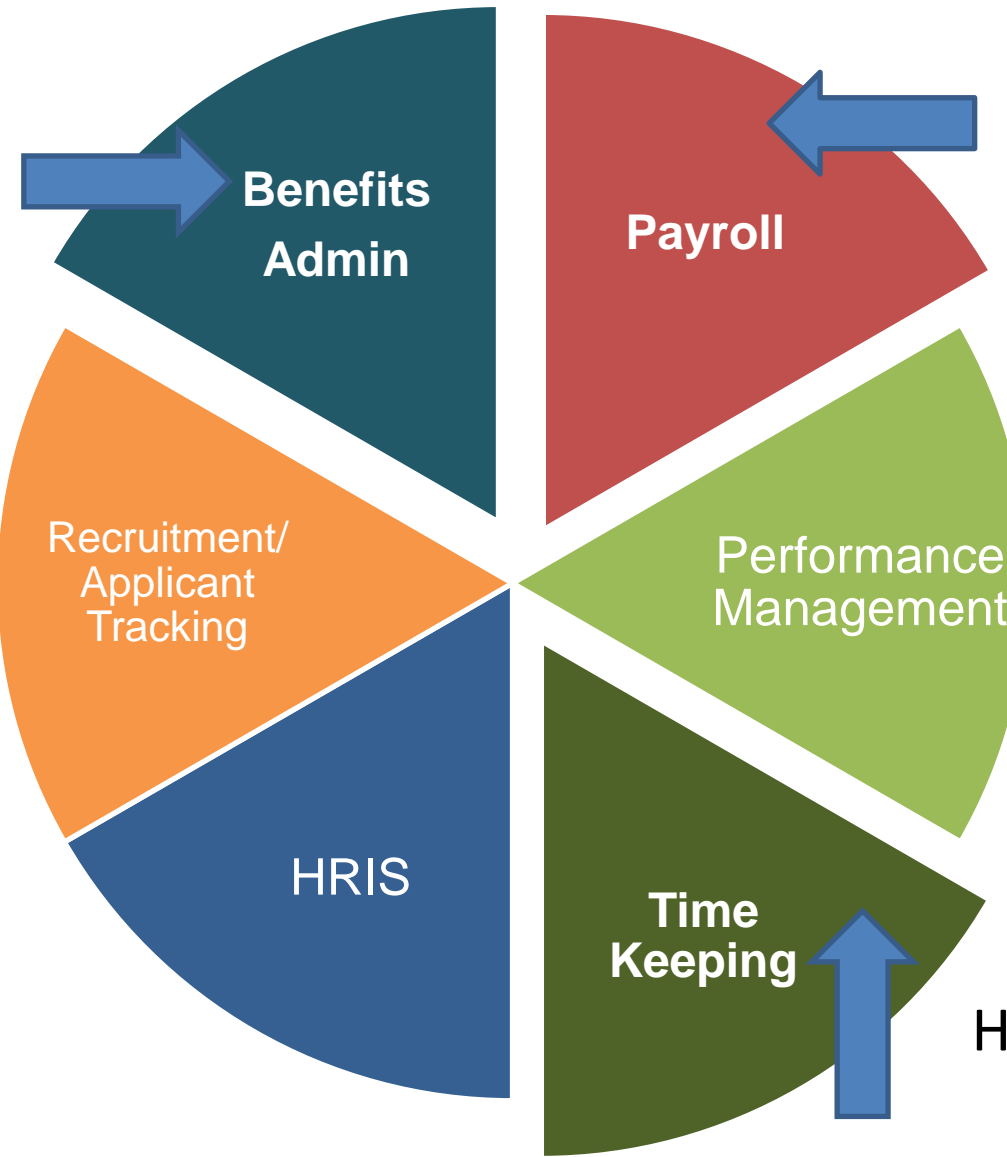
- Enter the Employees share of the lowest-cost monthly premium for self-only minimum essential coverage providing minimum value that is offered to the employee.
- Complete line 15 only if code 1B, 1C, 1D or 1E is used on line 14.
- Must enter 0.00 if employee does not contribute to the premium.

Form 1095-C Part II Line 16

- For each calendar month, enter the applicable code, if any, from Code Series 2.
 - Code Series 2 – Section 4980H Safe Harbor Codes and Other Relief for Employers.
 - **2A** – Employee not employed during the month
 - **2B** – Employee not a full-time employee for the month and did not enroll in MEC.
 - **2B** – Use also when an Employee terminated full-time employment during the month (coverage ended).
 - **2C – 2I.....**



Eligibility, Benefit Status, Dependent Information, Waive Reasons, Coverage Begin dates, end dates



Pay Frequency, Pay Rate and W-2, Safe Harbor

Hours worked, FTE



Payroll Providers:

- Most are building tools for employers to manage ACA compliance; including the ability to file the 1094C electronically.
- Providers with in-house brokerage are convincing clients to change BOR; setting an expectation of easier 1095/1094 compliance.

Benefits Administration Platforms:

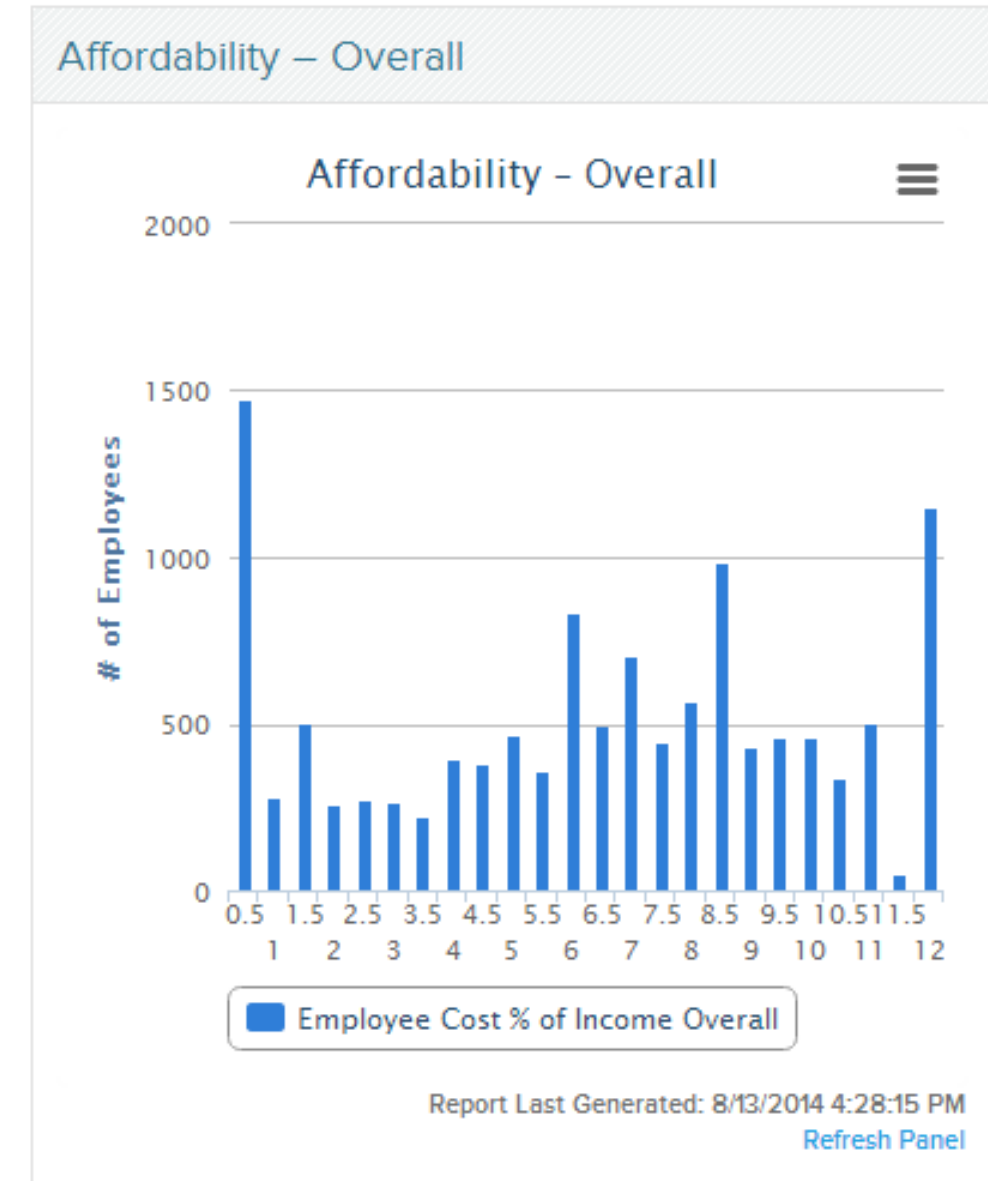
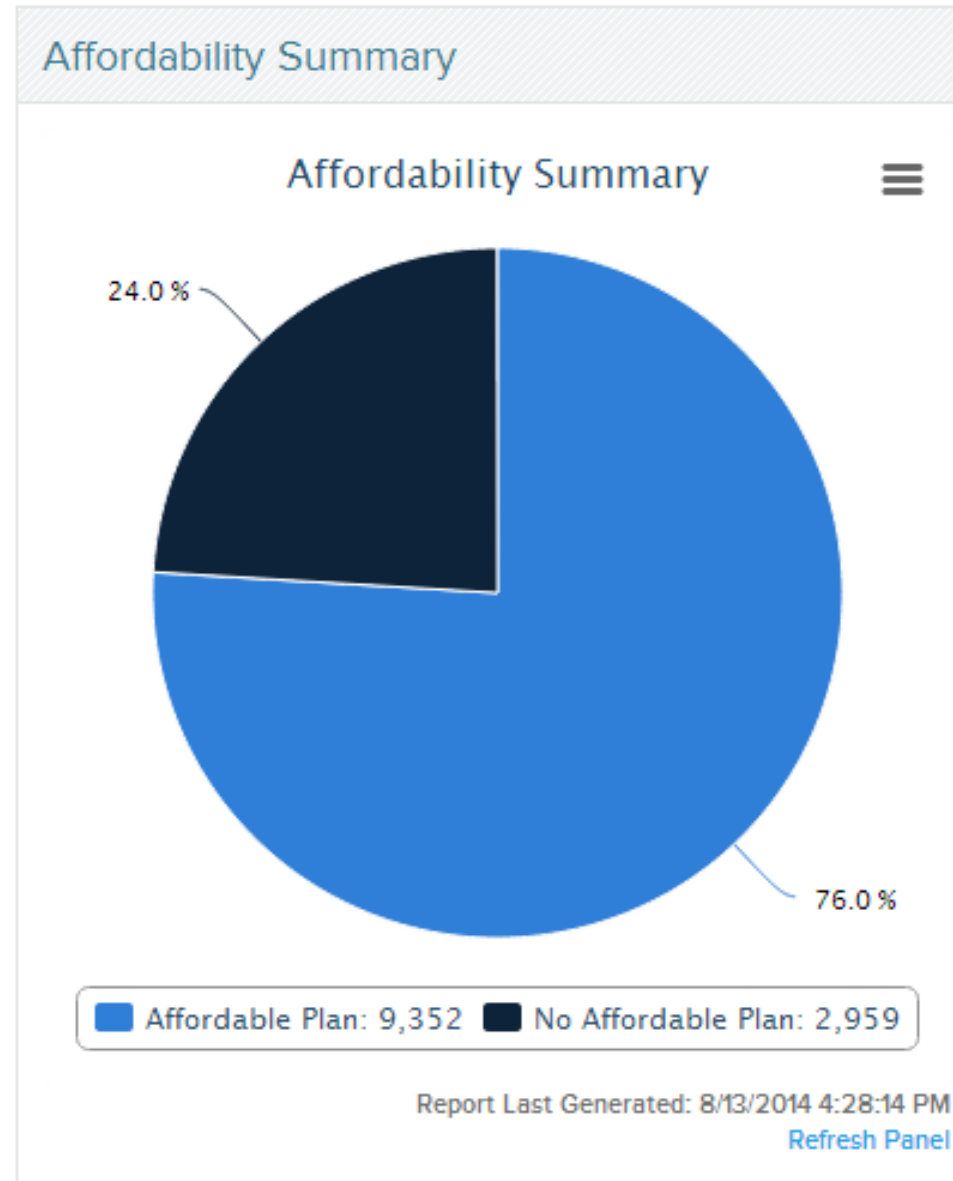
- Top Providers have built tools to assist with ACA Compliance including variable hour tracking and preparation of the 1095 and 1094 forms for their clients/employees.
- Some are integrating with Stand-alone ACA tools.

Stand Alone ACA Providers:

- There are a number of ACA Compliance Stand-alone service providers.
- Take imports of data to do variable hour tracking and 1095/1094 reporting.



- **Static Reports**
- Point in time & effective dating
- **Dynamic Reporting/Modeling**
- Projection capabilities
- Dashboards



Service Providers will:

- Not get it right
- Over-commit and under-deliver
- Get purchased by adjacent players
- Regulations will continue to change, creating challenges for service providers
- “Free” will quickly become fee-based
- Fees will be unstable for at least 2 years
- Capacity will be stretched



- **How long has the provider been in business?**
- **How does the provider handle Security?**
- **How is the provider preparing to assist their clients with ACA compliance?**
- **What compliance expertise does the provider have?**
- **Which system is best suited to produce the 1095/1094 Reports?**
- **Where is the Employer's information? How will it get into the most appropriate system?**
- **What can be automated for the Employer?**



Why is this important?

Budget Office estimates that by 2019, the federal government can expect to collect up to \$17 billion in penalties stemming from the individual mandate as well as **\$52 billion from the employer mandate.**

ERISA fines average \$100 per member per day!

Simply put, this is a major factor in how PPACA will be funded and employers must be prepared.

In fiscal 2014, the first year of the Obamacare exchanges, the federal government will spend \$17 billion on subsidies for people who buy their insurance there.

By 2023 (10th year) the federal government will be spending \$134 billion on subsidies.

FINED!



Thank You!

