



HR Technology Outsourcing Practice

ACA Compliance - Support through Technology

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May 15, 2015



ACA – Broad Human Resources Impact WHO IN YOUR ORGANIZATION IS RESPONSIBLE?

Human Resources	Payroll and Time	Benefits	IT/Systems
<ul style="list-style-type: none"> Communication Employee calls / shared service center Reporting 	<ul style="list-style-type: none"> Calculating look back period (keep data in sync) Affordability calculation Prepare and distribute new annual report (5055/5056) Control Group coordination 	<ul style="list-style-type: none"> Compliance communication New plans / wellness / rewards 	<ul style="list-style-type: none"> Integration Security Data exchange (17 states + D.C. & 8 federal partnerships; 26 states no federal partnerships/unknown) System updates/change management Data recordkeeping (7 years) Reporting
Finance	Tax	Legal	TBD...
<ul style="list-style-type: none"> Cost of complying/data modeling Fees/fines/penalty assessments & reconciliation Money movement/remittance payments Certify Annual Health Care Coverage Report 	<ul style="list-style-type: none"> Receive and reconcile IRS penalty estimates and appeal where appropriate Auditing 	<ul style="list-style-type: none"> Stay current on complex regulations Interpret law – Federal and State Exchange changes Ensure legal compliance 	<ul style="list-style-type: none"> Notice of coverage options Verification of inquiries from Exchanges Receipt of notices from Exchanges Management of reporting deadlines/period management Administrative challenges Staff to meet demands

2



Employer and Insurer Reporting

	6055	6056
Why	Allows IRS to enforce the individual mandate	Allows IRS to enforce the employer mandate
Who	Insurers and self-funded employers	Employers subject to employer mandate
What	<ul style="list-style-type: none"> Name, address, and EIN of employer Name, address, and SSN/TIN for each "responsible individual" receiving MEC during prior calendar year Name, address, and TIN of each family member receiving MEC during prior calendar year Months during which the employee (and any family members) were covered for at least one day 	<ul style="list-style-type: none"> Name, address, and EIN of employer Number of FTEs for each month of the year Certification that employer offered its FTEs and children "minimum essential coverage" Name, address, and SSN of each FTE employed during the year, and months during which enrolled/offered coverage Each FTE's share of premium for lowest cost, "minimum value" coverage, by month Controlled group information Much more
When	Beginning 2015—calendar year not plan year <ul style="list-style-type: none"> To responsible individual: Jan. 31, 2016 To IRS: Feb. 28 (or March 31 if electronic) 	Beginning <ul style="list-style-type: none"> To IRS: Feb. 28 (or March 31 if electronic)
How	Forms 1094-B and 1095-B: Insurers Forms 1094-C and 1095-C: self-funded employers subject to employer mandate	Forms 1094-C (transmittal to IRS) and 1095-C (copy to employee) Forms 1094-B and 1095-B: Self-funded employers providing coverage to non-employees (e.g., non-employee directors)



3

Those Forms:



LOCKTOW 4

Form 1095-C **Employer-Provided Health Insurance Offer and Coverage** ☐ VOID ☐ CORRECTED **OMB No. 1545-0047** **2014**

Department of the Treasury

Part I Employees

1 Name of employee 2 Social security number (SSN) 3 Name of employer 4 Employee identification number (EIN)

5 Street address (including apartment no.) 6 City or town 7 State or province 8 Country and ZIP or foreign postal code 9 Email address (including room or suite no.) 10 Contact telephone number 11 City or town 12 State or province 13 Country and ZIP or foreign postal code

Part II Employee Offer and Coverage

14 Offer of coverage (check one)

15 Indemnity or value of coverage (check one)

16 Applicable premium assessment (check one)

Part III Covered Individuals

17 Employee provided self-insured coverage, check the box

18 Name of covered individual (SSN) 19

Codes: Part II Line 14 – Cover Offer Codes

1A: "Qualifying Offer" – offered minimum value for no more than 9.5% of mainland poverty level to the FTE, at least minimum essential coverage (MEC) to spouse and children

1B: Offered MV coverage to employee only

1C: Offered MV coverage to employee, at least MEC to kids

1D: Offered MV coverage to employee, at least MEC to spouse

1E: Offered MV coverage to employee, at least MEC to spouse and kids

1F: Offered only MEC (not MV) to employee only, employee and spouse, employee and kids, or employee, spouse and kids

1G: The employee was not an FTE for any month during the year

1H: No offer of coverage, or coverage offer didn't amount to at least MEC (e.g., typical dental or vision plan, health FSA, fixed indemnity coverage)

1I: "Qualifying Offer Transition Relief 2015"

Codes: Part II Line 16 – Safe Harbor

2A: Employee not employed during the month

2B: Employee not a full-time employee

2C: Employee enrolled in coverage offered

2D: Employee in a section 4980H(d) limited non assessment period

2E: Multiemployer interim rule relief

2F: Section 4980H affordability Form W-2 safe harbor

Cal. No. 807099 Form 1095-C (2014)

Form 1094-C **Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns** ☐ CORRECTED **OMB No. 1545-0047** **2014**

Department of the Treasury

Part I Applicable Large Employer Member (ALE Member)

1 Name of ALE Member (employer) 2 Employee identification number (EIN)

3 Street address (including room or suite no.) 4 City or town 5 State or province 6 Country and ZIP or foreign postal code 7 Name of person to contact 8 Contact telephone number 9 Name of Designated Government Entity (only if applicable) 10 Employee 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

For Official Use Only

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? If "Yes," do not complete Part IV. 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. Section 4980H(d) limited non assessment period

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 _____ Date _____

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions. Cal. No. 813714 Form 1094-C (2014)

Form 1094-C (2014) 120315
Page 2

Part III ALE Member Information—Monthly

	(a) Minimum Essential Coverage Other Indicator		(b) Full-Time Employee Count for ALE Member	(c) Total Employee Count for ALE Member	(d) Aggregated Group Indicator	(e) Section 4980H Transition Relief Indicator
	Yes	No				
23 All 12 Months	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
24 Jan	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
25 Feb	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
26 Mar	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
27 Apr	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
28 May	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
29 June	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
30 July	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
31 Aug	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
32 Sept	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
33 Oct	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
34 Nov	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
35 Dec	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	

Form 1094-C (2014)

Affordability
Eligibility
Part-Time Status
Full-Time Status

Absence Management
HR
Benefits
Payroll

Form 1094-C (2014) 120315
Page 3

Part IV Other ALE Members of Aggregated ALE Group
(Enter the names and EINs of Other ALE Members of the Aggregated ALE Group who were members at any time during the calendar year.)

Name	EIN	Name	EIN
36		51	
37		52	
38		53	
39		54	
40		55	
41		56	
42		57	
43		58	
44		59	
45		60	
46		61	
47		62	
48		63	
49		64	
50		65	

Form 1094-C (2014)

Data You May Not Be Capturing

- Employee Offer of Coverage Code for each month in plan year (Part II, Row 14, 1095-C)
- Employee share of the lowest monthly premium (minimum value where applicable) (Part II, Row 15, 1095-C)
- Employee Applicable 4980H Safe Harbor Code by Month (Part II, Row 16, 1095-C)
- Social Security Numbers for dependents enrolled on your medical benefits plan (Part III, 1095-C)
- Name of person to contact and contact number at Applicable Large Employer Member (Part I, Rows 15-16, 1094-C)
- Total count of 1095-C documents submitted with 1094-C transmittal (Part I, Row 18, 1094-C)
- Full-time employee count by month (Part III, Rows 23-35, Column B, 1094-C)
- Total employee count by month (Part III, Rows 23-35, Column C, 1094-C)
- Aggregated group information when applicable (Part IV, 1094-C)
- Place to document employee Notice of Subsidy form, with aggregated data for reconciliation or defense (when required)
- COBRA Participant information
- Leave Administration Information



Who will typically handle the process:

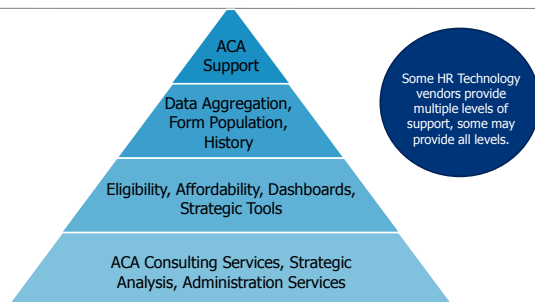


How can my current HRIS Vendor help me with ACA compliance related to:

- Aggregating data from my disparate HRIS systems (HR, Payroll, Benefit Administration and Leave Administration)?
- Ensuring I am capturing required data?
- Determination of eligibility? Monitor affordability?
- Eligibility Alerts? Initial Notice of Coverage?
- Populating the required IRS forms? Distributing IRS Forms?
- Exchange/Subsidy Notification log and/or responses?
- Storing aggregated data for 7 years? Audit reconciliation?



4 Levels of Vendor Support



*Vendors are updating their capabilities daily. Check with your HRIS vendors or with the HR Technology & Outsourcing Practice for current status and roadmaps.

HR Technology Players Who can help

(Just a few)

HR/Payroll	Benefits Administration
ACA Technology	ACA Technology/Service
Time & Attendance	

LOCKTOW 13

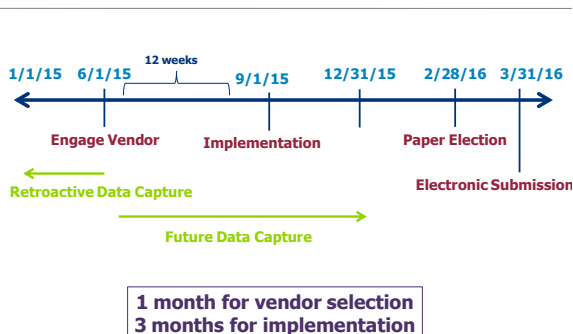
Peek behind the curtain

- Vendors to Create and Distribute **IRS forms**: typically **\$0.85-\$5.00 PEPY**.
- **ACA Compliance Vendors** typically priced **between \$0.35-\$1.35 PEPM**.
- **Service Vendors** **\$2.00-\$8.00 PEPM**.
- **Implementation costs can run from \$750 - \$15,000**. Greater complexity can add additional costs.
- **Implementation timelines run from 10-16 weeks** depending upon vendor, how 'clean' the data is and services provided.
- **Lockton Technology Outsourcing Practice** has researched HRIS vendors capabilities. We have negotiated pricing with select ACA vendors and can provide estimates to Lockton Account Teams and Clients. Please let us know how we can be of assistance.

*estimates as of May 2015

LOCKTOW 14

Timeline



Links to complete forms released February 9, 2015

1095-C

<http://www.irs.gov/pub/irs-pdf/f1095c.pdf>

1094-C

<http://www.irs.gov/pub/irs-pdf/f1094c.pdf>

1095-B

<http://www.irs.gov/pub/irs-pdf/f1095b.pdf>

1094-B

<http://www.irs.gov/pub/irs-pdf/f1094b.pdf>

Reporting will be based on the 2015 calendar year,
regardless of health plan's ERISA plan year.
(reports for 2015 due in 2016)

LOCKTOW 16

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SIRM
SOCIETY OF INVESTMENT
MANAGERS



LOCKTOW 17