

An orange circle containing the text "Affordable ACA Care Act". The words "Affordable" and "Care Act" are in a light orange, sans-serif font, while "ACA" is in a large, bold, white, sans-serif font.

*Affordable*  
**ACA**  
*Care Act*

## **iSolved ACA**

It's estimated that up to **90% of employers** are not prepared to meet the significant reporting requirements the Affordable Care Act (ACA) has imposed. Employers that do not have a solution for collecting and managing the necessary employee and benefit data to satisfy Section 6055 and 6056 reporting requirements run a significant risk for incurring reporting penalties and ACA excise taxes.



## Do you have to comply?

Companies that employ 50 or more full-time equivalent employees are defined as an **Applicable Large Employer (ALE)**. The employer mandate requires all ALEs to offer minimum essential coverage that is both affordable (9.5 percent income) and provides minimum value (policy pays 60 percent of the costs) or face a penalty called the Assessable Payment (play or pay). This coverage must be offered to all full-time (FT, defined by total hours of service) employees and is determined by using either a monthly or look-back measurement period. The employer mandate applies to ALEs of 100 or more in 2015 and 50 or more in 2016.

If ALEs offer FT employees coverage deemed unaffordable (at least **9.5 percent** of the employee's income for the least expensive employee-only, compliant plan) or doesn't provide minimum value (the plan's share of total cost of benefits under the plan is less than **60 percent**), the employers may face a penalty of **\$3,000** times the number of FT receiving a subsidy for exchange coverage. Employers who file incorrect forms may be subject to a fine of **\$50 per form up to \$250k annually**.



In order to meet the 2016 reporting requirements, employers should already be compiling and analyzing data now to determine coverage and affordability. Required data collection includes:

- ▶ **Aggregate group membership** tracking
- ▶ **Total employees**
- ▶ **Total FT employees**
- ▶ **Total months covered**
- ▶ Whether **minimum essential coverage was offered, is affordable** and **meets minimum value**
- ▶ Employee information including **Social Security Numbers** or **birth dates**



## Filing

ALEs must file Form 1094-C to the IRS with data on:

- Total employees and full-time employees
- If minimum essential coverage was offered
- Designate 4980H transition relief

ALEs must file Form 1095-C with the IRS and provide a copy to each full-time employee. The form includes information on:

- Types of coverage offered to employees and their eligible dependents
- Lists employee share of the lowest cost monthly premium
- Any applicable safe harbor codes
- List of covered family members if plan is self-insured



## Important dates

The applicable 1094 and 1095 forms must be provided to employees **by January 31** and filed with the IRS by February 28 (paper filing) or March 31 (electronic filing). The IRS will use these forms to determine employer shared responsibility and affordable minimum essential coverage, so having data accurate and readily available is critical.



## Your compliance made easy

Don't wait any longer to make your move to comply with ACA requirements. Remember to consider all of the factors and minimize your compliance risks.

### iSolved ACA Reporting is a robust solution that can keep you in compliance:



ALE test to calculate FTEs and determine ALE status



Broker Workbench allows brokers to help manage their customer's plans



Look-back reporting identifies changes in employee ACA status and benefit eligibility



Update options: Customers can make identified updates or we can assist in making any identified updates to employee, dependent or benefit data



Affordability report determines if health benefits are considered affordable based on ACA safe harbors



Override screens: Access to manually update the indicator codes for employee benefit offer and coverage on the 1095-C, Part II



Projection tools to estimate new minimum essential coverage affordability



Annual 1095-C: Employee forms produced and delivered to customer, visible to employees via ESS



Data: Aggregate group membership, minimum essential coverage, minimum value, capture employee ACA status, benefit eligibility and offers of coverage



Assessment: A detailed ACA evaluation of the current iSolved configuration and employee data to determine ability to produce and file the applicable annual forms, reviewed by an SPHR certified professional



Draft versions: ACA annual forms available to run on demand for pre-filing verification



Forms: Produce and file applicable 1094 and 1095 forms

ACA compliance is **critical** to avoid fines and penalties. iSolved houses all your data – dates, employee status and more - in a single source and can produce reports for your ACA compliance. Accurate workforce data is vital to your compliance.

#### **Additional resources**

- [Healthcare.gov](http://Healthcare.gov)
- [IRS Q&A on Employer Shared Responsibility](#)
- [Treasury Department ACA Employer Shared Responsibility Fact Sheet](#)
- [The U.S. Small Business Association website Health Care section that lists the dates and times of free, weekly Affordable Care Act 101 Webinars for Small Employers.](#)