

**ACA DANGER ZONE:
CAN YOU ASSURE THE C-SUITE
YOU'RE IN COMPLIANCE?**



YES, YOU CAN STOP WORRYING

and Know You're Complying with the Affordable Care Act

More than half of large employers surveyed by ADP in fall 2014 said they were unprepared to fully comply with the regulatory requirements of the Affordable Care Act (ACA).

That's unfortunate, especially because several paths exist to eventually get any HR leader and their organization into consistent, verifiable ACA compliance.



A Google search for
“ACA compliance” returned
about 28.4 million results in
one-third of a second.



Where to start? What path to follow?

THE BEST PATH:

- ▶ Starts with understanding what's expected from companies with 50 or more employees to comply with the ACA
- ▶ Continue working with a partner that combines the insight and technology to help ensure compliance

OPTIMALLY, A PARTNER WILL SUPPORT YOU IN THREE KEY AREAS:

- ▶ Tracking the status of employees through measurements, stability, and administrative periods
- ▶ Meeting the complex requirements of 6055/6056 reporting
- ▶ Ensuring accurate and timely exchange notices



This e-book is a brief introduction into how you can be sure you're complying with the ACA and can prove it to your executive team.




UNDERSTAND THE LAW

and the Consequences of Noncompliance

In a nutshell, employers with 50 or more full-time employees must now provide their qualifying employees affordable, minimum essential health coverage or face penalties.

You don't need to provide coverage; you can opt to pay any federal and state penalties. You'll probably also pay the hidden and harder-to-measure costs of poor employee engagement, the risk of increased turnover, and a less competitive employer brand for recruiting top job prospects.



Failing to comply with any group health plan requirement of the ACA can trigger an excise tax of \$100 per day for *each individual* the failure applies to. This \$100-per-individual, per-day tax may be triggered by a violation of any of *dozens of ACA requirements*.



The Insurance Exchange offers an easy-to-read table of the ACA's requirements for group-plan providers, the dates each requirement became effective, and which types of plans each one applies to.



TRACK THE STATUS OF ELIGIBILITY MEASUREMENTS

► **ACA compliance starts with knowing who in your workforce is eligible for benefits.**

The determination isn't as clear-cut as it may seem. It's based on calculations that start with measuring the hours each month that variable-hour employees work. The calculation moves from there to determining the initial measurement period on which you'll base your determination.

The task can be huge for any enterprise organization, and it's particularly painful if your workforce encompasses variable-hour, seasonal, part-time, temporary, or shift employees.



The best path to ACA compliance is to partner with a company that has the right technology, insight, and service to support you in all of the measurement and tracking for your organization's unique needs.

It's optimal if the ACA tracking and measurement solution is part of the same platform that provides your benefits administration services; that is, it's not a third-party add-on.



Looking only at variable-hour employees, for example, you need a solution partner that can support these reporting needs:

- ▶ Tracking their hours during the measurement period to determine if they will be eligible for benefits by meeting the minimum requirements of 130 hours worked per month.
- ▶ The flexibility to define your initial measurement period (for new hires with variable hours) in a way that makes sense for your organization's pay and compensation processes; this can range anywhere from six months to a year.
- ▶ The flexibility to set the start of the measurement period. Options include the date of hire, the first of the month, and the first pay period following the hire date.

- ▶ Ongoing measurements, preferably from a partner with the right technology and the HR savvy to configure consistent, continual measurement periods for your organization's unique needs.

Consistency is crucial for ACA compliance. Seek a partner whose platform will ensure that the rules are applied in uniform and predictable fashion.



Meet the Complex Requirements of 6055/6056 Reporting

The ACA also requires employers and their health plan sponsors to comply with new reporting and disclosure requirements, such as the health coverage reporting requirements under Internal Revenue Code (IRC) Sections 6055 and 6056.



Section 6055 requires that, starting with the 2015 coverage year, every provider of “minimum essential coverage” must send the IRS information about the coverage they provided during the year. They must also furnish that information to every covered individual.



Want more details about Section 6055? They're available **here**, on the IRS website.

Section 6056 requires qualifying employers to report to the IRS the healthcare coverage they offered to full-time employees during the previous year (starting with the 2015 coverage year). As with Section 6055, this section also requires these employers to furnish related statements to employees to help them determine whether they may claim a premium tax credit on their individual tax returns.



Want more details about Section 6056? They're available **here**, on the Federal Register website.

**The best path to safe
Section 6055/6056
reporting is to partner
with a company that has
the technology, regulatory
knowledge, and high-touch
service to ensure compliance.**



Again, a solution partner that offers flexible options to support a variety of reporting needs is crucial. No employers are exactly alike. At the least, your benefits technology and services partner should have as a core offering the data storage necessary for 6055/6056 reporting.

Core data storage should allow for:

- ▶ Monthly storage of any fields that identify an offer of health coverage to employees and enrollment for all covered individuals
- ▶ Delivery of a standard extract file for your data management needs

Additional 6055/6056 reporting options should offer:

- ▶ Print fulfillment of 1095 forms to be mailed directly to employees
- ▶ 1094 data transmittal to the IRS; the IRS requires this for companies with more than 250 employees

As with ACA-related tracking and measurement, a solution that is designed as part of your entire benefits administration platform is more likely to ensure report accuracy, configurability, and client service that understands your business inside and out.



ENSURE ACCURATE AND TIMELY EXCHANGE NOTICES

The ACA requires companies to provide their employees with notice about the Health Insurance Marketplace established by the act.

This rule has been in place since Oct. 1, 2013, and there's no fine or penalty under the law for failing to provide the notice for companies covered by the Fair Labor Standards Act. But that doesn't mean you shouldn't comply.

Your notice should inform employees:

- ▶ About the Health Insurance Marketplace
- ▶ That, depending on their income and the coverage you offer, they may be able to get lower-cost private insurance in the Marketplace
- ▶ That if they buy insurance through the Marketplace, they may lose their employer contribution (if any) to their health benefits



You can get more details and definitions related to exchange notices **here**, at the Department of Labor website.



Optimally, a solution partner will have the communication and legal expertise in-house to craft a modified version of the exchange notice that:

- ▶ Meets the notice requirements
- ▶ Simplifies the language (so your employees clearly understand their health insurance options)
- ▶ Automatically stores the notice on an employee's record for electronic viewing
- ▶ Offers the ability to mail the notice directly to employees

The best path to being sure you provide your employees an accurate and timely exchange notice is to partner with a company that has the technology and HR knowledge to ensure that the job is done automatically, based on data already in your benefits system and on keen understanding of the ACA guidelines.



You can get more details and definitions related to exchange notices **here**, at the Department of Labor website.



THE GOOD NEWS: YOU'RE NOT ALONE

► The ACA is complex and compliance can be intimidating. You don't need to go it alone.

The power of today's benefits technology, when it's combined with high-touch service and regulatory insight, can ensure that HR is in compliance and can vouch for that with the C-suite.

Businessolver's ACA Compliance SuiteSM delivers features that seamlessly support every aspect of meeting the act's sweeping mandates. The ACA Compliance Suite combines the power of three compliance solutions with industry-leading benefits technology to deliver one single solution for ACA compliance. Our SaaS technology also has the flexibility for you to choose the pieces you need — now and in the future.



Don't just track the status of eligibility measurements. Partner with a solution that ensures program stability and seamless, ACA-compliant benefits administration.

Businessolver's ACA StatusTracker is ACA tracking software that allows you to:

- ▶ Configure your measurement, administration, and stability periods
- ▶ Track overlapping new-hire and ongoing-employee periods
- ▶ Apply determined eligibility status directly to each employee's record within the same technology

Exemplifying the most valuable benefits of a SaaS (Software-as-a-Service) solution, ACA StatusTracker is an organic piece of the Businessolver benefits administration and services platform.



**Get an exchange
notice solution that
does more than the
bare minimum.**

One result is that Businessolver can ensure that when your measurement period is complete, our robust application will not only calculate the average hours to determine an employee's eligibility (taking into account all of the variables such as protective leave, rehires, and more). ACA StatusTracker will also seamlessly invite eligible employees to elect benefits — from the same platform and with access to your defined plan rules.

More than a data tracker, the Benefitsolver™ platform with ACA StatusTracker becomes the communication vehicle that alerts your employees of their eligibility status, plan options, enrollment timing, and benefits confirmation.



DON'T JUST MEET 6055/6056 REPORTING REQUIREMENTS.

Use the data for 1095 fulfillment and 1094 transmittals.

Businessolver's communications and legal teams have crafted a modified version of the exchange notice that meets all of the necessary requirements and simplifies the language. Your employees will clearly understand their health insurance options.



Going further, the notice is automatically stored on an employee's record for electronic viewing. Businessolver also gives you the ability to mail the notice directly to employees.



Again showing the benefits of a SaaS partner, in addition to its configurable data management and reporting features for 6065/6056 compliance, Businessolver's ACA Compliance SuiteSM offers options that provide for:

- ▶ **1095 employer fulfillment.** Data stored by the ACA Compliance Suite is used to generate this crucial IRS form. The data can be delivered as a data file to you or directly as a completed form directly to the employee.
- ▶ **1094 transmittal.** You can review your data to confirm codes that show you offered coverage and Safe Harbor to employees — before sending the 1094 to the IRS.

Get more from your
ACA compliance
solution when it's
truly part of your
benefits administration
platform.



Businessolver offers additional services beyond the features that are standard — or even expected.

Many are possible because of the SaaS technology our Benefitsolver system is built on, integrating the ACA Compliance SuiteSM with every other part of a client's benefits administration.

- ▶ Analytics and reporting that provide the information you need to complete ACA-required forms, including the PCORI section of the IRS Form 720 and Transitional Reinsurance reporting
- ▶ Auto-enrolling capability, with a range of enrollment options you can define, at the plan level
- ▶ Tracking of employee-waived coverage that can require the employee to select a reason, and will provide proof that you offered coverage
- ▶ W-2 reporting with a cumulative monthly report that aggregates employer and employee contributions with standard reporting that includes year-to-date accumulations
- ▶ Issuing the federally required Summary of Benefits and Coverage (SBC) with options for how the information is delivered to employees



Businessolver believes that as a benefits technology partner, we have a commitment to help HR leaders and our clients navigate the ever-changing legislative environment.

That mission includes helping you understand and respond to the often-confusing ACA reporting requirements. It also includes giving you a solution for meeting the challenges the ACA presents.



Learn more at our **website**.



About Businessolver

Businessolver is a benefits administration company that combines configurable SaaS technology with a high-touch service model to deliver a powerful benefits technology solution, ensuring client delight.

Businessolver is headquartered in Des Moines, Iowa. We're on the web at businessolver.com.

