

Affordable Care Act 101

Questions? From your BS&A program, go to **Help>Contact Customer Support** and select **Request Support Phone Call** or **Email Support**. Or, you may call us at (855) 272-7638 and ask for the appropriate support department. Questions for our I.T. department may be submitted by phone (same number), or by emailing tech@bsasoftware.com.

- Required for all employers that are considered an ALE or an Applicable Large Employer. To be considered an ALE, you have to have 50 or more full-time equivalent employees.
- A full time employee is someone who works 30 or more hours per week or at least 130 hours during a month. To calculate Full-Time Equivalents, you will need to combine the number of hours for all non-full time employees and then divide that number by 120, rounding down to the nearest whole number. Then, add the calculated number to the number of employees who are considered full time. If the municipality has our Timesheets program, we have added a Full-Time equivalency report which will perform this calculation.
- If the employer exceeds more than 50 FTE's for 120 or fewer days during the calendar year and the employees that are in excess of 50 FTE's during such 120 days are seasonal, then the employer is not an ALE.
- For employers who are NOT self-insured (the employee will receive a 1095-B from the insurance company) and are applicable large employers (more than 50 FTE's), all Full-Time employees should receive a 1095-C along with their W-2. For employers who are self-insured, every employee who is eligible for insurance coverage should receive a 1095-C in the mail along with their W-2. Normally, anyone who gets a W-2 from the municipality should also get a 1095-C. There are some scenarios where the employee would not receive a 1095-C; primarily these would be employees working for employers with fewer than 50 FTE's.
- The 1094-C form is filed by the employer along with the 1095-C forms, and reports the summary information of the 1095-C's. It is similar to the W-3 form used with your W-2's.
- 1095-C's have to be mailed out to the employees by 2/1/2016 (since 1/31/2016 is on a Sunday) and the 1095-C's and the 1094-C have to be mailed into the IRS by 2/29/2016 or exported to the IRS using the AIR's system by 3/31/2016. If the customer has 249 or more 1095-C forms, they are required to electronically file.

- If the municipality has HR default coverage codes, Safe Harbor Codes and Single Employee Monthly Rates can be set up on benefit plans. The coverage code describes the coverage that is offered to the employee, regardless of whether or not that employee accepted the coverage. The Safe Harbor code is a separate set of codes which tells the IRS whether or not the person took the insurance, and if not, why? For example, if the employee took the insurance, the municipality would want to fill out a Safe Harbor code of 2C. If they did not take the insurance, the employer would use these codes to show that employees were offered the insurance, that it provided appropriate coverage, and was not overly expensive. The Single Employee Monthly Rate is reported for purposes of determining affordability. The amount that should be reported for each person is the LOWEST single employee rate available to them. If an employee has multiple benefit plans available, and selects a higher cost one, the rate from the lower cost plan would be reported, since that was the lowest rate **available**.

The screenshot displays the 'Benefit Plans' application window. The title bar reads 'Benefit Plans' and the window content is titled 'Benefit Plan 3 of 5'. The interface includes a toolbar with icons for navigation and actions like 'Add', 'Delete', 'Audit', and 'Tools'. The main area is divided into several sections:

- Benefit Overview:** Name: HEALTH/VISION, Type: Expense, Description: CIGNA HEALTH AND VISION, Category: HEALTH/VISION, Subcategory: (empty dropdown).
- Navigation Tabs:** 1. Enrollment Info, 2. Carrier Info, 3. Plan Details (selected), 4. Accounting Info.
- Calculation Type:** Cost Table.
- Plan Version Information:** Effective Date: 6/19/2015, with 'Add', 'Edit', and 'Delete' buttons.
- Calculation Information:**
 - COBRA Benefit, with an 'Edit COBRA Table...' button.
 - Employee Pays Percent of Premium, with radio buttons for 'Flat Percent' (0.00), 'By Employee Barg. Unit 1', and 'By Employee Barg. Unit 2', and a 'Setup Percentages' button.
 - Employees Can Opt Out of Benefit, with an 'Opt Out Pay' field set to \$0.00.
- 1095 Reportable Plan:**
 - 1095 Reportable Plan.
 - Coverage Code: 1A, with a 'Help' link.
 - Default Opt Out Safe Harbor Code: None, with a 'Help' link.
 - Single Employee Monthly Rate: \$327.39.

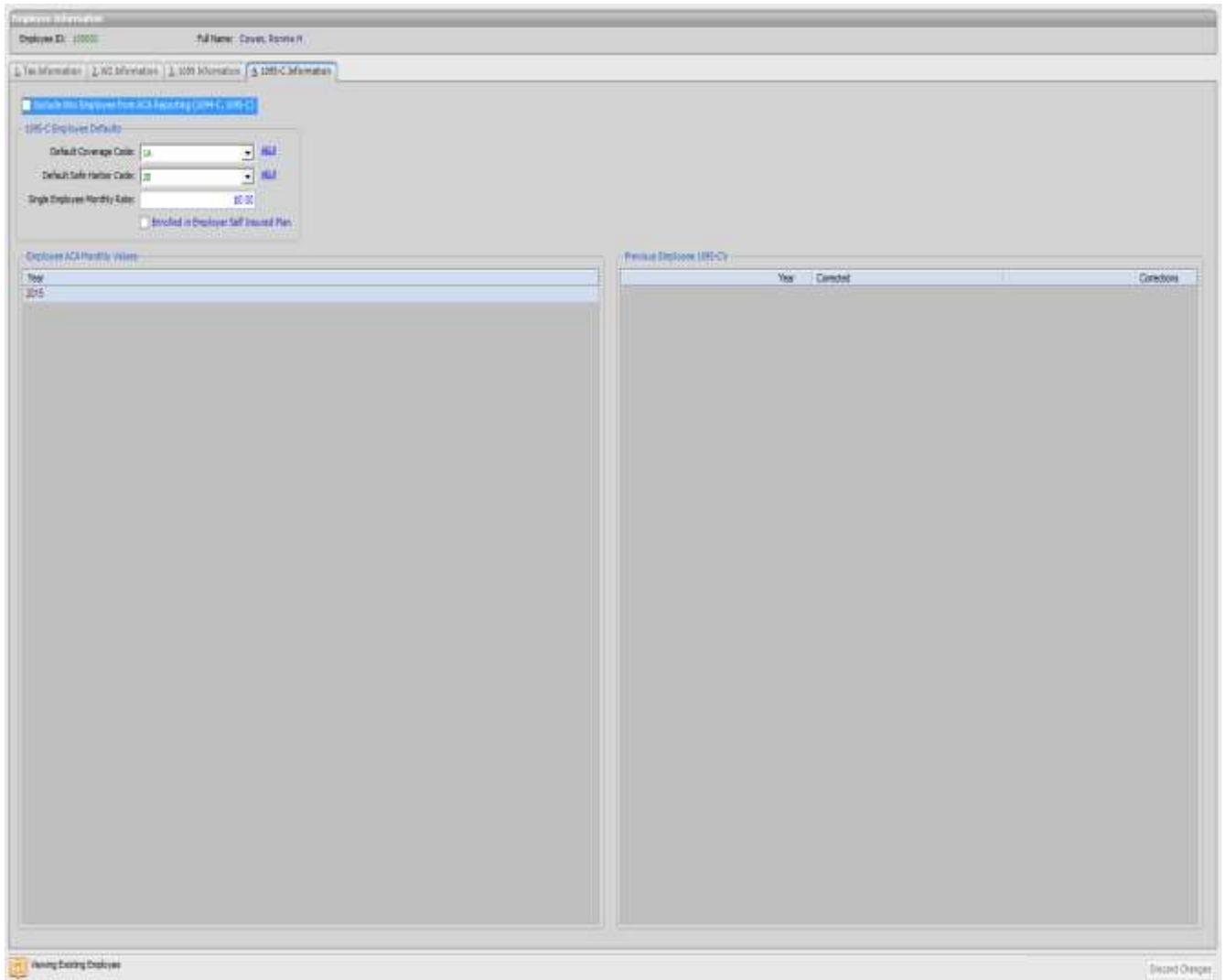
At the bottom right, there are 'Discard Changes' and 'Close' buttons.

- Even if an employee opts out of the insurance, it is recommended that the available benefit plan should be attached to the employee, with the enrollment dates filled out correctly, the "Opted Out of Plan" checkbox marked, and the correct Opt Out Safe Harbor Code selected for this employee.

- The only Default Opt Out Safe Harbor Codes that can be selected on the Benefit Plans relate to affordability. These codes are used to indicate how the municipality determined that the plan met the affordability requirements, and therefore to determine whether the offered coverage meets the employer shared responsibility requirements, as well as to determine whether the employee may be subject to the individual shared responsibility payment.
- The enrollment and effective dates on each employee will help the program fill out the correct codes on each employee, for the appropriate time periods. As such, it is important to fill these fields out accurately.

The screenshot displays a software window titled "Employee Benefit Plan Details". The window is divided into two main sections. The top section, "Plan Information", shows the Plan Name as "HEALTH/VISION" and Record Status as "Active". It includes fields for Enrollment Dates (09/01/2015) and Effective Dates, each with a "To:" field. The bottom section, "Enrollment", is currently selected and shows Enrollment Status as "EMP+SPOUSE", Cobra Status, and an "Opted Out of Plan" checkbox. It also displays Employee Amount (\$173.79) and Employer Amount (\$521.37). Other fields include Opt Out Safe Harbor Code (None) and Card Number. A "Close" button is located at the bottom right of the window.

- If the municipality does not have the Human Resources application, or chooses not to configure benefit plans for ACA reporting purposes, it would be necessary to manually set up each employee. In order to accommodate this, we have added a new tab under the Tax and W-2 info section for 1095-C Information.



- Information in this 1095-C Information section of the program can be set up as defaults for each eligible employee. In order to streamline this process, we have added new Set Fields utilities to the Employees Table. Use this utility to set this information en masse.

- The program will use hire date/termination date to determine some general information, such as which months the employee could be eligible for, or offered, coverage. Clicking on 2015 in this screen will allow for adjustments to be made to the calculated information on a month by month basis.

Employee Annual ACA Entry

General Information

Employee: 10002 - Cowan, Ronnie H
Year: 2015

Employee ACA Information

Month	Calculated Coverage Code	Calculated Safe Harbor Code	Calculated In Self Insured Plan	Calculated Single Amount	Entered Coverage Code	Entered Safe Harbor Code	Entered In Self Insured Plan	Entered Single Amount	Reported Coverage Code	Reported Safe Harbor Code	Reported In Self Insured Plan	Reported Single Amount
January	1A	23	<input type="checkbox"/>	\$0.00	N/A	N/A	N/A	N/A	1A	23	<input type="checkbox"/>	\$0.00
February	1A	2A	<input type="checkbox"/>	\$0.00	N/A	N/A	N/A	N/A	1A	2A	<input type="checkbox"/>	\$0.00
March	1A	2A	<input type="checkbox"/>	\$0.00	N/A	N/A	N/A	N/A	1A	2A	<input type="checkbox"/>	\$0.00
April	1A	2A	<input type="checkbox"/>	\$0.00	N/A	N/A	N/A	N/A	1A	2A	<input type="checkbox"/>	\$0.00
May	1A	2A	<input type="checkbox"/>	\$0.00	N/A	N/A	N/A	N/A	1A	2A	<input type="checkbox"/>	\$0.00
June	1A	2A	<input type="checkbox"/>	\$0.00	N/A	N/A	N/A	N/A	1A	2A	<input type="checkbox"/>	\$0.00
July	1A	2D	<input type="checkbox"/>	\$0.00	N/A	N/A	N/A	N/A	1A	2D	<input type="checkbox"/>	\$0.00
August	1A	2D	<input type="checkbox"/>	\$0.00	N/A	N/A	N/A	N/A	1A	2D	<input type="checkbox"/>	\$0.00
September	1A	2D	<input type="checkbox"/>	\$327.39	1D	2H	Yes	\$500.00	1D	2H	<input checked="" type="checkbox"/>	\$500.00
October	1A	2B	<input type="checkbox"/>	\$327.39	N/A	N/A	N/A	N/A	1A	2B	<input type="checkbox"/>	\$327.39
November	1A	2B	<input type="checkbox"/>	\$327.39	N/A	N/A	N/A	N/A	1A	2B	<input type="checkbox"/>	\$327.39
December	1A	2B	<input type="checkbox"/>	\$327.39	N/A	N/A	N/A	N/A	1A	2B	<input type="checkbox"/>	\$327.39

Close

Edit Monthly Aca Values

Year: 2015
Month: June

Coverage Code: [HELP](#)

Safe Harbor Code: [HELP](#)

Single Employee Monthly Rate:

Enrolled in Employer Self Insured Plan

ACA Year-End Process

- With all of the information filled out on each employee, the Year End Utilities now includes an ACA Year End Process. Each municipality can print out an alternate 1095-C form to distribute to their employees on regular paper, print a 1094-C form for their record and submit to the IRS, or create the file for use with the AIR system for electronic filing. The format of the official 1095-C form is not conducive to mailing (Social Security Number is close to name of employee and the report itself is landscape). The IRS does allow the use of an alternate forms for distribution to employees, and that is the approach that we have decided to use. If you desire to use the official IRS form 1095-C, we have provided the ability to print the data from our program onto pre-printed forms.
- When the municipality is ready to print their 1095-C's and 1094-C, these are available through Utilities>Year-End Utilities>ACA Year-End Process (available through either Payroll or Human Resources). In this screen, click Add, select the correct year, and then proceed to Create Pending 1095-C's. In the 1095-C/1094-C Creation Options, the full-time calculation can be set to use the current employment type, or if using HR, the program can use the employees' Employment Type History. If the Timesheets program is used, the program can calculate each employee's Full-Time Equivalency based on the same criteria discussed previously.
- For those who have Self-Insured plans, select the appropriate option from the 1095-C Part 3 Add Covered Employees drop down menu. Those customers who are not self-insured would select None in this section and then select Run.
- After your pending 1095-C's are created, any of the pending 1095-C's can be edited. In the Edit Pending 1095-C's step of the process, the Employee Information, the Employer Information, as well as any of the Employee Offer and Coverage information for each month, can be changed for individual employees. Edits made here will be saved onto the employee, similar to editing an employee's W-2 through the Wrap Up Pay Year process. If the ACA Year-End process is deleted and recreated, these edits have been saved.
- Once pending 1095-C's have been edited (if necessary), a proofing report can be run. This report will show the information that the program has for each employee for part 2 of the 1095-C. At this point it is still possible to edit a pending 1095-C in the event that some information is incorrect.
- Once the 1095-C's have been edited and reviewed, the next step would be to Print 1095-C's/1094-C's. In this step, 1095-C's can be printed to be distributed to employees, a copy of the 1094-C can be created for your records, and the file can be exported for upload to the IRS before the end of March. As stated previously, if the alternate form is being used, it would be printed on regular paper for distribution to employees. After printing/exporting, this process is complete. The 1095-C forms can be distributed to employees.
- The final step is to commit 1095-C's/1094-C's. Much like the W2 process, we do NOT recommend this step be completed in the program and submitted to the IRS until after the 1095-C's have been distributed to employees for a few weeks. This will give employees a chance to review their information and for any errors or omissions to be corrected. At that point, it is possible to simply edit pending 1095-C's and print off a new copy for the employee. Once the file has been submitted to the IRS, it would be necessary to create corrected 1095-C's for affected employees.

Other Helpful Information

- If the municipality is self-insured, it is required to have dependent information from each employee, including their name, Social Security Number (or date of birth if Social Security is not available), as well as the months of the year that the dependent was covered by the insurance. For municipalities using HR, this can be controlled by the dependent's benefit plan enrollment. If HR is not used, it would be necessary to manually enter this information at year end. When using HR, it would be necessary to ensure that for each benefit plan, the "Self Insured Plan" option on the Carrier Info tab is checked.
- If the municipality is self-insured and has retirees that are covered, those retirees must be added to the program in order to print a 1095-C for those retirees. Since the retiree is not an employee, it is technically allowable for the employer to simply issue them a 1095-B (a slightly simpler form). At this point, we do not support the use of this optional form. The moderate increase in simplicity for the 1095-B would be offset by the complexity of the need to prepare separate 1094-B/1095-B for retirees and 1094-C/1095-C for employees, as well as the complexity of determining which form was appropriate for different people.
- If the municipality is not self-insured and has retirees who are covered, the municipality does not need to have them in the HRMS system, as the insurance company will issue them a 1095-B and a 1095-C.
- If an employer is self-insured, but has fewer than 50 FTE's, the IRS recommends the use of the 1095-B. At this time, we do not intend to implement this due to the complexity issues mentioned previously. Additionally, this is a recommendation and not a requirement.
- The municipality will also want to fill out the ACA Limited Non-Assessment Period in PR. This can be found under Program Setup>Program Settings>General Settings. This field should be filled in with the number of months that a new hire must wait before being offered health insurance.