

Affordable Care Act 2017 Reporting

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Affordable Care Act – Today's Topics

- **Data Prep**
 - Code Setup
 - Import Coverage Dates
 - Build ACA Data File
 - Maintain ACA Data File
 - Report ACA Data File
- **Print 1095-C Forms**
- **Filing**
 - Test File (not required each year)
 - Production File
 - Generate XML Files
 - Upload XML Files
- **Questions**

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Affordable Care Act – Filing Requirements

- The Electronic Files are due to the IRS by March 31, 2018. The deadline for filing paper forms is February 28, 2018.
- School System should be **registered for IRS e-Services and have their Transmitter Control Code (TCC)** to submit test file. You may be required to update your TCC for 2017 reporting.
<https://www.irs.gov/for-Tax-Pros/Software-Developers/Information>Returns/Affordable-Care-Act-Information-Return-AIR-Program>
- **Test files must be submitted and TCC status changed to Approved by IRS prior to submitting the ACA Production files.** (Currently, this step is only required in the first year electronic files are submitted.)

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NextGen Code Setup

Change Mode: Enter the Key Word for the Record to be Changed

The default value for Offer of Coverage can be entered on each employee type record.

NextGen Code Setup

Employee Job Options:

- Mass Change Employee Type
- Mass Change Location
- Mass Change Summer Pay Code

Mass Change Employee Type Options:

- Workers Comp Rates
- Contract Dates
- Job Types
- Position Status
- Type of Rate of Pay
- Active Flag
- Incl Job in LEAPS Rpt
- ACA Offer of Cov Code
- Contribution Group
- Work Schedule Code
- Type of Units Worked
- FT Units Per Week

Employee Type

Type	Description	Days
<input type="checkbox"/> SUPP	Supplemental	0
<input checked="" type="checkbox"/> SUPR	Superintendent	240
<input checked="" type="checkbox"/> TC10	Teacher 10 month	209
<input checked="" type="checkbox"/> TC12	Teacher 12 month	240
<input checked="" type="checkbox"/> TC9	Teacher 9 month	189
<input type="checkbox"/> TUTOR	TUTORS	189
<input type="checkbox"/> VAC	VACATION DAYS REIMBURSEMENT	0

New ACA Offer of Coverage Code: Qualifying Offer of Coverage

Enter Selection Criteria, Click Enter(F1) To Execute Query

Update ACA Offer of Coverage Codes to the appropriate Employee Types on transaction Update Summer Pay Flag (PR/USPF) on Miscellaneous Procedures-Miscellaneous PR Maintenance menu.



NextGen Code Setup

Employee Types

Type	Description	Days	Cert	Con.
<input checked="" type="checkbox"/> 109	HS HEAD	189	C	No
<input checked="" type="checkbox"/> 110	Football V...	189	N	No
<input checked="" type="checkbox"/> 111	Football V...	189	N	No
<input checked="" type="checkbox"/> 112	Football...	189	N	No
<input checked="" type="checkbox"/> 113	MS Footb...	189	N	No
<input checked="" type="checkbox"/> 114	MS Footb...	189	N	No
<input checked="" type="checkbox"/> 115	Freshman...	189	N	No
<input checked="" type="checkbox"/> 116	Freshman...	189	N	No
<input checked="" type="checkbox"/> 117	Interm He...	189	N	No
<input checked="" type="checkbox"/> 118	Interm He...	189	N	No

Job Status Codes

Stat	Description
<input checked="" type="checkbox"/> A	Active
<input type="checkbox"/> L	On Leave
<input type="checkbox"/> P	Applicant
<input type="checkbox"/> R	Retiree S...
<input type="checkbox"/> S	Substitute
<input type="checkbox"/> T	Terminated

Job Types

Type	Description
<input type="checkbox"/> A	Additional
<input checked="" type="checkbox"/> S	Primary Job
<input type="checkbox"/> S	Suppleme...

Employee Job Sencse

Include Jobs Terminations After: Hired Before:

Update Contract Dates

- From Employee Type
- From Salary Schedule
- All
- Only if Less than Emp Type/Sal Sched

Position Status Contribution Group

FT Units Per Week Type of Rate of Pay

Enter Selection Criteria, Click Enter(F1) To Generate Report

Update ACA Offer of Coverage Code (OCC) to the employee's Personnel date screen in Employee Maintenance from their employee type using the Update Mass Change Employee Jobs (PR/CCDE) transaction on the Employee Maintenance Menu. Select all applicable Employee Types and job status codes. Note: If all employee types are selected and an employee has multiple jobs records, all the employee's jobs will appear in the list view with the OCC from their primary job's employee type.



NextGen Code Setup

The Offer of Coverage code has been added to the employee’s Personnel Data screen. You may use this screen to change an individual’s OOC Code. This code will be used when producing the 1095-C form.



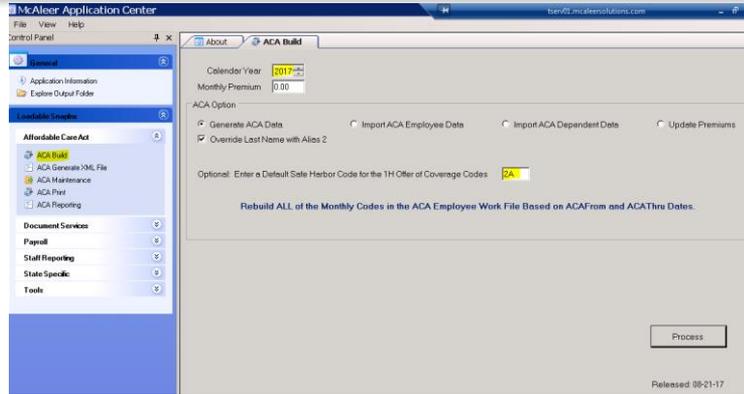
NextGen ACA Procedures – Import 2017 Coverage Dates

	A	B
1	Import ACA Coverage Dates	
2	You will be prompted for:	
3		NextGen User Id
4		NextGen Password
5		ACA Reporting Year
6		
7		

Run the ACAImportCoverageDatesAL macro in the Public Documents folder to import the coverage file. The macro builds the “ACAFrom” and “ACAThru” coverage dates in User defined screen in Employee Maintenance. Note: You may have enable macro for your site to run the macro. Click on View, Macros, View Macros.



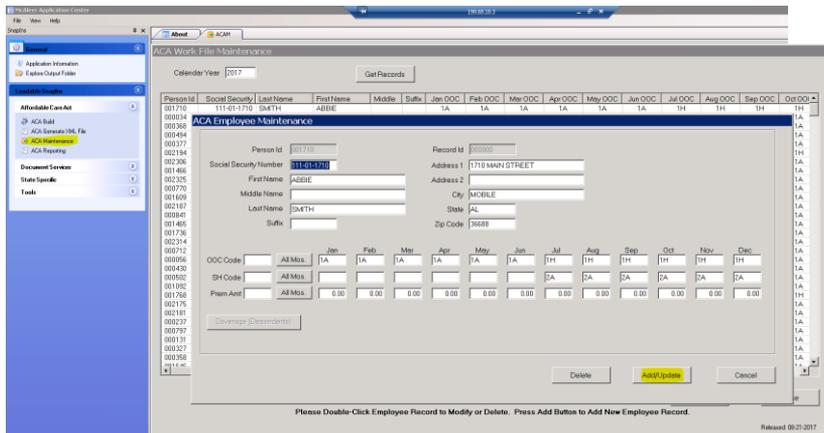
Affordable Care Act – Build ACA File



In the Application Center-Payroll-Affordable Care Act-ACA Build transaction, create the ACA file by selecting the calendar year and the ACA option Generate ACA Data. When you choose "Generate ACA Data", the records for that Calendar Year will be deleted and new records will be inserted based on the ACA dates on the User Defined screen in employee maintenance. Note that this option will REMOVE all manual modifications that were made to the file.

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Affordable Care Act – ACA Maintenance



Corrections may be made using ACA Maintenance.

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Affordable Care Act – ACA Reporting

ACA Reporting

Calendar Year: 2017

Reporting Option:

Report ACA Work File Export Employee Data Export Dependent Data

Selection:

All IRS Errors

ACA Exceptions

Sequence Report by Employee Name

Process ACA Data

Released: 08-21-17

Review any exceptions on the ACA file by selecting Report ACA Exceptions on the Application Center-Payroll-Affordable Care Act- ACA Reporting menu. All exceptions should be corrected.

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Affordable Care Act – Generate XML Files

Process ACA Data

Tax Year: 2017 Test File Select ACA

Transmission Type:

Original Corrected 1095a Corrected 1094 Replacement

Prepare ACA XML Data

HOMEWOOD BOARD OF EDUCATION EIN: 630586314 TCC: 88888

450 DALE AVE Phone: 2058704203

HOMEWOOD, AL 35209

Contact First Name: MARY Last: JONES 556 Total 1095-C Forms

Authoritative Transmittal Employer is Self-Insured

Certifications of Eligibility (select all that apply)

A. Qualifying B. Reserved C. 4980H Trans Relief D. 98% Offer

	Min Essential	FT	Total	4980H
All 12 Mos.	<input type="checkbox"/>	696	696	<input type="checkbox"/>
January	<input checked="" type="checkbox"/>	496	663	<input type="checkbox"/>
February	<input checked="" type="checkbox"/>	496	674	<input type="checkbox"/>
March	<input checked="" type="checkbox"/>	495	669	<input type="checkbox"/>
April	<input checked="" type="checkbox"/>	496	670	<input type="checkbox"/>
May	<input checked="" type="checkbox"/>	496	688	<input type="checkbox"/>
June	<input checked="" type="checkbox"/>	494	602	<input type="checkbox"/>
July	<input checked="" type="checkbox"/>	494	610	<input type="checkbox"/>
August	<input checked="" type="checkbox"/>	460	517	<input type="checkbox"/>
September	<input checked="" type="checkbox"/>	507	620	<input type="checkbox"/>
October	<input checked="" type="checkbox"/>	508	622	<input type="checkbox"/>
November	<input checked="" type="checkbox"/>	509	626	<input type="checkbox"/>
December	<input checked="" type="checkbox"/>	507	607	<input type="checkbox"/>

Export XML Data

Export XML View

Released: 08-21-17

- The total monthly count for full time employees will be populated. The *FT Employee Count* can be verified with the totals on the Report ACA Work File report. The *Total Employee Count* will also be populated.

- Note: The full time employee totals on the Report ACA Work File report is a new feature. The report can be ran to verify the totals if desired.

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Affordable Care Act – Generate Original Files

Process ACA Data

Tax Year: 2017 Test File

Transmission Type
 Original Corrected 1095s Corrected 1094 Replacement

Prepare ACA XML Data

HOMEWOOD BOARD OF EDUCATION EIN: 630586314 TCC: BBBBB
 450 DALE AVE Phone: 2058704203

HOMEWOOD-AL-2020
 Contact First Name: MARY Last: JONES 556 Total 1095-C Forms

Authoritative Transmittal Employer is Self-Insured

Certification of Eligibility (select all that apply)

A. Qualifying B. Reserved C. 4980H Trans Relief D. 98% Offer

	Min Essential	FT	Total	4980H
All 12 Mos.	<input type="checkbox"/>		696	
January	<input checked="" type="checkbox"/>	496	663	
February	<input checked="" type="checkbox"/>	496	674	
March	<input checked="" type="checkbox"/>	495	669	
April	<input checked="" type="checkbox"/>	496	670	
May	<input checked="" type="checkbox"/>	496	688	
June	<input checked="" type="checkbox"/>	494	602	
July	<input checked="" type="checkbox"/>	494	610	
August	<input checked="" type="checkbox"/>	460	517	
September	<input checked="" type="checkbox"/>	507	520	
October	<input checked="" type="checkbox"/>	508	622	
November	<input checked="" type="checkbox"/>	509	686	
December	<input checked="" type="checkbox"/>	507	601	

Export XML Data
 Released: 08-21-17

Enter your *TCC* code and *Contact* information. Select the *Authoritative Transmittal* option on the district's main transmittal. All districts must have one Authoritative Transmittal.

The *Employer is Self-Insured* option is not applicable to AL and should not be checked.

Select the *Certification of Eligibility* options that are applicable – at least one must be selected. See next slide for details

Once all the information is entered, select the *Export XML* option and browse to the folder where the files will be saved. We recommend that a *ACA Test* and *ACA Production* folder be setup to keep the files separate.

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Affordable Care Act – Generate Original Files

Certification of Eligibility

- A. **Qualifying Offer Method** – Check this box
 - i. Code 1A on Form 1095-C indicated that a *Qualifying Offer* was made to employees.
 - ii. Requires Line 15 on Form 1095-C to be blank, which is in accordance with the instructions provided for Form 1095-C.
- B. **Reserved** – This was previously the Qualified Trans Relief that was only for 2015.
- C. **4980H Trans Relief** – Do not check this box.
 - i. Only provides one-year relief for entities not meeting the 95% requirement.
- D. **98% Offer** – There is no need to select this.
 - i. The advantage to other entities is that you do not have to include the Full-Time Employee Count. For Alabama Nextgen users, the software program will automatically fill in the FT Employee Count.

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Affordable Care Act – Production Files Upload

Name	Date modified	Type	Size
1094C_Manifest_BB18C_20160407T165651596Z.xml	4/7/2016 4:56 PM	XML Document	3 KB
1094C_Request_BB18C_20160407T165651596Z.xml	4/7/2016 4:56 PM	XML Document	0 KB
TELEMAN_BB18C_20160407T165651596Z.xml	4/7/2016 4:56 PM	XML Document	3 KB

UI Channel Link

- > AIR UI Channel Login - AATS (Testing)
- > AIR UI Channel Login - Production

Two files will be created – 1094C Manifest and 1094C Request. The files will be transmitted to the IRS by using the link on the IRS website. Above link can be found on <https://www.irs.gov/for-Tax-Pros/Software-Developers/Information>Returns/Affordable-Care-Act-Information-Return-AIR-Program>. Login and follow the website instructions to upload your production files.

NOTE: The numbers in your 1094C_Manifest and 1094C_Request file will not be the same as in the example.

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Affordable Care Act – Production Files Upload

ACA Transmission File Upload

[Contact Us](#) [Home](#) [Logout](#)

Upload Manifest

Browse for your Manifest file in XML format.

Note: Only one Manifest file may be selected to coincide with this transmission.

Manifest File

1094C_Manifest_BB18C_20160407T165651596Z.xml

Upload Form

Browse for your Form file containing Form 1094B and all associated 1095Bs or Form 1094C and all associated 1095Cs in XML format. Once you have selected your files select "Transmit" to process the transmission.

Note: Only one Form file may be attached to coincide with this transmission. Your total transmission file size may not exceed 1024MB and may only include XML file types.

Form File

1094C_Request_BB18C_20160407T165651596Z.xml

Transmission

Once you click "Transmit", you will NOT be able to cancel your transmission.

If your file is successfully received after clicking "Transmit", a confirmation page will appear that contains the Receipt ID for this transmission. It is recommended that you save your Receipt ID in a secure location. If there was a problem with your file, an error page will be shown. Please correct the problem and try your transmission again.

Note: Due to file size limitations, please allow sufficient time for larger Form files to be transmitted.



If your files are successfully received by the IRS after you transmit your manifest and request production files, you will receive another Transmission Confirmation (see below). **Your Receipt ID will be needed for all future references to your ACA Production file transmittal. It is critical that you retain the Receipt ID, so please print and/or copy the ID for future use. You will not be able to view this number again on IRS website.**

Press the [Home](#) link to test the transmit.

NOTE: If you do not receive a Receipt ID, please contact Harris School Solutions.

[Print](#) [Contact Us](#) [Home](#) [Logout](#)

Transmission Confirmation

Your uploaded file has been transmitted! Please see details of this transmission below. It is **highly recommended** to print this page to keep for your records. Remember to check the status of this transmission by using the Receipt ID provided below to ensure your file is accepted.

Receipt ID: 1094C-16-0003977

Date and Time: 04/07/2016 07:39:36 PM UTC

Your Transmitted Form File

File Name	File Size
1094C_Request_BB18C_20160407T165651596Z.xml	0 KB

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Affordable Care Act – Production Files Upload

A Upload ACA Forms

Upload your completed ACA form and manifest file in XML.

Prior to transmission, please read the instructions to ensure that the form has been completed correctly and is organized in the correct structure. Please have the following XML forms ready for upload:

- ACA Manifest of basic submitter information
- ACA Form 1094B/1095B or 1094C/1095C

B Check Transmission Status

Once you have completed your transmission in Step A, you may check the transmission status of your form.

Please have your Receipt ID ready.

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Select option B to *Check the Transmission Status* of your Production files. Enter your district's TCC and the Receipt ID from the upload then press the *FIND* button. It can take up to 30 minutes or more to get the result, so check back periodically.

Affordable Care Act – Production Files Upload

Transmission Status Details

Please see details for this transmission below:

Receipt ID: 1095C-16-00035679
Date and Time: 04/20/2016 07:42:47 PM UTC
Status: Accepted

Transmission Status Details

Please see details for this transmission below. Click Download to be prompted to save an XML response message to your computer.

Receipt ID: 1095C-16-00031995
Date and Time: 04/20/2016 07:29:36 PM UTC
Status: Rejected

Errors

The following errors are issues reported by the system for your transmission. If your transmission is "Accepted" no further action is needed. If your transmission is "Rejected" please correct the errors and try your transmission again.

For further assistance, please [contact us](#).

Error Code	Error Details
AIRMF3005	Rejected transmission - Error occurred in Form Status for Form Type

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You should receive an Accepted status once your files are approved. This could take a while to receive. If you receive a rejected status with an error code of AIRMF3005, the IRS has not changed your status on your TCC. You will need to wait a few more days and upload the production files again. If you receive the same code again on your next upload, please call the IRS.

Note: If you receive a 'Rejected' Status with an error code other than noted above, please contact Harris School Solutions.

Affordable Care Act – Next Year

- **Look-back Measurement Period**: A period of time to determine if an employee is full-time (paid for service that averages 30 hours or more per week ~~or 130 hours per month~~.) i.e., calendar year. For an ongoing employee this is the Standard Measurement Period and for a new employee this is the Initial Measurement Period.
- **Alabama school boards should use a calendar year as the Standard Measurement Period for ongoing employees and a 12 month period for new employees.**
- **Ongoing Employee**: An employee who has been employed for at least one complete standard measurement period.
- **New Employees**: An employee who has been employed for less than one complete standard measurement period.

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Affordable Care Act – Next Year

Ongoing Employees

- **Stability period**: The period of time following the measurement period during which the employer must treat an employee as full-time if the employee was determined to be full-time during the measurement period. Even if the employee is working less than full-time during the stability period, the employee is treated as working full-time until the end of the stability period, if still employed.
- If an ongoing employee (start date before January 2, 2016 for this standard measurement period) averages 30 hours or more per week from January 1, 2016 through December 31, 2016 and is still employed in 2017, then the employee is treated as a full-time employee for the entire 2017 calendar year. But, if the employee averages less than 30 hours per week in 2016, the employee is treated as not full time for the entire 2017 calendar year, if still employed.
 - If the employee averages less than 30 hours per week in 2017, the employee is treated as not full time for the entire 2018 calendar year, if still employed.

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Affordable Care Act – Next Year

Variable Hour Employees

- If a **new** employee with a start date after January 1, 2016 for this first standard measurement period, averages 30 hours or more per week from January 1, 2016 through December 31, 2016 **and** is still employed in 2017, then the employee is **not** treated as a full-time employee for the 2017 calendar year. At least not until the new employee's 12 month employment anniversary ends, because:
 - If the **new** employee averages 30 hours or more per week during the 12 month initial measurement period after the employee's start date (or the first day of the first month after the start date), then the employee is treated as a full-time employee for the following 12 months. (Even if the new employee does not average 30 hours or more per week during that stability period.) After the end of the 12 months following the initial measurement period for the **new** employee, then the employee is treated as an ongoing employee and the average weekly hours are measured on the calendar year standard measurement period.

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Affordable Care Act – Next Year

- Employee begins August 12, 2016:
 - Initial Measurement Period - September 1, 2016 to August 31, 2017.
 - Standard Measurement Period – January 1, 2017 to December 31, 2017.

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Affordable Care Act – Next Year

Employee begins August 12, 2017:

- **Initial Measurement Period** - September 1, 2017 to August 31, 2018.
 - If full time during this measurement period then treated as full time until August 31, 2018. If not full time during this Initial Measurement Period then look at the hours worked during the
- **Standard Measurement Period** – January 1, 2018 to December 31, 2018.
- The new employee's hours are measured on both measurement periods.

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Affordable Care Act – Next Year

- Since an employment break period for educational employees is a period of at least four consecutive weeks (summer break for substitutes), we can include the weeks of the other break periods in calculating the average weekly hours. We only have to exclude the weeks of summer break in calculating the average working hours for substitutes during the measurement period.
- If an employee is not paid (such as termination, resignation or unpaid leave) for at least **26 consecutive weeks** (excluding summer break) when the employee returns to work the employee is treated as a new employee.

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Affordable Care Act – Penalties

Employer Shared Responsibility Penalties :

4980H(a) Penalty (referred to as “Play or Pay” or “A Penalty”)

- Applies to large employers who fail to offer minimum essential coverage (MEC) to its full time employees* and their dependents.
- Penalty calculated using the total number of full time employees employed during the year (minus 30) multiplied by \$2,000.
 - To avoid this penalty, an employer must offer MEC to at least 95% of its full time employees* (and their dependents).
 - MEC is met if a plan contributes minimum value (MV) of at least 60% of the total allowed costs of benefits.
 - PEEHIP offers MEC which meets the MV rule.
- *ACA full time – employee averages 30 or more service hours a week, but some may not be eligible for PEEHIP.

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Affordable Care Act – Penalties

Employer Shared Responsibility Penalties :

Example:

- A school system has 1800 PEEHIP-covered full time employees and
- 100 full time substitutes that average of 30 or more hours of service a week

$$\frac{100}{1800 + 100} = 5.26\%$$

In this example, the “A Penalty” WOULD apply because coverage is not offered to at least 95% of the FTEs: $100\% - 5.26\% = 94.74\%$.

The penalty would be: \$3,740,000.00

$$(1900 - 30 = 1870 \times \$2,000)$$

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Affordable Care Act – Penalties

Employer Shared Responsibility Penalties :

1. 4980H(a) Penalty (referred to as “Play or Pay” or “A Penalty”)

This penalty has the potential of having the most significant financial impact on employers if less than 95% of its total full time employees are not offered PEEHIP coverage.

- Examples of employees not eligible for PEEHIP can be:
 - substitutes,
 - after school workers,
 - temporary contract employees.

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Affordable Care Act – Penalties

Employer Shared Responsibility Penalties :

2. 4980H(b) Penalty (referred to as “Play and Pay” or “B Penalty”)

- Penalty calculated as the number of full time employees* who enroll in Exchange coverage and receive a premium tax credit multiplied by \$3,000 (indexed annually).
- This penalty may be unavoidable in certain situations:
 - ❖ SO EVEN IF YOU HAVE LESS THAN 5% OF FULL TIME EMPLOYEES* NOT ELIGIBLE FOR PEEHIP YOU COULD STILL HAVE A PENALTY.
 - *ACA full time – employee averages 30 or more service hours a week, but some may not be eligible for PEEHIP.

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Affordable Care Act – Penalties

Employer Shared Responsibility Penalties :

How can employers avoid the “A Penalty”?

- Make sure your full time employees* not eligible for PEEHIP coverage represent less than 5% of your total full time employees*.

How can you determine the %?

- Use the equation:

$$\frac{\# \text{ full time employees* not eligible for PEEHIP}}{\# \text{ full time employees * (eligible and not eligible for PEEHIP)}}$$

This penalty is avoidable but employers MUST take appropriate steps NOW to ensure that at least 95% of full time employees* are offered PEEHIP coverage.

- Some employees eligible for PEEHIP coverage (such as bus drivers) may not meet the ACA definition of **full time employee**.

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Affordable Care Act – Form 1095-C

	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
14 Offer of Coverage (enter required code)													

▶ Line 14 Options

For 2015, only 2 codes will be utilized

- **1A** – Qualifying Offer
- **1H** – No offer of coverage (employee not offered any health coverage or employee offered coverage that is not minimum essential coverage)

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Affordable Care Act – Form 1095-C

15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
--	----	----	----	----	----	----	----	----	----	----	----	----	----	----

▶ Line 15

- In accordance with IRS regulations, line 15 will only contain a dollar amount when line 14 has codes 1B, 1C, 1D, or 1E.
- School districts will be using only code 1A or 1H in line 14 for 2015. Therefore, nothing will be recorded on line 15.

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Affordable Care Act – Form 1095-C

16 Applicable Section 4980H Safe Harbor (enter code, if applicable)														
---	--	--	--	--	--	--	--	--	--	--	--	--	--	--

▶ Line 16

- If **1A** is recorded on line 14, nothing is required on line 16
- If **1H** is recorded on line 14, the following options are available for line 16:
 - 2A- Employee not employed during month
 - 2B- Employee not a full-time employee
 - 2D- Employee is in a 4980H(b) Limited Non-Assessment Period (first month of employment when first day is not the first day of month)

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Affordable Care Act – Form 1095-C

- ▶ Using 1H in line 14 with nothing in line 16
 - Use of 1H in line 14 indicates the employee was deemed FT by ACA Rule
 - If line 16 is blank when line 14 carries 1H, that indicates:
 - That health coverage should have been extended to the employee, but was not AND
 - The employer has no remedy or transitional relief

Make sure to check carefully in situations such as this!

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Affordable Care Act – Notice

Employer Notice of State Insurance Exchanges and Premium Tax Credits

- New hires must receive the notice at the time of hire regardless of full time, part time, benefited or non-benefited status.
- A uniform sample Notice and the accompanying Cover Sheet was provided by the State Department of Education to the school systems in 2013 (Memo FY13-3068).
- A new form is posted to the Department of Labor website.

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Affordable Care Act – Next Year

Questions?

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