



Affordable Care Act –Frequently Asked Questions:

What is ACA?

ACA stands for the Affordable Care Act, which is a Federal Law that requires Large Employers with 50 or more FTEs to offer Minimum Essential Health Coverage to their full time employees.

What is a Full Time Employee?

For the purpose of the ACA, full time employees are those that work at least 30 hours a week, or 130 hours a month.

What is an FTE?

For ACA Purposes, all non-full time employees' service hours are combined, and divided by 120 hours/month. This will provide a number of Full Time Equivalent employees you have, based on your part time staff hours.

We have Part Time Employees that work 30 hours a week. Will we be required to offer them insurance?

Yes, employees that average 30 hours / week will be considered FULL TIME for ACA Purposes, and an offer of health insurance will be required to remain in compliance.

Who is considered a seasonal employee?

A special provision regarding seasonal workers may help ABC Co. reduce its size. Specifically, if the average number of employees is 50 or more for not more than 120 days, or not more than four months (whether or not consecutive) due to seasonal workers, the employer may subtract the seasonal workers.

Will PayData Generate, and file forms 1094C and 1095C?

With the use of evoHR, Remote clients can have PayData generate these forms. The HR Module, and the year end forms include additional billing costs to the client.

Is any of this applicable if we have fewer than 50 Employees?

If you have far fewer than 50 ees, no, take a deep breath and relax, this isn't your problem! If you are near, or teetering around 50 FTEs, it's time to start paying attention!

ACA Determination and FTE reports are currently running with errors, why?

The ACA Status Determination and FTE count reports require some pre-configuration before you can run them accurately. If these settings are in place and errors continue please forward the exact error message to you CSR for technical support.

Is the ACA related to the VT Catamount Health Coverage, and are any of the declaration of coverage forms, or reporting tools the same?

The Federal ACA reporting is ENTIRELY separate from the VT Catamount Health calculation and reporting requirements. The Declaration of HealthCare Coverage required by the state of VT does not in any way impact, or address, the ACA reporting requirements. ACA reporting requires the Employer to identify eligible employees, offer insurance, and track coverage of employees as well as any qualified dependents. These fields are all stored within evoHR, and can be supported by evoBenefits.

What is Minimum Essential Coverage?

An employer-sponsored plan provides minimum value if it covers at least 60 percent of the total allowed cost of benefits that are expected to be incurred under the plan. See Notice 2014-69 ([link to notice](#)) for additional guidance regarding whether an employer-sponsored plan provides minimum value coverage if the plan fails to substantially cover in-patient hospitalization services or physician services. Under proposed regulations upon which taxpayers may rely, employers generally must use a minimum value calculator developed by HHS to determine if a plan with standard features provides minimum value. Plans with nonstandard features are required to obtain an actuarial certification for the nonstandard features. The proposed regulations also describe certain safe harbor plan designs that will satisfy minimum value.

What is Affordable Coverage?

If an employee's share of the premium for employer-provided coverage would cost the employee more than 9.5% of that employee's annual household income, the coverage is not considered affordable for that employee. Because employers generally will not know their employees' household incomes, employers can take advantage of one or more of the three affordability safe harbors set forth in the final regulations that are based on information the employer will have available. The three affordability safe harbors are (1) the Form W-2 wages safe harbor, (2) the rate of pay safe harbor, and (3) the federal poverty line safe harbor.

How long must a New Hire be Employed before Benefits are offered?

This is based entirely on your measurement period – Once you define your initial measurement period, it will translate to the Number of Months you measure a new hire. At the end of the measurement period, you'll identify a status. If it's full time, you have NO MORE than 90 days to make the offer, process the enrollment and get the employee covered.

Do New Hires have to be offered insurance right away?

New Hires are measured for a defined period of time, before they are assigned an ACA status. This measurement period will help you identify if the hours worked define them as an ACA FT Employee working an average of 30, or more hour a week. You do not have to make an insurance offer until the employee has exceeded the measurement period, and is in transition to the stability period. Once an ACA Status is determined, you cannot change the employee until the stability period has expired, and you can reevaluate their worked hours.

I already know I am a large employer – What's next?

Great! You need to determine if you want PayData to generate forms 1094C and 1095C. If so, you need to sign up for evoHR, and decide if you want to use evoBenefits to administer your employee enrollment. To get started, make sure you have your full benefit package, rates, and current employee elections available to load into Evolution. Contact your CSR for the necessary forms to get started.

Will I be able to preview the forms 1094C and 1095C before they are generated?

This is pending a response while our software vendor implements the necessary programming. As soon as PayData knows, you'll know.

How are mid-year benefit changes tracked, and recorded in Evolution?

Benefit coverage is tracked in Evolution using dynamic effective dates. These effective dates will be used in populating the monthly data required on the year end forms. Clients using evoBenefits will be able to initiate a qualifying event, prompting employees to enroll, or make changes, and then have those elections transfer to Evolution.

How will the IRS know my company is an ALE for 2015?

This is a good question, but, easily answered – both your 2015 W2s, and your insurance company will report details about your employees. Based on this, the Federal Government will see your totals for the year, and begin to verify those details against your reporting. It will be very obvious once they find discrepancies

What is the time frame for implementing evoHR, and evoBenefits?

PayData requires a minimum of 60 days to set up and test the full package of evoHR and evoBenefits for online enrollment. That means, 60 days from the point we have all of your documentation and our questions answers. evoHR on its own shouldn't take more than a few weeks to set up and begin using.

Is evoHR the same thing as the HR Module?

Yes, terminology changes over time, but, the product and service is the same. HR Module = evoHR.

What happens if a Full Time employee isn't offered insurance?

If you are an ALE, and you fail to make the offer, you'll face penalties of at least \$2000/employee – There are some exclusions, based on your employment activity in 2014. If you have specific questions about these relief options, please let our office know and we can get you additional resources.

What are the ACA Code Series 1 descriptions?

Code Series 1 is used on the form 1095C, to identify the Employee setting for each month of the year. The codes/descriptions are below:

1A Qualifying Offer: Minimum essential coverage providing minimum value offered to full-time employee with employee contribution for self-only coverage equal to or less than 9.5% mainland single federal poverty line and at least minimum essential coverage offered to spouse and other dependents.

1B Minimum essential coverage providing minimum value offered to employee ONLY

1C Minimum essential coverage providing minimum value offered to employee and at least minimum essential coverage offered to dependent(s) (NOT SPOUSE)

1D Minimum essential coverage providing minimum value offered to employee and at least minimum essential coverage offered to spouse not dependent(s).

1E minimum essential coverage providing minimum value offered to employee and at least minimum essential coverage offered to spouse and dependent(s)

1F Minimum essential coverage NOT providing minimum value offered to employee, or employee and spouse, or dependent(s), or employee, spouse, and dependent(s).

1G offer of coverage to employee who was not a full-time employee for any month of the calendar year, and who enrolled in self-insured coverage for one or more months of the calendar year

1H No offer of coverage (Employee NOT offered any health coverage or employee offered coverage that is NOT minimum essential coverage.

1i qualifying offer transition relief 2015: Employee (and spouse or dependents) received NO offer of coverage, received an offer that is not a qualifying offer, or received a qualifying offer for less than 12 months.