



# ACA Prep Checklist

## Are You Ready?

### Summary

Starting in 2015, applicable large employers (ALEs) have been required to comply with Affordable Care Act requirements and begin reporting coverage data to the IRS in the first quarter of 2016. Is your business ready? Review the ACA Prep Checklist to find out.

### ACA Prep Checklist: Are You Ready?

- ☑ ***Know your obligations.***  
If you're an ALE, provide affordable minimum coverage to qualifying employees and file ACA forms with the IRS.
- ☑ ***Assess costs and/or potential penalties.***  
Calculate potential costs of coverage, administration and reporting to minimize the financial impact of compliance.
- ☑ ***Track monthly employment data.***  
Know which types of information the IRS will require and determine which of your internal systems collect and report this data.
- ☑ ***Manage employees' status.***  
Manage scheduling to ensure employees maintain their status to reduce coverage costs.
- ☑ ***File ACA forms on time.***  
**February 1, 2016** – Form 1095-C is due to every full-time employee.  
**February 29, 2016** (or March 31, 2016 if filing electronically) – Forms 1094-C and 1095-C are due to the IRS.

## ACA Today: Tracking and Reporting Requirements

Time is running out for employers to prepare for the Affordable Care Act (ACA).

Starting in 2015, applicable large employers (ALEs) have been required to provide affordable minimum essential health coverage to full-time employees and their dependents or face IRS penalties.

In addition, ALEs are required to provide reports to employees and file new ACA forms with the IRS in the first quarter of 2016 based on employment data from 2015. ALEs with 100 or more full-time (or equivalent) employees will be assessed penalties for non-compliance. In 2017, this will expand to include ALEs with 50 or more full-time (or equivalent) employees.

Think you're ready? Review the ACA Prep Checklist to find out.

## ACA Prep Checklist

To prepare for ACA obligations, employers need to determine if they qualify as an applicable large employer, assess coverage costs and potential penalties, track and report on monthly employment data for 2015, and file forms on time.

### Know your obligations.

Only employers who qualify as ALEs need to comply with ACA requirements.

If your organization qualifies, 2015 marks the first year ALEs need to provide affordable minimum coverage for full-time (or equivalent) employees and their dependents.

In addition, ALEs must begin filing ACA forms with the IRS in 2016, reporting on coverage and employee data. While only ALEs with 100 or more full-time employees will be assessed penalties for non-compliance in 2016, this will expand in 2017 to include ALEs with 50 or more full-time or equivalent employees.<sup>1</sup>

### Assess costs and/or potential penalties.

ACA requires ALEs to provide affordable minimum essential health coverage to qualifying employees and their dependents or pay IRS penalties.

If at least one full-time employee receives a premium tax credit to help pay for coverage in the federal or state marketplace, employers must pay a penalty for not offering qualifying coverage.

Costs include not only health coverage but also coverage administration (verifying which employees qualify, enrolling employees in coverage, managing the plan); reporting obligations (gathering and submitting data to the IRS, providing forms to employees); and potential penalties.

Understanding total costs of ACA compliance makes it easier to manage its financial impact on your organization.



### ☑ Track monthly employment data.

Reports and IRS forms for 2016 will require accurate employment and coverage data for each month in 2015.

This includes:

- What coverage, if any, is offered
- Employee contribution for single coverage in lowest-cost qualifying plan
- Dependents covered by the plan<sup>2</sup>
- Individual employee status
- Full-time employee count
- Total employee count<sup>3</sup>

Familiarize yourself with the forms and types of information the IRS will require. Then determine which system or systems track this information. This may include workforce management systems, including HR, payroll and time and attendance systems, as well as stand-alone ACA solutions.

### ☑ Manage employees' status.

Once you determine which employees qualify under ACA as full-time and part-time, you'll need to manage scheduling to ensure they maintain their status.

Busy seasons, unanticipated customer demand, layoffs and scheduling issues are just a few situations that can cause a part-time employee to suddenly qualify as full-time. The ability to manage scheduling so that employees maintain their status is key to keeping coverage costs down. A time and attendance system with ACA guidance and scheduling functionality can help supervisors create and manage schedules easily.

### ☑ File ACA forms on time.

In 2016, both ACA reporting deadlines occur in Q1:

- **Employee reports.** Form 1095-C, a statement of health coverage benefits, must be provided to every full-time employee no later than February 1, 2016.
- **IRS forms.** Employers must file Forms 1094-C and 1095-C with the IRS no later than February 29, 2016 (or March 31, 2016 if filed electronically).<sup>4</sup>

Many tools are designed to help employers complete ACA forms. Ideally, they should integrate with your workforce management systems (such as time and attendance, HR and payroll) to ensure your forms populate with the most accurate data available.



## Conclusion

ACA penalties can be steep. Make sure you're on track by determining if you're an applicable large employer, assessing your coverage costs and penalties, tracking and reporting monthly employment data in 2015, managing employees' status, and filing ACA forms on time. It's never too late to ensure your business is ready to comply.

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### About Attendance on Demand, Inc.

Attendance on Demand supports the labor management needs of thousands of companies and over three-quarters of a million employees across North America. Launched in 2006, Attendance on Demand is a rapidly deployed, cloud-based solution that minimizes a company's risk and technology investment while providing advanced features for securely managing labor data—calculating pay rules, scheduling employees, budgeting labor, automating recordkeeping for labor law compliance and managing employee status and reporting for the Affordable Care Act. With standard uptime over the industry average of 99.995% and above average customer retention rates, Attendance on Demand removes the worry of maintaining expensive infrastructure. An extensive North American distribution network helps organizations use Attendance on Demand to reduce labor expenses and improve decision making.

This document simplifies a complex Act as it is understood by Attendance on Demand, Inc. It is not to be taken as legal advice. For further information about ACA compliance, please contact the U.S. Department of Labor at [www.dol.gov](http://www.dol.gov) or 1-866-4-USA-DOL.

### References

- 1 Miller, Stephen. "2016 Will Be Costly Year for ACA Compliance, Employers Say." SHRM.org. 21 May 2015. Web. Accessed 25 Aug 2015. <http://www.shrm.org/hrdisciplines/benefits/articles/pages/aca-compliance-costly.aspx>
- 2 Internal Revenue Service. "Form 1095-C: Employer-Provided Health Insurance Offer and Coverage." IRS.gov. 2014. PDF. Accessed 8 Sep 2015. <http://www.irs.gov/pub/irs-pdf/f1095c.pdf>
- 3 Internal Revenue Service. "Form 1094-C: Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns." IRS.gov. 2014. PDF. Accessed 8 Sep 2015. <http://www.irs.gov/pub/irs-pdf/f1094c.pdf>
- 4 Miller, Stephen. "2016 Will Be Costly Year for ACA Compliance, Employers Say."



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