



UNDERSTANDING *the*
AFFORDABLE
CARE ACT

Compliance Reporting **Team**

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Current **Focus** of Compliance

- ACA- Employer Shared Responsibility
- EEO
- VEVRAA / 503





Affordable Care Act

What is Employer Shared Responsibility?

1. Employers have a **Responsibility** to ensure that they offer health coverage to all full time employees.



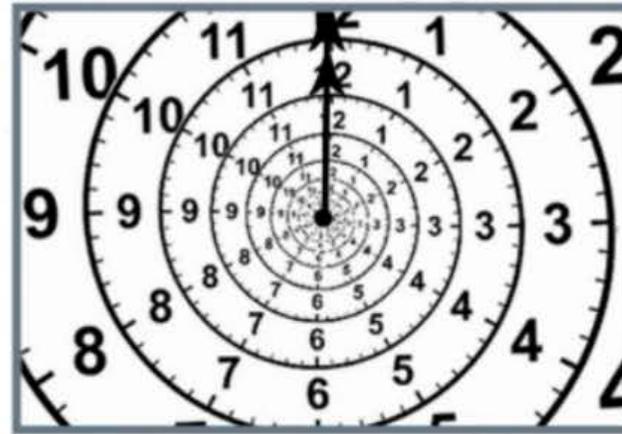
2. Employers have a **Shared Responsibility** to help pay for coverage obtained on a health care Exchange for employees working full time but do not receive an offer of coverage.

3 Points of Focus



Pay or Play

- Pay = No offer of coverage to Full Time
- Play = Offer of coverage



Full-Time

- 30 hrs/ week or 1560 hrs = Full Time
- 1280 = State Statute

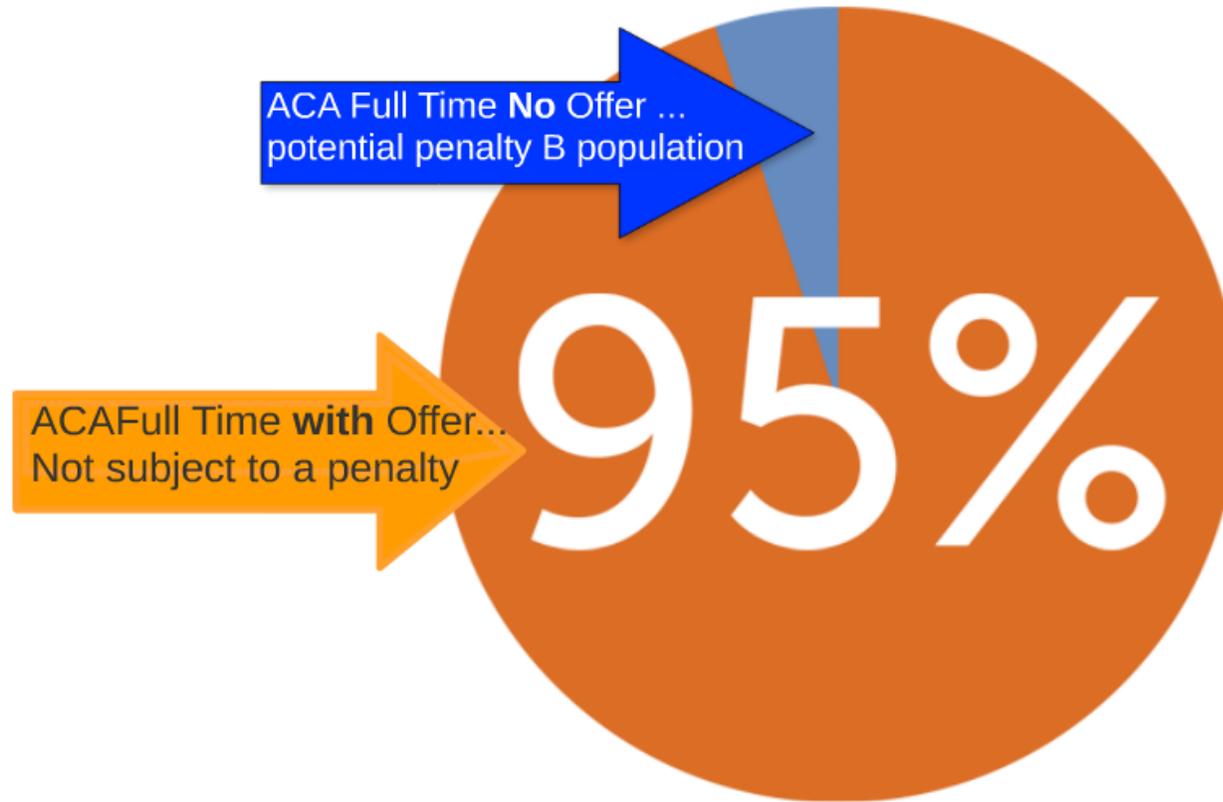


IRS Reporting

- Like the W2
- Anyone working full-time in any one month

Determination For Penalty B

Is health coverage offered to at least



... of all State Of Vermont Employees?

Penalty B



$$= \$3,000 / \text{stick figure icon}$$

(Penalty)

$$\times 2014 \left(\begin{array}{c} \text{stick figure icon} \\ 113 \end{array} \right) = \$339,000$$

Determination For Penalty A

Is less than 95% of your full time population...



... offered health coverage?

Penalty A



$$= \$2,000 \times \text{VERMONT (All Full Time Employees)}$$

The equation shows that the sum of the three components from the previous diagram is equal to a penalty of \$2,000 multiplied by the number of Vermont's all full-time employees.

$$\times 2014 \left(\text{VERMONT } 8253 \right) = \$16,506,000$$

The final calculation shows that multiplying the \$2,000 penalty by the year 2014 and the number of Vermont's full-time employees (8,253) results in a total penalty of \$16,506,000.

Temporary Employee Measurement

• ACA full-time (1560) = 12 consecutive months

• State Law (1280) = Calendar year

2015

JAN
FEB
MAR
APR
MAY
JUN
JUL
AUG
SEPT
OCT
NOV
DEC
JAN
FEB
MAR

2016



- Started prior to Jan 1 2015
- Worked from Jan - Dec
- Total Hours worked 1280

- ✓ Stayed within 1280
- ✓ No ACA Penalty



- Started end of Feb
- Worked from Feb- Mar
- Total hrs. for 2015 1280
- Total hrs. for 2016 280
- Overall total hrs. 1560

- ✓ Stayed within 1280
- ! Penalty May Apply



- Started prior to Jan 1 2015
- Worked from Jan - July
- Total hrs. worked in 2015 1480

- ✗ Went above 1280
- ✓ No ACA Penalty



- Started back at end of Oct
- Worked from Oct 2015 - Oct 2016
- Total hrs. worked in 2016 1560

- ✗ Went above 1280
- ! Penalty May Apply

3 Important Facts

- 1 Temps Hours could qualify them as being considered a Full-time employee.**
- 2 Penalty is triggered only if individual is receiving a tax subsidy for Health Exchange benefits.**
- 3 1280 hour limit is a State Law whereas the 1560 hour measurement for the ACA penalty is Federal.**

1

Policy and Language

Temporary – Temporary positions must be posted and prepared for hire through VTHR with the following exceptions:

- Decentralized recruitment for temporary hiring may be authorized through a Memorandum of Understanding (MOU) between DHR and the hiring department. The MOU will specify how the hiring department will meet notification requirements to ensure that temporary hiring is compliant with the Affordable Care Act.
- Direct hiring of temporary employees is authorized when no recruitment process (job posting) is required to generate an applicant pool to find a suitable candidate for the position. In such instances, the hiring manager shall be required to extend a written offer of employment and clearly state that employment will not exceed 1280 hours per calendar year.

No offer of employment to a temporary employee may be for more than 1,280 hours of work per calendar year.

Job Posting/ Offer Language

Number 4.0 - RECRUITMENT AND POSTING OF VACANCIES

The screenshot shows a web-based form titled "Job Descriptions". It includes a search bar with "Find", "First", "1 of 1", and "Last" options. The form has several dropdown menus: "Visible:" set to "Internal and External", "Description Type:" set to "General Information", and "Description ID:" set to "Temporary Positions". Below these is a rich text editor with a toolbar containing icons for undo, redo, bold, italic, underline, strikethrough, bulleted list, numbered list, link, unlink, and text color. The description text area contains the following content:

This position, [title] (Job Opening # 00000), is open to all State employees and external applicants.

This is a temporary position. Temporary employment is not expected to be full-time and is limited to 1280 hours of work per calendar year, except in cases of emergency as authorized by the Commissioner of Human Resources. This cap applies to all temporary positions held by an employee during the year. Temporary work is typically for variable hours. The State does not guarantee 40 hours of work per week.

If you would like more information about this position, please contact ****.

Resumes will not be accepted via e-mail. You must apply online to be considered.



2

New Shared Responsibility

Departments and Agencies will be billed for ACA penalties for temporary employees who:

- Worked Full-time
- And who received a tax subsidy for Health Exchange coverage

3

New Forms

- Temporary Position Request
- Temporary Waiver Request
- Statement of Conditions

Affordable Care Act (ACA)

Does the agency/department understand that using temporary employees for more than 1,280 hours in a 12 month period will require completion of the "Request for Waiver of Temporary Employee Hours" form? I acknowledge

Does the agency/ department understand that temporary employees working 1,560, or more, hours in a calendar year may result in the agency/ department incurring up to a \$3000.00 penalty, or more, per temporary employee meeting the above mentioned hours under the ACA? I acknowledge

Does the agency/department understand that temporary employees working 1,560 hours, or more, in a 12 consecutive month period may result in the agency/ department incurring up to a \$3000.00 penalty, or more, for that employee? I acknowledge

Does the Agency/Department have sufficient budgeted funds to pay such fines if and when they are incurred? Yes No

4

New Communication

Benefits division will notify all new hires of the Exchange



No more than 14 days after hire



New Health Insurance Marketplace Coverage Options and Your Health Coverage

About this Notice

This notice entitled, "New Health Insurance Marketplace Coverage Options and Your Health Coverage" is mandated by the health care reform law known as the Affordable Care Act ("ACA"). ACA requires employers to provide this notice to all new employees within 14 days of hire. The notice provides information from the US Department of Labor (DOL) regarding Health Insurance Marketplace ("Marketplace") coverage. The State of Vermont ("the State") has provided information specific to health coverage offered to Classified, Confidential, and Exempt employees in Part B of the below notice from the DOL.

As a Classified, Confidential, or Exempt employee, you are eligible to participate in the State's Group Health Insurance Program, and therefore do not need to shop for different or additional insurance through the Marketplace. The State's coverage meets the individual mandate standard, and is expected to be of equal or greater value than the Marketplace coverage.

DOL New Health Insurance Marketplace Coverage Options and Your Health Coverage

PART A: General Information

When key parts of the health care law take effect in 2014, there will be a new way to buy health insurance: the Health Insurance Marketplace. To assist you as you evaluate options for you and your family, this notice provides some basic information about the new Marketplace and employment based health coverage offered by your employer.

What is the Health Insurance Marketplace?

The Marketplace is designed to help you find health insurance that meets your needs and fits your budget. The Marketplace offers "one-stop shopping" to find and compare private health insurance options. You may also be eligible for a new kind of tax credit that lowers your monthly premium right away. Open enrollment for health insurance coverage through the Marketplace begins in October 2013 for coverage starting as early as January 1, 2014.

Can I Save Money on my Health Insurance Premiums in the Marketplace?

You may qualify to save money and lower your monthly premium, but only if your employer does not offer coverage, or offers coverage that doesn't meet certain standards. The savings on your premium that you're eligible for depends on your household income.

Does Employer Health Coverage Affect Eligibility for Premium Savings through the Marketplace?

Yes. If you have an offer of health coverage from your employer that meets certain standards, you will not be eligible for a tax credit through the Marketplace and may wish to enroll in your employer's health plan. However, you may be eligible for a tax credit that lowers your monthly premium, or a reduction in certain cost-sharing if your employer does not offer coverage to you at all or does not offer coverage that meets certain standards. If the cost of a plan from your employer that would cover you (and not any other members of your family) is more than 9.5% of your household income for the year, or if the coverage your employer provides does not meet the "minimum value" standard set by the Affordable Care Act, you may be eligible for a tax credit.

Note: If you purchase a health plan through the Marketplace instead of accepting health coverage offered by your employer, then you may lose the employer contribution (if any) to the employer-offered coverage. Also, this employer contribution - as well as your employee contribution to employer-offered coverage - is often excluded from income for Federal and State income tax purposes. Your payments for coverage through the Marketplace are made on an after-tax basis.

How Can I Get More Information?

For more information about your coverage offered by your employer, please check your summary plan description or contact Employee Benefits at 1-855-828-6700 (option 1, option 3)

The Marketplace can help you evaluate your coverage options, including your eligibility for coverage through the Marketplace and its cost. Please visit HealthCare.gov for more information, including an online application for health insurance coverage and contact information for a Health Insurance Marketplace in your area.

¹ An employer-sponsored health plan meets the "minimum value standard" if the plan's share of the total allowed benefit costs covered by the plan is no less than 60 percent of such costs.

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New Tracking

Compliance and Reporting

Monitoring the overall state population against the 95% ACA federal requirement.

Departments and Agencies

Monitoring your temporary employees against the 1280 state limit and 1560 ACA limit.



1095 Reporting

Form **1095-C**
Department of the Treasury
Internal Revenue Service

Employer-Provided Health Insurance Offer and Coverage

VOID
 CORRECTED

OMB No. 1545-2251
2015

Information about Form 1095-C and its separate instructions is at www.irs.gov/1095c.

Part I Employee			Applicable Large Employer Member (Employer)					
1 Name of employee	2 Social security number (SSN)	7 Name of employer	8 Employer identification number (EIN)					
3 Street address (including apartment no.)		9 Street address (including room or suite no.)		10 Contact telephone number				
4 City or town	5 State or province	6 Country and ZIP or foreign postal code	11 City or town	12 State or province	13 Country and ZIP or foreign postal code			

14 Offer of Coverage (enter required code)	Plan Start Month (Enter 2-digit number):												
	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)													

Part III Covered Individuals															
If Employer provided self-insured coverage, check the box and enter the information for each covered individual. <input type="checkbox"/>															
(a) Name of covered individual(s)	(b) SSN	(c) DOB (if SSN is not available)	(d) Covered all 12 months	(e) Months of Coverage											
				Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
17			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
18			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
19			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
20			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
21			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
22			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		



Affordable Care Act