Are you ready for the Affordable Care Act?

The Affordable Care Act (ACA) employer mandate requires large employers to provide affordable, minimum health coverage to full-time employees or pay a fine.

The employer mandate goes into effect on January 1, 2015 for employers with 100 or more full-time equivalent employees (FTEs) and on January 1, 2016 for employers with 50 or more FTEs. Even though employers with 50 to 99 FTEs are generally not subject to penalties in 2015, they will have to report on FTEs for 2015.

28% of organizations still aren’t sure how they’re going to report employee hours for Affordable Care Act compliance.

Organizations need to be analyzing their workforces and making strategic decisions about benefits. Do you have the data you need to make these crucial decisions? Whether the data comes from our time and labor system or from pay period reporting, Paycor offers historic and point-in-time reporting, as well as forward-looking decision support tools to help you answer these questions.

1. Are You a Large Employer?
2. Are Your Health Benefit Plans Affordable?
3. Which of Your Employees are Eligible for Coverage?
4. How Do You Determine Measurement and Stability Periods?
5. How Should You Handle ACA Reporting to The IRS?

This content is provided for educational purposes only and should not be considered legal advice.
HR Support Center Overview

HR Support Center is a comprehensive, low-cost, online resource that can save you time and money while protecting you and your business from costly HR mistakes. You get tons of valuable facts, forms and advice, developed and updated by experienced HR professionals. What’s more: One full year of HR Support Center costs less than one hour of legal counsel.

Good advice without the premium price

Take your lawyer off speed dial. Our HR Support Center can help avoid HR mistakes and costly litigation by giving you loads of valuable HR advice on topics such as flexible work arrangements, Internet usage, tuition reimbursement and more.

Interested in learning more about Paycor’s Affordable Care Act solutions? Get in touch with your local representative or visit paycor.com/health-care-reform.

“Paycor’s ACA solutions have given me peace of mind when it comes to complying with the law. Their robust reporting makes it possible for us to make decisions about managing employee benefits and staying in compliance with these complex and constantly changing regulations.”

—George W.
Controller, 800-Employee Multi-location Retailer
PAYCOR HAS THE SOLUTIONS TO HELP YOU ANSWER THE
MOST PRESSING ACA QUESTIONS:
1. Are you considered a large employer in the eyes of the law?

Organizations with 50 or more full-time equivalent employees (FTEs) are considered applicable large employers (ALEs) in the eyes of the law, and must therefore comply with the ACA employer mandate.

Paycor’s Large Employer Analysis Report allows you to easily determine whether or not your organization has 50 or more FTEs and must offer health care coverage to full-time employees. Employers that are close to the 50-FTE threshold can use this report to strategically manage their employee hours.
Use this report to determine whether you are an applicable large employer. You can run this report at high level or dig deeper into individual FEINs.
A plan is considered affordable if the employee portion of the premium for self-only coverage is not greater than 9.5% of an employee’s annualized income based on a 30 hour week.

Unfortunately, employer funded contributions to HSA, Section 125 or 401(k) plans do not count towards this total. Paycor’s ACA Affordability Report shows you each employee’s taxable income and compares it against single or self-only coverage deductions. This gives you a measure of your plan’s affordability, taking the guesswork out of the process and reducing your risk.
<table>
<thead>
<tr>
<th>Full Name</th>
<th>Hire Date</th>
<th>Rate #1 Pay Rate</th>
<th>Rate #1 Annualized</th>
<th>Max Monthly Premium Estimate</th>
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Run this report to understand whether your health benefits are considered affordable in the eyes of the law.
3. Which of your employees are considered full-time and eligible for coverage?

Full-time employees are defined as those who work 30 or more hours in a week or 130 hours in a month.

Hours of service include paid time off due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty or leave of absence.

Should a business be declared a large employer and required to offer benefits to full-time employees, the ACA Employee Eligibility Report can be used to identify which employees are full-time according to the ACA definition and eligible for coverage.
**ACA Employee Eligibility Report**

<table>
<thead>
<tr>
<th>Ongoing/New Hire</th>
<th>Last Name</th>
<th>First Name</th>
<th>Middle Name</th>
<th>Employee #</th>
<th>Hire/Rehire Date</th>
<th>Measurement Start Date</th>
<th>Period End Date</th>
<th>Weekly Avg Hrs</th>
<th>Administrative Start Date</th>
<th>Period End Date</th>
<th>Period End Date</th>
<th>Stability Start Date</th>
<th>Period End Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Hire</td>
<td>Red III</td>
<td>Rosey</td>
<td>R.</td>
<td>15</td>
<td>04/02/2014</td>
<td>04/16/2014</td>
<td>04/15/2015</td>
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<tr>
<td>New Hire</td>
<td>Sam Sr.</td>
<td>Tucan</td>
<td>Bird</td>
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<td>02/13/2014</td>
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Run this report to determine which employees are to be offered coverage. Employers also refer to this report to proactively review employees who are just over or under the 30 hour per week threshold that will require benefits to be offered.
Under ACA, a full-time employee is an employee who provides an average of 30 hours of service per week.

“Measurement” or “look-back” periods measure how many hours an employee works. Employers can easily select a look-back period of a number of months (usually 12) to measure whether an employee worked an average of 30 hours per week. If so, the employer must consider her a full-time employee.

The employer then has an “administrative period” of no more than 90 days, during which they will determine the employee’s eligibility and take appropriate action. Since she meets the requirements of a full-time employee, the organization must offer her coverage during the subsequent “stability period,” regardless of the number of hours she works during the stability period.

Tracking all these timelines can be challenging, especially as new hires enter your workforce. Paycor’s Time and Attendance solution allows you to easily keep track of measurement, administrative and stability periods for each employee.
Time and Attendance provides graphic visibility to each employee's Measurement, Administrative and Stability period.
5. How will you handle ACA reporting to the IRS?

One of the most significant requirements of the Affordable Care Act is IRS reporting, referred to as Sections 6055 and 6056. These sections of the tax code may require some employers to submit various forms:

- **Forms 1095-B and 1094-B** report on enrollment in health insurance and are generally completed by health insurance companies. The IRS has not yet decided whether employers with self-insured health benefits will need to use these forms to report enrollment of non-employees (like retirees and individuals on COBRA).

- **Form 1095-C** is the form used by an employer to report its offer of health coverage to an employee and, for self-insured health benefits, enrollment of the employee (and family members) in the health coverage. The form must be provided to the employee at the same time as their W-2.

- **Form 1094-C** is the transmittal of the employer-provided health coverage offer and enrollment information returns to the IRS.
Paycor will enable our clients to file the applicable IRS ACA reports when they are due in early 2016. In addition, if the IRS allows third party filing, we will file on your behalf.
How else can Paycor help?

In addition to all the **reporting and time tracking tools** we offer, Paycor provides the **HR Support Center**, an online resource that contains a wealth of information on health care reform, such as checklists, templates and quick guides. You can also add the **HR On-Demand** service to gain access to HR experts who can answer your specific questions.