

ACA Compliance 2016



Powered by
BenefitScape®

You have an HRMS solution but need to
Handle ACA Form Printing and IRS eFiling

In 2015, many companies were unpleasantly surprised to find out that their HRMS handled preparing the XML data for ACA compliance *but they hit a roadblock on Form 1095 printing and especially IRS eFiling to the IRS AIR system.*

BenefitScape assisted hundreds of clients requiring Forms printing and eFiling for Tax Year 2015.

For Tax Year 2016, we developed IRSAIR a specialized service designed to augment the functionality of the HRMS.

An IRS-authorized transmitter and e-filing software developer, IRS AIR, powered by BenefitScape can take all these complexities out of ACA e-filing.

Got XML?

We'll Provide the Rest.



Considerations for Tax Year 2016

 **Compliance Threshold:** In 2016, the employer mandate has increased to 95%. This means that all applicable large employers are required to provide adequate coverage to at least 95% of their eligible employees.

 **Revised Form 1095:** Several changes were made to Form 1095, adding a challenge to coding assignments.

 **No Automatic Extensions:** Employers and vendors are required to adhere by the strict ACA Reporting deadlines set by the IRS.

 **Penalties are Increasing:** Failure to comply with ACA Regulations can result in millions in penalties and fines.

 **Transitional Relief:** By January 1st, 2017, all plans must be ACA Compliant, all prior relief will be unavailable.

 **Affordability for 2016 :** To be affordable, the cost of health coverage for employee single coverage cannot exceed more than 9.66% of their household income.

Caution: ACA Reporting is complex and should not be taken lightly. Remember, ACA Regulation is a tax filing, a representation by your organization that you are compliant with the Employer Shared Responsibility. IRS Audits are expected in 2017, so be sure you can substantiate your compliance filing results in adequate detail.

Here are some guidelines to help you select the right solution for this year.

1. A Singular Focus Matters

You must decide if you want to select a firm that does ACA Compliance and ACA Compliance only, or a firm that views ACA Compliance as only one of many services and simply a “feature” of their primary business. You need a full time partner. Remember this is an IRS filing and must be treated as more than a print exercise.

2. ACA Expertise Matters

A capable firm will have all of the resources needed to provide the guidance you will need to help you determine your filing is accurate.

Look for a firm with an in-house counsel who can guide and focus how the law is applied to your situation. Additionally, Is the vendor HIPAA Compliant? With health data, this is a prudent and necessary choice.

3. Data Management and eFiling are complicated and not a “one and done” process.

A successful vendor will be flexible and able to accept the XML data you have as it is generated by your HRMS, by the ACA module. In addition they will eFile for you and guide you thru the corrections process.

If you’ve already reviewed the IRS’s AIR system, preparing to e-file your ACA return, you now know the process isn’t as simple as you might have thought. First, there’s the TCC you need to obtain, then the complex test scenarios you need to pass in order to e-file. As an IRS-authorized transmitter and e-filing software developer, IRS AIR, powered by BenefitScope can take all these complexities out of ACA e-filing.

4. Form Production and Distribution

There are many vendors who will bulk print the 1095 forms- often as a feature of their W2 or Form 1099 Printing business. What is important is that the Forms are both correct and produced before the February 1st 2017 deadline. Again you may have to put the data to be printed in the vendor’s format. They may not take your XML.

Also, keep in mind that February 1st, 2017 is also the deadline for W2 and 1099 printing so capacity at these tax filers may be an issue, using a non-tax form printer. such as BenefitScope IRSAIR may be a better solution.

5. Accuracy Assessment and Calculation Quality Control

The ACA Reporting process demands that each employee receive a “personalized” 1095 form that contains their monthly offer of coverage, the cost, and Safe Harbor.

These codes, commonly called Lines 14,15,16, determine if the business complies with the IRS Regulations. Make sure that the vendor has the skill to insure the required 100% accuracy for these codes.

	All 12 Months	Jan	Feb	
14 Offer of Coverage (enter required code)				
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage	\$	\$	\$	\$
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)				

6. e-File to IRS AIR

Only IRS-certified e-Filers with proper credentials can help you here! Obtaining a Transmission Control Code (TCC) can be time consuming and difficult. Be sure that your vendor will file using their TCC, this will save you from having to obtain your own credentials.

7. Corrections

This is often an overlooked process. Once the e-Filing is done the IRS will often find errors in the data. The vendor must be able to make these errors available for easy correction and to upload your corrections to the IRS AIR system.

The BenefitScope Solution

At BenefitScope, we only do ACA Compliance. As the brand leader in ACA Reporting, we use our expertise, experience, and knowledge of ACA regulations to guarantee our clients are 100% compliant.

ACA Reporting is not a process to be taken lightly. Our methodology results in confident and knowledgeable customers who understand the importance of ACA Reporting. In the case of an IRS audit, we are capable of supporting our clients at every step by demonstrating every decision and step taken to ensure complete compliance.

Contact Us

 www.benefitscope.com

 (508) 655-3307

 kim.phillips@benefitscope.com

Your Vendor Should Provide You With the Confidence and Knowledge that
Your ACA Reporting and Compliance Process will be a success.

Use this scorecard to rate your possible vendor selection **Yes = 10 points, No = 0 points**

Ask your potential partner the following questions:	Potential Vendor	BenefitScape®
1. Is ACA Compliance this vendor's only business? If the answer is NO, the firm may be capable but is not the <i>specialist</i> you deserve.	___	10
2. Has the vendor been providing ACA Compliance for over 5 years?	___	10
3. Has the vendor worked with similar companies in your industry?	___	10
4. Data Security: Is all data secured with encryption – in transit and at rest ,when being handled by the vendor?	___	10
5. HIPAA: Will the vendor sign a Business Associate Agreement, agreeing to adhere to all HIPAA and HITECH provisions?	___	10
6. Calculations: Will the vendor handle calculations of the required IRS codes that represent your Offer of Coverage, Affordability and Safe Harbor status? (Lines 14, 15, 16 of Form 1095-C)	___	10
7. Is the vendor an Authorized e-Filer with IRS Affordable Care Act Information Returns (IRS AIR) and have Transmitter Credentials (TCC Code) to file to the IRS?	___	10
8. Will the vendor securely e-File your ACA reports to the IRS, provide a successful receipt, and notify you of any errors?	___	10
9. Will the vendor assist you in corrections required for the errors found after e-Filing with the IRS? (including re-filing IRS AIR system).	___	10
10. Will the vendor assist you with any IRS inquiries, including providing documentation if required?	___	10
BONUS: Will the vendor accept your data in the format you use in your business as opposed to requiring you to follow their format?	___	10

Total Score:	___	110
---------------------	-----	------------