

ACA Elevate

Year-end Filing

Presented By:



We're proud to offer a full-circle solution to your HR needs. BASIC offers collaboration, flexibility, stability, security, quality service and an experienced staff to meet your integrated HR, FMLA and Payroll needs.

Lessons Learned from 2015 & 2016



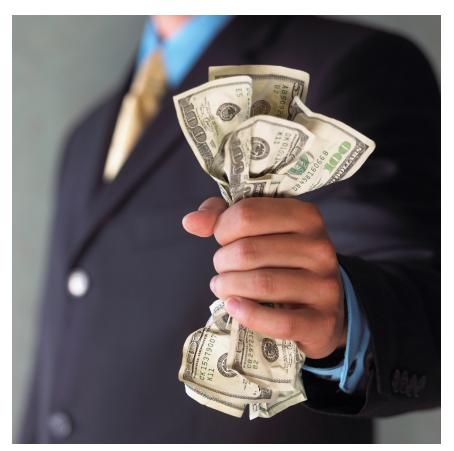
What were some of the major pain points for employers when it came to ACA reporting in pervious years?

- Information needed for reporting may reside across multiple tracking or software systems. HRIS and Payroll systems don't have all of the required information.
- There may be coordination problems between multiple departments to get the data and getting the data out of the system may be complicated.
- Organizations may not have been gathering all of the data needed for ACA compliance.
- Administratively intensive and employers have to dedicate resources, time and a lot of energy to complete the forms.
- Might have to track employees and have a tracking system in place to determine whether employees are entitled to benefits at end of the measurement period.

Pay or Play Reporting



 IRS requires insurers and large employers to file reporting forms in order to enforce the pay or play penalties



IRS Enforcement of ACA Penalties for 2015 Reporting Year



- The IRS has started enforcement of the Affordable Care Act's (ACA) employer mandate penalties for 2015
- Employers nationwide have started to receive letters (Letter 226J), to determine whether an ALE may be liable for the Employer Shared Responsibility Payment (ESRP)



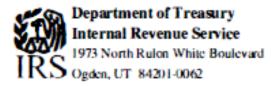


There are two specific reasons why the ALE may owe the ESRP.

- The ALE did not offer "minimum essential coverage" (MEC) to at least 70% of the full-time employees and one full-time employee bought insurance on the Marketplace and qualified for a subsidy.
- The ALE did offer MEC but the coverage was not "affordable" or did not provide "minimum value".

IRS Enforcement of ACA Penalties for 2015 Reporting Year





COMPANY ABC Addiess City, State, Zip

Tax year: 2015 Letter date: 11/22/2017 Employer ID number: XX-XXXXXX Contact name: X Response Unit Contact ID number: XXXXXX Contact telephone number: XXX-XXX-XXXX Contact e-fax number: Response date: 12/22/2017

Dear Employer,

We have made a preliminary calculation of the Employer Shared Responsibility Payment (ESRP) that you owe.

Proposed ESRP \$254,626,64

Our records show that you filed one or more Forms 1095-C. Employer-Provided Health Insurance Offer and Coverage, and one or more Forms 1094-C, Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns, with the IRS. Our records also show that for one or more months of the year at least one of the full-time employees you identified on Form 1095-C was allowed the premium tax credit (PTC) on his or her individual income tax return filed with the IRS. Based on this information, we are proposing that you owe an ESRP for one or more months of the year.

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Reporting Penalties



- IRS can assess \$260 penalty per return for late, incomplete or incorrect forms
- In addition to filing reports with the IRS, the ACA requires employers to provide certain forms to employees, similar to the existing W-2 reporting requirements. It is important for employers to be aware that the penalties apply separately to both requirements. For example, a failure to file a Form 1095-C with the IRS and a failure to furnish the same Form 1095-C to the employee will result in two penalties of \$260 each, or \$530 per affected employee.

Quicker Deadlines



No Indication of an Extension for 2017 Reporting Deadlines!!!

- For 2017 and later years 1095-Cs must be distributed to employees by the first business day on or after January 31
- The 1094-C and 1095-Cs must be filed with the IRS
 - Filing by Mail: By the first business day on or after February 28 if filing by mail
 - Filing Electronically: By the first business day on or after April 2 if filing electronically

Why ACA Elevate?



Why should employers choose BASIC's Stand-alone Solution: ACA Elevate over their payroll provider or doing it in-house?

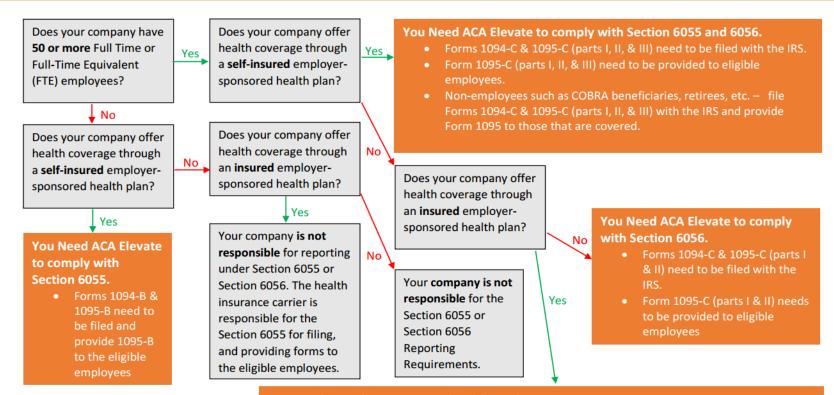
- Accurate forms
- Timely transmissions
- Correct coding for lines 14, 15, 16
- Excellent customer support
- Takes away the stress and complexity of tracking and calculating employee hours with ACA hours tracking and monitoring service
- Assuming the liability for accuracy of the transmittal to the IRS, timing of the employee forms and accuracy of the information — of course we can't be held responsible for the data that you or your carrier provide but if we make the error, then we will make it right.
- BASIC's experienced compliance team is answering your questions and guiding you through the whole process with minimal work involved on Employer's part

Does Your Company Need to Comply?



6055 & 6056 Reporting

ACA Elevate: Decision Tree by BASIC



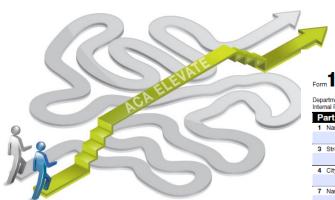
BASIC's ACA Elevate is a stand-alone solution that generates 1094-C & 1095-C Forms and electronic filing with simple uploads of a MS Excel workbook. ACA Elevate offers 2 different solutions to ensure every employer remains compliant with the 6055 and 6056 reporting requirements.

You Need ACA Elevate to comply with Section 6056. The health insurance carrier will fill and provide Section 6055 forms on your behalf.

- Forms 1094-C & 1095-C (parts I & II) need to be filed with the IRS.
- Form 1095-C or a similar statement needs to be provided to eligible employees
- Non-employees such as COBRA beneficiaries, retirees, etc. either:
 - a. If ${f not}$ your employee for all 12months- The health insurance carrier will file with the IRS & provide section 6055 forms on your behalf ; OR
 - b. If your employee for 1 or more months- File Forms 1094-C & 1095-C with the IRS and provide Form 1095-C to reporting those months while employed

ACA Elevate: 6055 and 6056 Reporting for any employer!





Form 1094-C

Transmittal of Employer-Provided Health Insurance Offer and **Coverage Information Returns**

OMB No. 1545-2251

150119

Department of the Treasury Internal Revenue Service

► Go to www.irs.gov/Form1094C for instructions and the latest information.

2017

Part I Applicable Large Employer Member (ALE Member) 1 Name of ALE Member (Employer) 2 Employer identification number (EIN) 3 Street address (including room or suite no.) 4 City or town 5 State or province 6 Country and ZIP or foreign postal cod

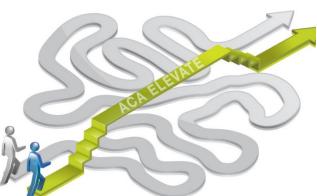
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Self-Insured, Fully-Insured, Controlled Groups, Union & Non-Unions – BASIC can handle them all!

Name of Designated Government Entity (only if applicable)		10 Employer identification number (EIN)	
11 Street address (including room or suite no.)		-	For Official Use Only
12 City or town	13 State or province	14 Country and ZIP or foreign postal code	Tor Official Occ Only
15 Name of person to contact		16 Contact telephone number	
17 Reserved			
18 Total number of Forms 1095-C submitted with this transmittal			
19 Is this the authoritative transmittal for this ALE Member? If "Yes			
Part II ALE Member Information			
20 Total number of Forms 1095-C filed by and/or on behalf of ALE	Member		
21 Is ALE Member a member of an Aggregated ALE Group? .			Yes No
If "No," do not complete Part IV.			
22 Certifications of Eligibility (select all that apply):			
A. Qualifying Offer Method B. Reserved	C. Reserve	d D	. 98% Offer Method
Under penalties of perjury, I declare that I have examined this return and account	companying documents, and to the bes	et of my knowledge and belief, they a	are true, correct, and complete.
Sionature	Title		Date
For Privacy Act and Paperwork Reduction Act Notice, see separate inst	, 1100	at. No. 61571A	Form 1094-C (201
	D V CICONII	INE COM 1 (800)	/// 1022 11

ACA Elevate: 6055 and 6056 Reporting for any employer!





Multiple Service Levels to
Meet Your Companies
Needs: ACA Through BASIC
Payroll, Self-Admin ACA, FullService ACA Administration
and Filing... BASIC has a
solution for your company

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Form 1095-C Emp			loyer-P	over-Provided Health Insurance Offer and Coverage									OMB No. 1545-2251					
Department of the Treasury											CORRE	RECTED 2017						
Part I Emp			P GO TO W	www.ma.gov/ro	mirosoc for mis	a dodons and	uie iate		cable l	arge	Emplo	ver M	ember	(Emp	lover)			
1 Name of employ				2 Socia	al security number (SSN) 7	Name of					,	/	<u> </u>		Identifica	tion num	ber (EIN)
3 Street address (I	including apartr	ment no.)			40	9	Street ac	ldress (in	cluding ro	om or sul	te no.)			10	Contact t	elephone	number	
4 City or town 5 State or province			Ce	6 Country and ZIP or foreign postal code			11 City or town 12 State or province					13	13 Country and ZIP or foreign postal code					
Part II Emp	oloyee Off	er of Covera	age			P	lan Sta	art Mo	nth (En	ter 2-di	ait num	nber):						
	All 12 Months		Feb	Mar	Apr	May	June		July		Aug	Se	pt	Oct		Nov		Dec
14 Offer of Coverage (enter required code)																		
15 Employee Regulred																		
Contribution (see Instructions)	\$	\$	\$	\$	\$	\$	\$	\$		\$		\$	\$	3	\$		\$	
16 Section 4980H Safe Harbor and Other Relief (enter code, if applicable)																		
Part III Cov	ered Indiv	iduals						_							_			
If Em	ployer prov	ided self-insu	red covera	ge, check the	box and enter			each in	dividual	enrolle					employ	90.		
(a) Name	of covered ind	lividual(s)	(b) SSN	or other TIN	(c) DOB (if SSN or other TIN is not available)	(d) Covered all 12 months		Feb	Mar	Apr	May	June June	of Covera July	Aug	Sept	Oct	Nov	Dec
17																		
18																		
19																		
20																		
21																		
22																		

A Simple Solution to a Complex Problem



- 1. ELEVATE: Filing Only- No need for regular feed of data— BASIC's file works off of a <u>simple MS Excel workbook upload</u> with employee and coverage data at year-end. Focus on key deliverables for employers with simpler reporting needs. Perfect stand-alone solution for companies who don't want to pay extra to upgrade their payroll platform
- **2. Real Time Access** Access training videos, your workbook, view draft forms and make changes online anytime
- **3. Flexible** Choose from a variety of outputs and reporting formats as well as mail and eFiling solutions.
- **4. Unsurpassed Support** BASIC provides both technical support as well as access to our Compliance Experts for complex ACA questions



Automation

- Completes Employer form 1094 C
- Batch completes Employee form 1095 C
- Generates Summary Report In Excel
- Optional Print/mail of 1095 C forms to employees' homes
- eFiling with IRS automatically included

Built-In Logic and Security

- Determines Correct Indicator Codes
- Assigns Correct Plan Effective Dates
- Calculates 70 and 95% Offer Thresholds
- Interprets Safe Harbor and Transition Relief Designations





Input

- Employer Information
- Employee Classifications

Upload

- Employee census
- Dependent Census (if self funded)

Generate Reports

- 1094/95C to PDF
- Generates eFiling format
- Summary report

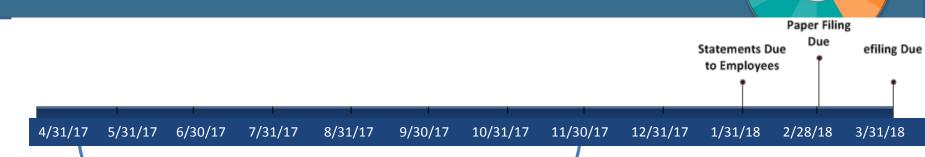
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ACA Elevate Year-end Filing-Responsibilities



Stage	BASIC	Client					
Implementation and Welcome	Set-up client in database. Welcome E-mail sent to Admin user						
System Training	Provide Support	Training sessions available at www.acaelevate.com web landing (log in page)					
Data Collection	Provide Support	Upload intake spreadsheet and validate data.					
Final Intake & Run	Work with client to update changes and correct errors.	Update data for year-end filing. This can be done with an intake spreadsheet upload or by individual employee within acaevelate.com					
e-Filing and Mailing	eFile to IRS & Mail (if BASIC mail service selected)	"or" BASIC will provide an electronic file to client for distribution to employees					

Step 1: ACA Elevate – Welcome Email

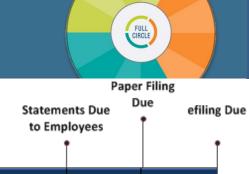




Access BASIC's acaelevate.com portal and logins via your welcome email from our Compliance Department

FULL CIRCLE

Step 2: ACA Elevate – Training Resources



BASIC's ACA Elevate cloud

base portal gives

the client access

to many training

resources



BASIC ACA Elevate - Training

BASIC ACA Elevate Training

ACA Elevate Demo

PDF Documents

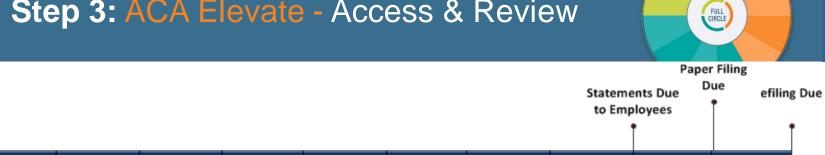
ACA Training Guide Home Page Overview Employer Data Review Class Review Workbook Overview Validation Printing & Filing Forms

Videos

Home Page Overview Employer Data Review Class Review 1095-B WorkbookOverview 1095-C Workbook Overview

Step 3: ACA Elevate - Access & Review

9/30/17



10/31/17

11/30/17

12/31/17

1/31/18

2/28/18

3/31/18

Edit Company BASIC Demo **Company Information** Company Information **Employer Contact Information** Provider Information COMPANY NAME (ALE MEMBER) EIN Other ALE Members **BASIC Demo** STREET ADDRESS 1575 44th Street SW Suite 400 CITY Wyoming ZIP STATE 49509 Michigan AUTHORITATIVE TRANSMITTAL MAIN PHONE **EXTN** Yes (888) 602-2742 ○ No FAX **EXTN** FILING TYPE 0 1094/95B • 1094/95C ALE MEMBER (EMPLOYER NUMBER) Save

4/31/17

5/31/17

6/30/17

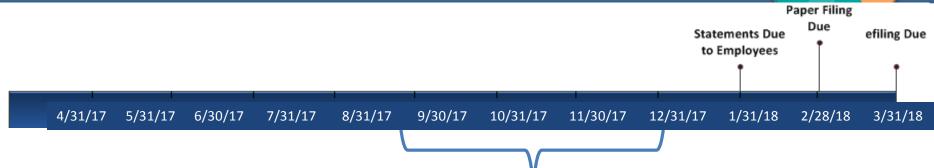
7/31/17

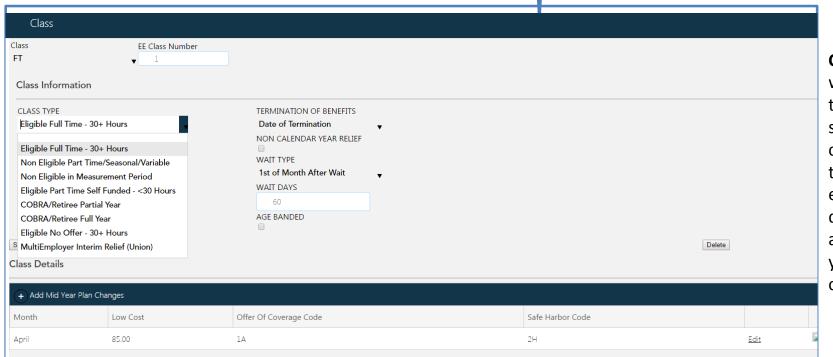
8/31/17

Edit Tab will allow you to update Company Information, add additional company contacts for access, update provider information and add additional ALE Members. Majority of the Company Information will already be prepopulated into the system.

Step 4: ACA Elevate - Set-up





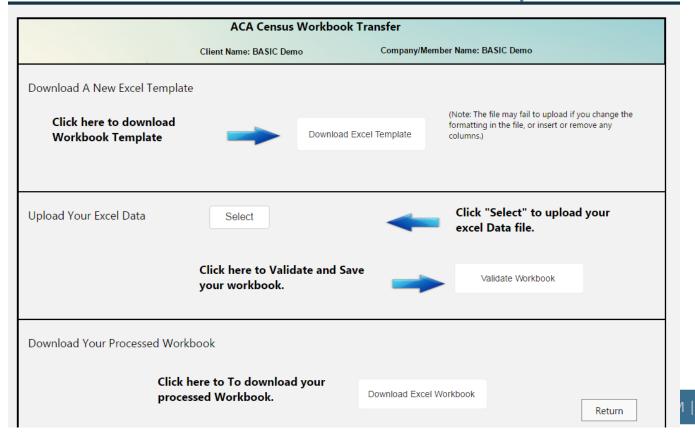


classes Tab
will give you
the ability to
setup class
codes and
types,
effective
dates and
add a midyear plan
changes

Step 5. ACA Elevate - Download Workbook & Run Initial Validation Test







Workbook Tab will give you the ability to download the workbook template, upload the workbook once data is inputted, validate the data and save the workbook to the system

ACA Elevate: System Calculates Correct Codes







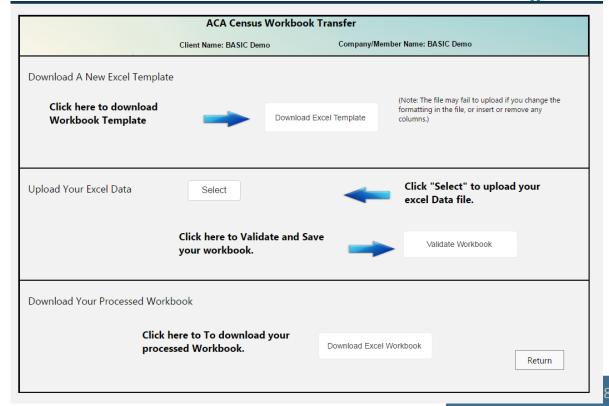
Employee Tab will show all company employees where their demographics and employee classes can be easily updated

Step 7. ACA Elevate - Final WB Upload



Due

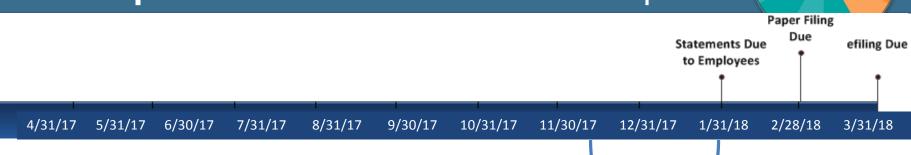




Year-end Filing client can upload their final workbook for year-end filings

for year-end filings with complete and validated data

Step 8. ACA Elevate - Generate Reports



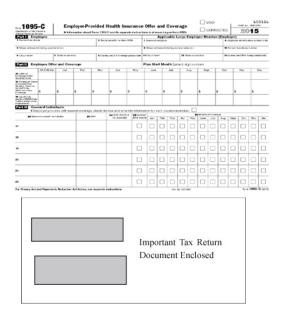
3. BASIC Runs Reports, sends to clients for proofing (Final census load (by BASIC), generate 1094/95 C forms and eFile format) 150116 1095-C Employer-Provided Health Insurance Offer and Coverage Transmittal of Employer-Provided Health Insurance Offer and CORRECTED __1094-C 2015 Coverage Information Returns ► Information about Form 109th C and its separate instructions is at www.ics.co.d/form109tic 2015 Part I Employee Information about Form 1094-C and its separate instructions is at www.irs.gov/form1094 3 Street address (including room or suite ro.) Part II Employee Offer and Coverage For Official Use Only Part III Covered Individuals If Employer provided self-insured coverage, check the box and enter the information for each covered individual. Part II ALE Member Information 20 Total number of Forms 1095-C filed by and/or on behalf of ALE Memb If "No." do not complete Part IV A. Qualifying Offer Method B. Qualifying Offer Method Transition Relief C. Section 4990H Transition Relief D. 9895 Offer Method For Privacy Act and Paperwork Reduction Act Notice, see separate instructions. to-- 1094-C coss For Privacy Act and Paperwork Beduction Act Notice, see separate instructions

FULL CIRCLE

Step 9. ACA Elevate – Form Filing and Distribution



Mail Option*



✓ Print and mail to employees home

eFiling to IRS (automatically included with ACA Elevate)



- ✓ Transmits data to the IRS
- ✓ Check status of filing

Available Now - ACA Transact



BASIC ACA Transact will be ideal for larger employers (300+ employees) who have the resources and internal staff to gather the necessary data and assign coding on a BASIC's workbook. However, they need assistance with transporting that data from an excel workbook to the appropriate forms.



- 1. Access to ACA Transact portal
- 2. Complete workbook, upload through portal validation
- 3. Access to view and edit forms within the portal
- 4. Ability to print final forms in PDF forma s well as eFile electronically with the IRS through the portal
- 5. 2 1095 form mailing options available (bulk mail to employer or mail directly to employees) *additional fees apply

Self-Admin
Solution for 1/3rd
the Cost









We're proud to offer a full-circle solution to your HR needs. BASIC offers collaboration, flexibility, stability, security, quality service and an experienced staff to meet your integrated HR, FMLA and Payroll needs.

BASIC's Award Winning Services



Request a price quote or proposal for one or more of BASIC's services.

- FMLA
- FSA / HRA / HSA
- COBRA
- Payroll & Timekeeping
- Absence Management

Learn more about BASIC's Employer Compliance Service

- ERISA
 Essentials
- ACA Elevate

Contact Us





HR solutions should be simple. **Keep it BASIC.**



800.444.1922 sales@basiconline.com www.basiconline.com