The Affordable Care Act
Use the Delay Wisely

The Affordable Care Act's (ACA) employer mandate was delayed until January 1, 2015, for organizations with 100 or more employees. Smaller employers have more breathing room. If you have between 50 and 99 employees, compliance is further delayed until January 1, 2016.

Large employers face sizeable penalties if they do not offer insurance to at least 70% of full-time employees in 2015 and 95% of full-time employees in 2016 and beyond. But under the Act, who is entitled to receive benefits? How can you easily track and manage employee eligibility?

Large employers need a strategy NOW; employee hours in 2014 determine your liability in 2015.

What should I do to prepare?

1. Establish your measurement, administrative, and stability periods according to the IRS's safe harbor determination process.
2. View 2014 as a "test period" for your reporting system, ensuring that you are easily able to capture and report on the information required by the IRS prior to 2015.

About the Safe Harbor Determination Process

Measuring employees according to the IRS safe harbor rules involves three sequential timeframes: measurement, administrative, and stability periods.

Employee service hours are tracked during the measurement period. Service hours include all paid time such as paid leave, vacation, sick time, and worked time. Service hours also include special unpaid leave such as FMLA and jury duty. As a best practice, the measurement period is the same length as the stability period.

The optional administrative period is used to determine employee full-time status based on average service hours in the measurement period— 130 hours per month or 30 hours per week on average. Employees are notified of their status, and full-time employees are offered insurance and enrolled during this time. As a best practice, the administrative period encompasses your benefit plan's open enrollment period.

The employee's status, full-time or not-full-time as determined during the administrative period, is established for the duration of the stability period. If full-time and enrolled, the employee is insured for the entire stability period. As a best practice, the stability period aligns with your plan's benefit period. If you have a 6-month benefit period, then you have a 6-month stability period. If you have a 12-month benefit year, then you have a 12-month stability period.

Best Practices

The **measurement period** and stability period are the same length.

The **administrative period** encompasses your benefit plan's open enrollment period.

The **stability period** aligns with your plan's benefit period.

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About Reporting Requirements

IRS reporting requirements (Section 6056) become effective for the calendar year 2015. Beginning in 2016, all employers will be required to provide the following information to the IRS by January 31st for the preceding calendar year:

- Certification of employer-sponsored health plan offering minimum essential coverage.
- A monthly count of full-time employees.
- The name, address, and taxpayer ID of each full-time employee during the calendar year and the months of coverage.
- Insurance details about availability, waiting period, employee premiums, and employer costs.

How can Attendance on Demand help?

Attendance on Demand helps you determine your liability under ACA, save time in ACA reporting and auditing, and better manage your workforce:

- Each employee's full-time status is easy to determine, with automated calculation of measurement period averages and automated status settings during stability periods.
- The administrative burden of new and seasonal employees is reduced with system-applied initial measurement periods and reminders when they end.
- Measurement periods and status edit logs are archived to reduce risk and save time in audits.
- Notifications alert managers when part-time employees approach full-time status to help proactively manage liability and expense.

About Attendance on Demand

Attendance on Demand supports the labor management needs of thousands of companies and more than a half 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, and automating recordkeeping for labor law compliance. 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.

For more information

For more information on ACA Tax Provisions, visit www.irs.gov/uac/Affordable-Care-Act-Tax-Provisions-for-Employers

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This document simplifies a complex Act as understood by Attendance on Demand, Inc. It is not to be taken as legal advice. For more information about PPACA compliance, contact the Internal Revenue Service at http://www.irs.gov/uac/Affordable-Care-Act-Tax-Provisions-for-Employers