



➤ January 22, 2025

Is ACA Reporting Mandatory for You?

BASIC Has the Solution to Simplify Compliance.

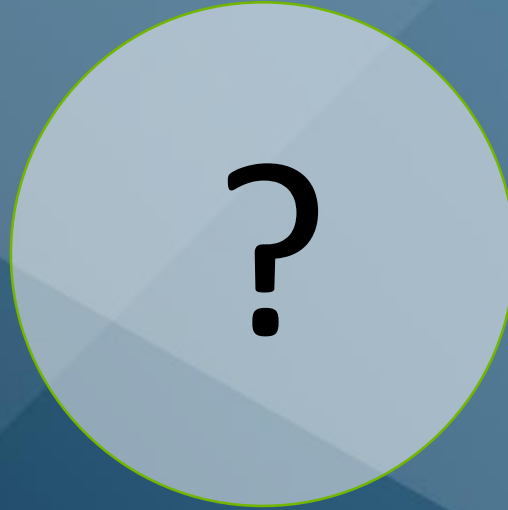


Presentation By:  
**Matt Steffic**

# Before We Begin



We are recording today's webinar



Submit your questions at any time



Please complete the exit survey

# Coast to Coast Administration



**BASIC services over  
20,000 employers  
nationwide.**



# Technology Driven HR Solutions to Take Your Company Further

Suite of HR Benefits, Payroll and Leave Management, and Compliance solutions offered individually or bundled.



# ACA Background

# ➤ Affordable Care Act (ACA) Filing

- Reporting requirements started in 2015
- ACA requires Applicable Large Employers (ALE), employers with **50 or more full-time equivalent (FTE)**, to provide information (Form 1094-C/1095-C) to the IRS that proves they are offering Minimum Essential Coverage (MEC) to at least 95% of their employees.
- Employers must also furnish Form 1095-C to employees confirming that they offered benefits.
- Inability to file or report correctly will result in numerous and expensive fines for employers



# ➤ Acronyms and Terminology

- ACA – Affordable Care Act
- ALE - Applicable Large Employer
- FTE – Full-time Equivalent Employee
- MEC – Minimum Essential Coverage
- MV – Minimum Value



# ➤ New ACA Reporting Laws 2024

## 1. Legislation:

- Paperwork Burden Reduction Act (H.R. 3797) ~ [H.R.3797](#)
- Employer Reporting Improvement Act (H.R. 3801) ~ [H.R.3801](#)

## 2. Key Dates:

- Passed the House: June 21, 2023 / Passed Senate: December 10, 2024
- Both Bills signed December 23, 2024
- Effective for 2024 ACA filings due in March 2025

## 3. Key Provisions:

- If an employer does not have **a Social Security Number for an Employee** – starting with the 2024 filing (due March, 2025 – they can substitute the Date of Birth for the employee . **Note** – this is only if no SSN is available.
- Stating with the 2024 reporting (due March, 2025) an employer **“may not have to”** mail forms to employees if they have an alternative method of providing the 1095-C forms in place and provide this information to employees.
- **Allows Employers more time to respond to an IRS 226J Notice** - Determination that an ALE May be liable for a shared responsibility Payment (ESRP) under section 4980H. Changes the response time from 30 days to at least 90 days.



# ➤ 2024 Reporting Deadlines

Dates	IRS Deadline
<b>February 28, 2024</b>	Deadline to file Forms 1094-C/1095-C if filling by paper (less than 10)
<b>March 31, 2025</b>	Deadline to file Forms 1094-C/1095-C electronically
<p style="text-align: center;"><b>E-Filing Requirement</b> Employers who have at least 10 Forms to file must file electronically. Previous years, it was 250 forms.</p>	
<b>March 3, 2025</b>	Deadline to supply Forms 1095-C to employees <b>*NO LONGER REQUIRED*</b>

# ACA Requirements

# ➤ ACA Requirements

**50**

An applicable large employer (ALE) is an employer with **an average of at least 50 full-time equivalent employees (FTE)**

**120**

Employees who work **120 hours** or more per month are considered full-time and count towards determining the ALE status

**130**

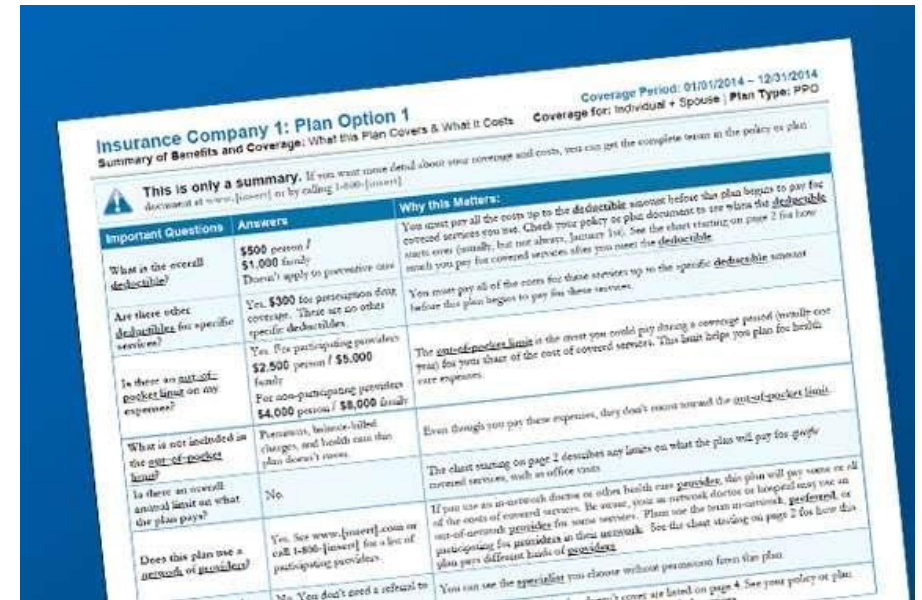
Employees who work **130 hours** or more per month are considered FTE and an offer coverage must be made

# ➤ ACA Requirements

Employer-sponsored Group Health Plan(s) must offer **Minimum Essential Coverage (MEC)**.

MEC does **not** include the following:

- Excepted benefits (most FSA plans are excepted benefits)
- Fixed indemnity coverage
- Life insurance
- Dental coverage
- Vision coverage



Check your Summary of Benefits and Coverage (SBC)

# ➤ ACA Requirements

## Is Your Plan Affordable?

Employers need to confirm that the employee premium portion for self only coverage is affordable.

2024 Affordability	2025 Affordability
8.39%	9.02%

## Minimum Value (MV)

An employer-sponsored plan provides **minimum value** if it covers at least 60% of the total allowed cost of benefits that are expected to be incurred under the plan.

# Common Employer Mistakes and Penalties

# ➤ Common Employer Mistakes

1. **Providing affordable coverage** that meets minimum essential coverage / minimum value (MEC / MV) to all full-time eligible employees
  - Employers often don't understand how to determine affordable coverage
2. **Manage employees by class of employees**
  - Who is Full time?
  - Who is Part time?
  - Who is a Seasonal Employee?
  - Difference between Seasonal "Employee" / Seasonal "Worker"
  - Variable Hour Employees
3. **Actively manage employee eligibility** for the entire calendar year
4. **Timely offer Affordable MEC/MV Health Benefits to full time employees** (working 30 or more hours weekly)



## ➤ Reporting Penalties

- Both failure-to-furnish and failure-to-file (or late filing) each have penalties of \$290 per return
- ACA penalty amounts nearly double if non-compliance is ruled to be intentional
- For example, an ALE who fails to file or distribute information returns for its 150 employees would be liable for an **\$87,000 penalty** assessment. If the IRS deems the ALE's non-compliance as intentional, that amount **almost doubles to \$174,000!**



# ➤ IRS 226J & 5699 Letters

The IRS Affordable Care Act (ACA) Enforcement Office, is actively sending IRS Letters:

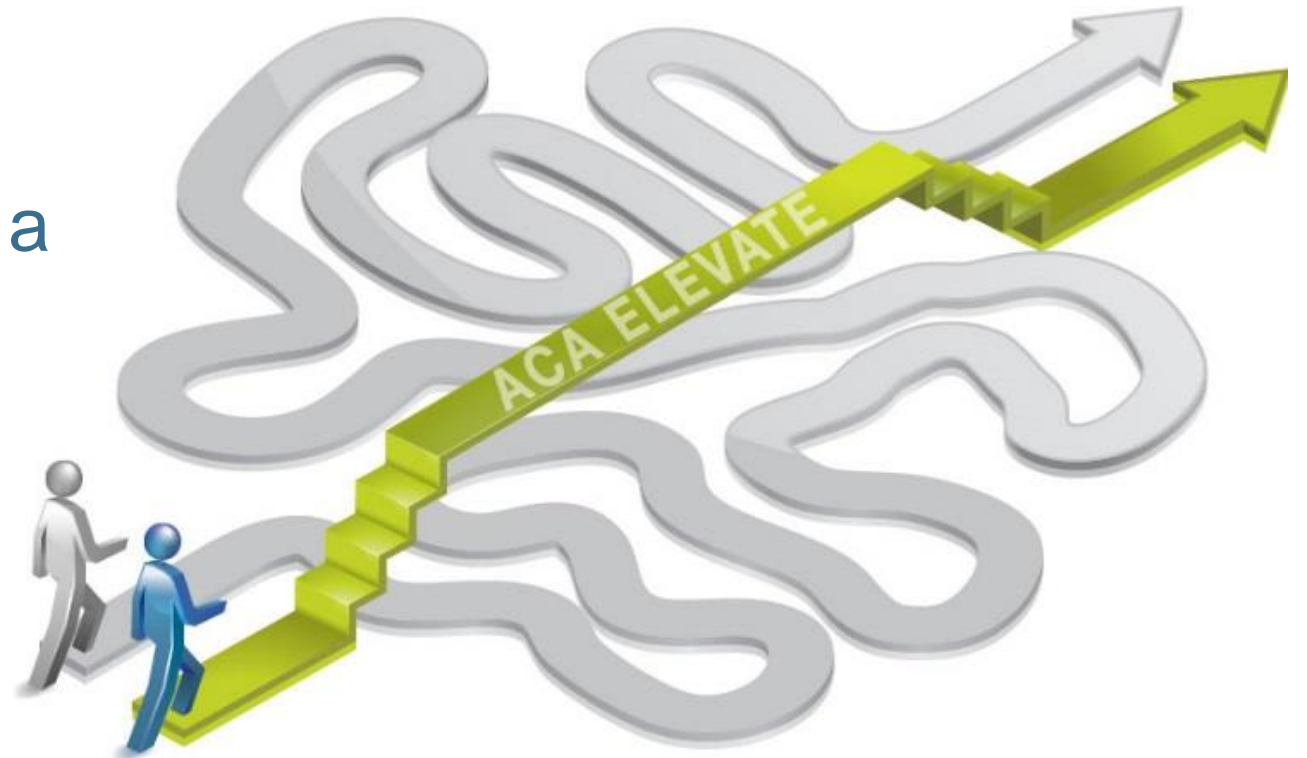
- 226J Letter – Penalties assessed for plans not meeting MEC or affordability requirements.
- 5699 Letter – Penalties assessed for ACA reporting non-compliance.

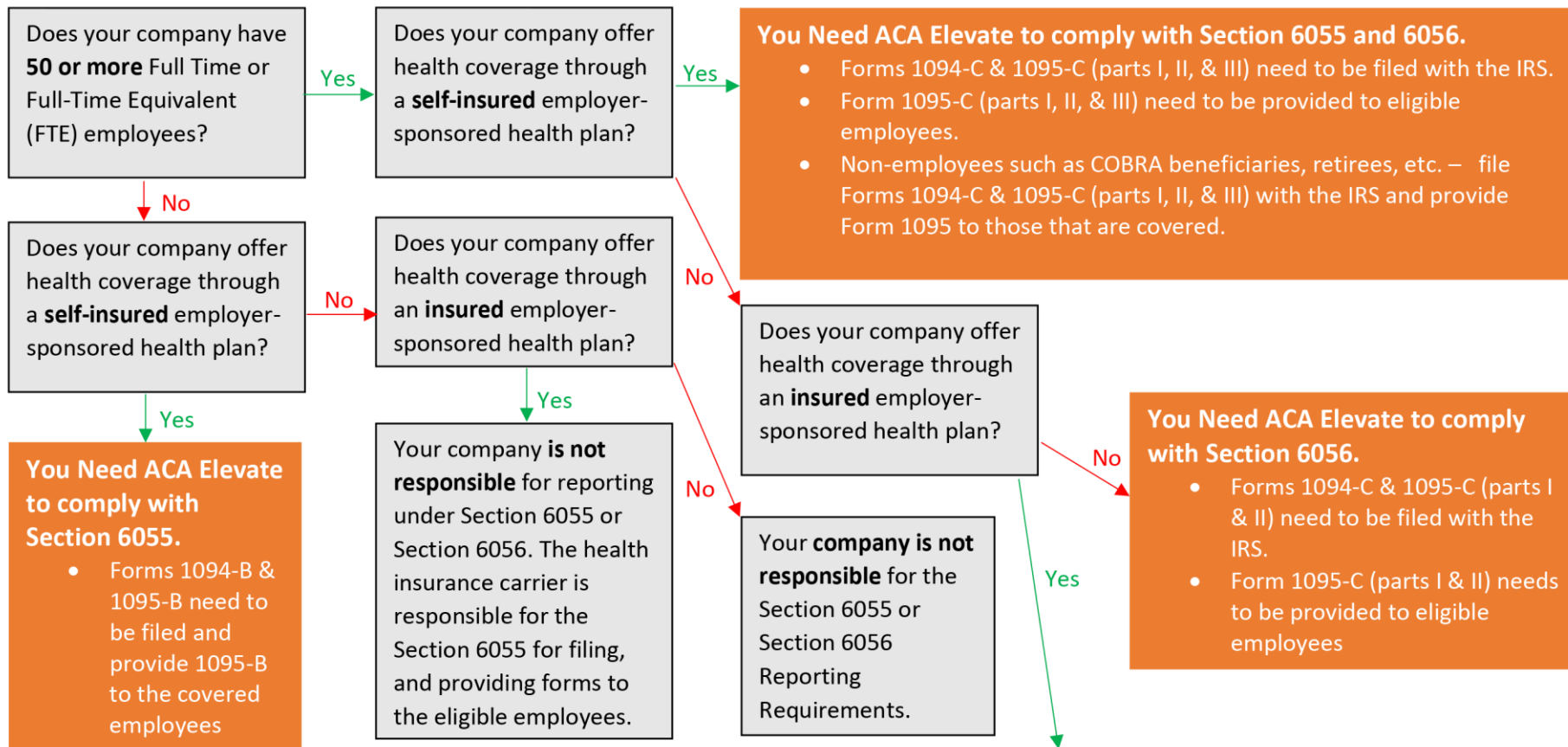


# BASIC's Solution

# ➤ Reporting For Any Employer!

- Self-insured and fully-insured
- Renewing benefits mid-year
- Multiple companies filing as a controlled group
- Union and non-union environments
- Age banded





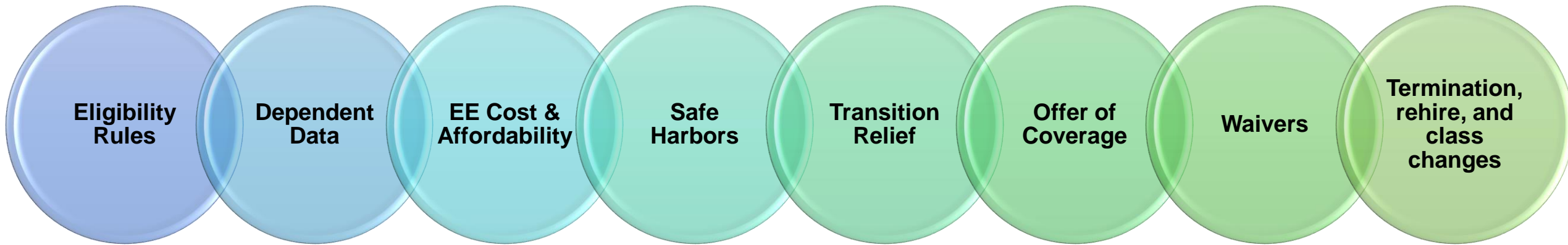
BASIC's ACA Elevate is a stand-alone solution that generates 1094-C & 1095-C Forms and electronic filing with simple uploads of a MS Excel workbook.

# ➤ Built-In Logic and Security

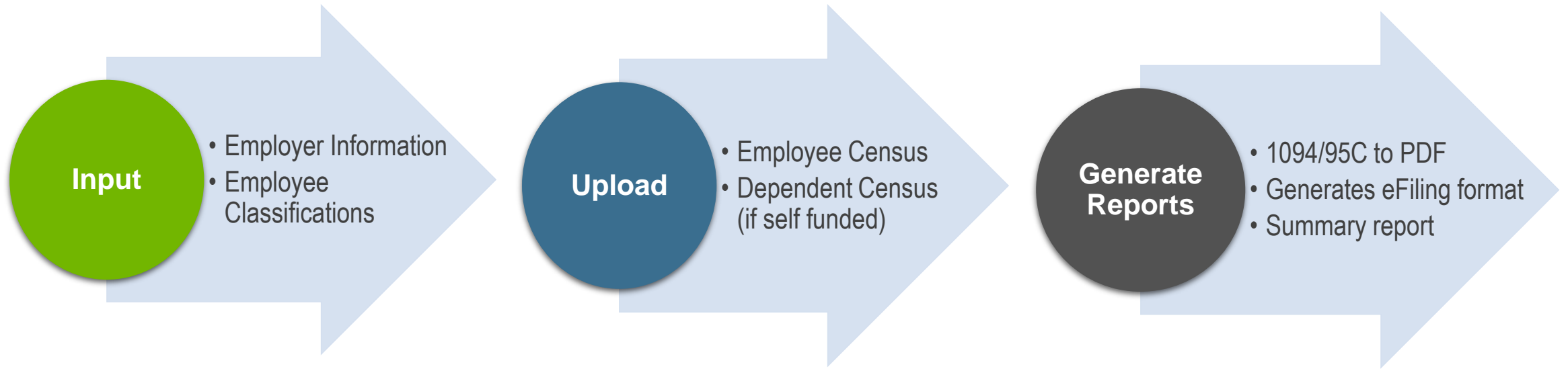
- Determines correct indicator codes
- Assigns correct plan effective rates
- Calculates 70% and 95% offer
- Interprets safe harbor and transition relief designation thresholds



# ➤ ACA Elevate: System Calculates Correct Codes



# ➤ ACA Elevate: The Process



# ACA Workbook

Employee Demographic Information - Please Complete For Any Employee With Active Status During the Current Calendar Year													Initial (1st) EE Status/Health Coverage Information				
First Name	Middle Initial	Last Name	Hire Date	SSN	DOB - Only needed for Ageband and ICHRA plans	Address1	Address2 (optional)	City or Town	State or Province	County	Zip or Postal Code	EE Status	Health Ins Coverage <b>Choose only one</b>		(Only If Applicable) Status "end" date. EE Status Change - <b>Choose only one</b> - Must select one prior to starting next event		
First Name	Initial	Last Name	Hire Date	SSN	DOB - Only needed for Ageband and ICHRA plans	Address1	Address2 (optional)	City or Town	State or Province	County	Zip or Postal Code	ALE Member (Employee)	EE Class	Coverage Begin Date	Coverage Waive Date	Status End Date	Coverage Termination/End Date



# ➤ Responsibilities

Stage	BASIC	Client
<b>Implementation and Welcome</b>	Set-up client in database. Welcome E-mail sent to Admin user	
<b>System Training</b>	Provide Support	Training sessions available at <a href="http://www.acaelevate.com">www.acaelevate.com</a> web landing (log in page)
<b>Data Collection</b>	Provide Support	Upload intake spreadsheet and validate data.
<b>Final Intake &amp; Run</b>	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 <a href="http://acaeevelate.com">acaeevelate.com</a>
<b>e-Filing and Mailing</b>	eFile to IRS & Mail (if BASIC mail service selected)	"or" BASIC will provide an electronic file to client for distribution to employees

# ➤ ACA Elevate – Mail Option\*

- Print and mail to employees' homes

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

**Employer-Provided Health Insurance Offer and Coverage**  
▶ Do not attach to your tax return. Keep for your records.  
▶ Go to [www.irs.gov/Form1095C](http://www.irs.gov/Form1095C) for instructions and the latest information.

600120

VOID  
 CORRECTED

OMB No. 1545-2251  
**2020**

Important Tax Return  
Document Enclosed

**Part I Employee**

1 Name of employee (first name, middle initial, last name)		2 Social security number (SSN)		7 Name of employer		8 Employer identification number (EIN)	
3 State or province		4 City or town		5 Street address (including room or suite no.)		6 Country and ZIP or foreign postal code	
9 State or province		10 City or town		11 Street address (including room or suite no.)		12 Country and ZIP or foreign postal code	

Type of Coverage		Employee's Age on January 1												Plan Start Month (enter 2-digit number):											
		Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	

17 ZIP Code

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 60705M Form 1095-C (2020)

# ➤ Lessons Learned From Experience

## Major pain points for employers

- Employers must dedicate resources, time, and a lot of energy to complete the forms
- Coding can be confusing
- IRS transmission issues: corrections process continues (SSN/TINs are being rejected 7-10% of the time)



## ➤ Why ACA Elevate?



- Accurate forms & timely transmissions
- Correct coding
- Excellent customer & compliance support guiding you through the process
- BASIC assumes liability for accuracy of the transmittal to the IRS, timing of the employee forms, and accuracy of the information
- BASIC's established IRS Transmitter Code for electronic filing

# Before Q&A



Receive an  
email  
tomorrow with  
recording



Please  
complete the  
exit survey

QUESTIONS





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