ACA Compliance Employer Mandate Practitioner Training Guide

University System Of Georgia

February 2018

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ACA Compliance Employer Mandate—Administration

Effective 1/1/2018, Alight assumed the Administration of the Employer Mandate process. This is a comprehensive service that includes:

- Receiving and administrating the hours files
- Evaluating Full time and benefits eligibility
- Administration of the enrollment process
- Monthly and Annual reporting

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ACA Compliance Employer Mandate—Agenda

- What is Changing?   ACAMP vs. Alight
- Process considerations made during the implementation
- Hours Files
    - Schedule
    - Process for receiving and storing hours
    - Adjusting hours
    - Additional information
- Determination of Eligibility- ACAMP vs. Alight
    - Alight Employer Mandate (ERM)Terminology
    - Calculating hours, Full-time and Benefits determination process
    - Example for Initial measurement period
- Reporting
    - Reporting process – ACAMP vs. Alight
    - Reports Examples
- Next Steps
- Q & A

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ACAMP vs. Alight—What is Different?

Process	ACAMP	Alight
Initial Measurement Period Timeframe and Approach	• 12 months in length • Look-back	• No Change
Administrative Period	• 2.5 months in length • October 3 – December 31 • FTE calculation will be run in October • Hours pulled into this calculation can be based on pay period end date	• No Change
Standard Stability Period Measurement period and Timeframe	• 10/3 – 10/2 • January 1 – December 31	• No Change
Payroll Hours File Submission process	• Payroll Hours File • LOA Hours File*	• **Payroll Hours File** ***LOA hours are address using the 501 Credit hours process**
Employee Indicative Data file	• Employee Core File	• **No longer needed (already provided to us via the HR Data file process)**
Hours Calc Process	• Averaging Method used	• **Threshold Method Used**
Hours Adjustment Process	• Maintain your current Processes	• No Change
Forecasting (Workforce Management)	• Review of the monthly Projection report	• No change
Determining Eligibility	• Institutions use the ACAMP to determine eligibility and the offer of coverage is administered by each institution	• **Alight determines eligibility and administers the offer of coverage. Institutions are responsible for review and approval prior to the offer of coverage**
Access to Reporting	• The ACAMP System	• **PSP Share Point Folders: URL: http://www.usg.edu/oneusg_connect/ (ACA folder)** **Note: Access to PSP is restricted by institution. Anyone who has access to the institution folder will be able to access the ACA reports**

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ACA Compliance Employer Mandate Considerations

Processing Considerations

1) Look-Back is performed on all employees (benefits eligible and ineligible)

2) Standard Measurement window = 10/3 – 10/2 and the initial measurement evaluation is based on a 12 month look-back. The calculation of hours is evaluated based on the pay period end date

3) Hours Files are EFT'ed to Alight from each data source based on the pay cycles using the current format

4) Alight will not adjust hours, we will use what is provided by each data source and determine FTE based on meeting a threshold of 1559.01 hours

5) Eligible employees will be offered and enrollment opportunity for coverage in the Health plans if they meet FTE eligibility at the end of their administrative window

6) Eligible employees who become Ineligible will be terminated from benefits

7) USG has provided Alight with the Historical Hours files so that Alight can begin to administer based on their current standing

8) Anyone terminated and rehired within 26 weeks will be measured based on the original hire date. Beyond 26 weeks, the most recent hire date will start their initial measurement period

9) Employees with a 'break in service' greater than 4 weeks will be identified as eligible for 501 credit hours and reporting will provide the estimated relevant hours averaged over the entire administrative window

10) Reporting will be provided monthly and posted to the PSP Share Point Folders

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Receiving and Storing Hours
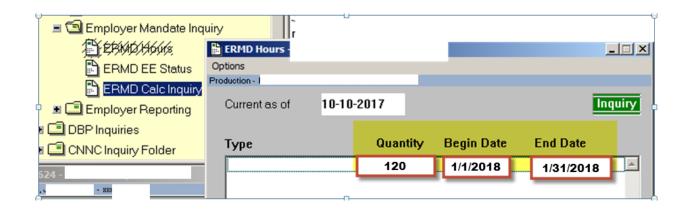
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Hours requirement

- Hours are included if the employee is paid or entitled to payment for performance of duties for the employer or for a period of time during which no duties are performed (e.g., paid PTO, paid leave, Worker's Comp, LTD if premiums paid by employer)

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ACA Compliance Employer Mandate – Hours Process

- Hours Files are EFT from each Data Source and include the hours for:
  - Active and paid LOA
- Stored on Alight with the Pay Period Begin Date/End Date

Example of what our system stores:

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ACA Compliance Employer Mandate – Hours Adjustment Process - Examples

Hours can be adjusted by modifying the hours on the next available pay cycle – See examples below:

Adjustment Example A:

Pay Period Begin Date on File	Pay Period End Date on File	File Date	Hours Worked	Hours on File	Comments
01-01-2014	01-07-2014	01-08-2014	40	30	Incorrectly sent 10 less hours than worked
01-08-2014	01-14-2013	01-15-2014	40	50	10 hours added to account for the 10 hours missed the prior file

Adjustment Example B:

Pay Period Begin Date on File	Pay Period End Date on File	File Date	Hours Worked	Hours on File	Comments
01-01-2014	01-07-2014	01-08-2014	40	90	Incorrectly sent 50 more hours than worked
01-08-2014	01-14-2013	01-15-2014	40	-10	50 hours subtracted to account for the 50 hours reported incorrectly on the prior week's file

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ACA Compliance Employer Mandate – Scenarios and Approach

- **Moving from one payroll to another** – hours will be sent for each applicable pay schedule under each payroll source. Hours that are paid under each company's payroll will be sent. Begin and end dates of the hours passed will overlap.

- **Pay schedule changes** – hours will be sent for each applicable pay schedule and begin and end dates will overlap. All hours will be included over the measurement period

- **Negative hours** can be sent if hours are backed out for any reason and it's possible that the total hours sent could be a negative amount. Alight will load these hours for the pay period sent when the adjustment is made and the negative amount will be included in the overall calc.

- **When no hours are paid** – USG will not send any hours for an employee if no hours are paid, zero total hours will not be passed. Alight will calc hours averaged over the full measurement period.

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Eligibility Determination

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ACA Compliance Employer Mandate (ERM) Terminology

ERM Status is set at the time of hire:

- Variable Eligible - VARELIG – Status given to employees who are hired and expected to work 30 hours or are hired as Benefits eligible. **Employees with this status are evaluated to determine FTE status only.** ACAMP Equivalent – "FT"

- Variable Hours - VARHRS – Status given to employees who are hired and expected to work <30 hours or are benefits ineligible. **Employees with this status are evaluated to determine both FTE status and eligibility for benefits.** ACAMP Equivalent – "PT" or "Variable"

  - IMP = Initial Measurement Period. Status is given when an employee is newly eligible (within first 12 months)
  - IAP = Initial Administrative Period. Status is given when a person is within the 60 day window between the 12th -13th months.
  - ISP = Initial Stability Period. Begin date is day after the initial administrative period end date
    SSP = Standard Stability Period. Status is given to ongoing participants for the period from 1/1 – 12/31.
  - SMP = Standard Measurement Period. From 10/3 - 10/2.

- Ineligible – NELIG – Status given to employees who are not included in this process (i.e. terminated)

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Calculating hours

- Alight will not calculate an average of hours worked per week
- Instead, the total sum of hours will be compared to a threshold
- The threshold is calculated as:
  (130 hours x the number of months in the measurement period) – 0.99
  Note: 0.99 used for rounding purposes
- In order to meet the FTE criteria, employees must meet or exceed the hour threshold of 1559.01 creditable hours
- An employee who is currently eligible and does not meet the FTE threshold in the current measurement period will lose eligibility and will receive a Benefits Eligibility Determination Notice

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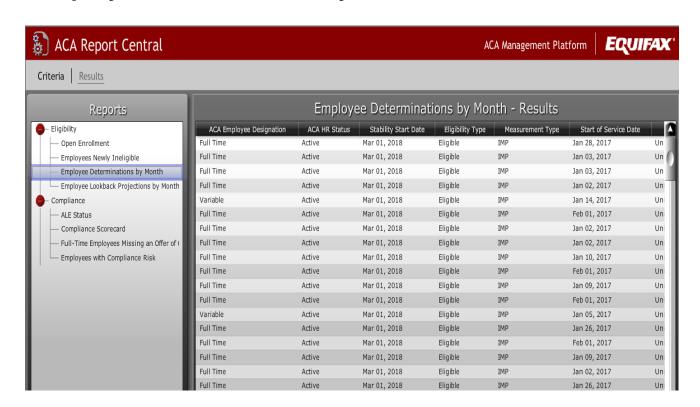# Reporting

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ACA Compliance Employer Mandate Reporting Dashboard

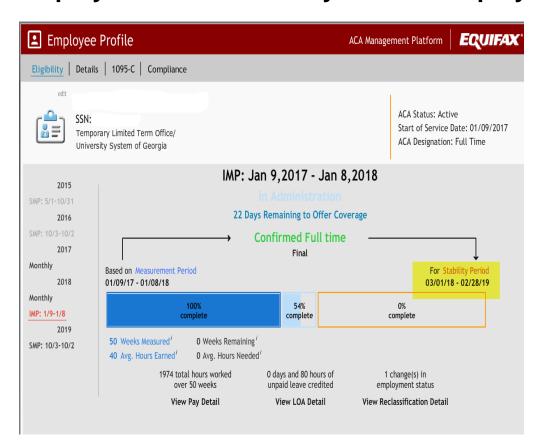| ACAMP- Current Reports	Alight Reports	Frequency	Delivery	Access	Notes
Determination by month	**Calc Report - Standard**	Annual	October	PSP – SharePoint Folders	Will start receiving in October
Determination by month	**Calc Report- Initial**	Monthly	2nd Wed.	PSP – SharePoint Folders	Will start receiving in March
Standard Projections by Month	**Detailed Projection – SMP**	Monthly	2nd Wed.	PSP – SharePoint Folders	Phase II report
Look-back projections by month	**Detailed Projection – IMP**	Monthly	2nd Wed.	PSP – SharePoint Folders	Phase II report
Compliance scorecard	**FTE Compliance report**	TBD	TBD	BOR SharePoint Folder	Phase II report
N/A	**Payroll data with Zero Hours**	Runs with payroll hours files	Runs with payroll hours files	PSP – SharePoint Folders	Will Start receiving in March

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ACA Compliance Employer Mandate Reports Comparison

**ACAMP Report—ACA Report Central
Employee Determination by Month**

ACA Compliance Employer Mandate Reports Comparison

ACAMP Report—ACA Report Central
Employee Determination by Month—Employee Drilldown

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ACA Compliance Employer Mandate Reports Comparison

**ACAMP Report—ACA Report Central
Employee Lookback Projections by Month**

ACA Compliance Employer Mandate Reports Comparison

**ACAMP Report—ACA Report Central
Employee Lookback Projections by Month—Employee Drilldown**

ACA Compliance Employer Mandate Reports Comparison

ACAMP Report—ACA Report Central Compliance Scorecard

There are two separate penalties (an "A" penalty and a "B" penalty). An employer will never be required to pay both penalties in the same year.
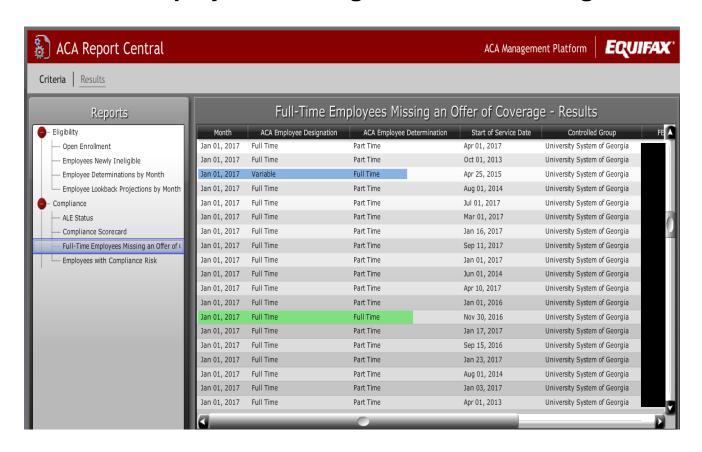
The "**A**" penalty is assessed if the employer is subject to the Employer Mandate, but fails to offer health insurance to at least 95% of its full-time employees.

The "**B**" penalty applies if the employer's health plan fails to meet the minimum value requirement or affordability requirement. Our HSA plan meets these requirements.

This penalty is **also** triggered when one full-time employee receives a federal premium subsidy when shopping in the Marketplace.

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ACA Compliance Employer Mandate Reports Comparison

ACAMP Report—ACA Report Central
Full-Time Employees Missing an Offer of Coverage

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ACA Compliance Employer Mandate Reports Definitions

Report Name	Purpose	Expected Action by the Institution	Alight Action
Calc Report – Standard Measurement Period (SMP)	The standard 'final calc' report will include the total hours worked within the full measurement window of 10/3 – 10/2. Additionally, hours will be calc'ed for employees with breaks in service based on averaging hours for the # of weeks in the measurement window and potentially eligible for 501 credit hours.	The report will require USG/Institution sign off or direction.	Alight will use the report to determine FTE, eligibility as week as adjusting the hours in the system with institution instruction.
Calc Report – Initial Measurement Period (IMP)	The Initial 'final calc' report will include the total hours worked within the full initial measurement window. Additionally, hours will be calc'ed for employees with breaks in service based on averaging hours for the # of weeks in the measurement window and potentially eligible for 501 credit hours.	The report will require USG/Institution sign off or direction.	Alight will use the report to determine FTE, eligibility as week as adjusting the hours in the system with institution instruction.
Detailed Projection – IMP and SMP	The projection reports will include the total hours as of the report run date and estimate the average hours worked during the weeks works as of the file run date. This report will be produced solely for the purpose of identifying hours estimates that institutions can use for workforce management purposes. Projection Reports will also identify anyone with a break in service of 4 consecutive weeks as 501 credit eligible.	No action is required unless Institution needs Alight to make an adjustment	Alight will take no action unless there is institution instruction.
FTE Compliance report	Compliance scorecard	No action is required	No Action
Payroll data with Zero Hours	The report identifies employees in pay groups G, L or P and were received on the hours files but reported 0 hrs	Review and make corrections/adjustments for the next period hours file	Alight will post the report to the PSP folders for institution review

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Report Examples

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Reports Templates

USG Training ERM
Sample Dashboard

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Open Questions

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FAQ's?

- **Question:** How will institutions respond to reports or provide instructions back to Alight?
  Answer: Alight will provide the institution process owner with instructions each month when the report is sent out. The responses will come back to our shared **mailbox** **oneusg.connect.escalations@alight.com**
  Email title: "January ACA Report Response from Institution 030"

- **Question:** We have an employee that is transferring from another USG school we check the hours they had there. Will we have a way to check this?
  Answer: Alight will report the total hours under the primary institution on our system as of the report run date. The institution is responsible for reviewing the reports.

- **Question:** Where can reports be accessed?
  Answer: Reports will be posted in the PSP Share Point folders. Only those with access will have the ability to view the reports.

- **Question:** Where will the training materials and the recording be posted?
  Answer: The materials for this training will be available on the Faculty and Staff page: http://www.usg.edu/shared_services_center/practitioner_services/benefits

- **Question:** What is the frequency of the hours files?
  Answer: The hours files are sent by the payroll platform using the following schedule:

Source	Frequency
ADP	Monthly
OneUSG	Monthly
Georgia Tech	Based on Pay Schedules
Augusta	Monthly
University of Georgia	Based on Pay Schedules

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FAQ's?

- **Question:** Are hours reported from paycheck or timesheet data?
  Answer: Paycheck data

- Question: Seasonal employees work a variety of hours. How will hours show on reports?
  Answer: Alight will accumulate the hours. A total of the hours receive will be used to determine full-time and benefits eligibility.

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Next Steps

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Implementation high level timeline

Phase	Time frame	Owner
Requirements	January	Alight/USG
System Set up and Configuration	January - February	Alight
Receipt of Historical Hours Files *Final hours for 2017 needed before first hours file in 2018 and weekly ongoing hours file Historical calc data from USG	November – January	USG
Data Sources begin sending Hours files	January – 2018 hours	USG
Eligibility Calculation and Reporting	March	Alight

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Appendix

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Alight's approach for <u>initial periods</u>

Initial Periods	Approach
Measurement Period	12 months in length starting from hire date

Administrative Period	• Since hire dates vary and coverage needs to start on the 1st of the month (i.e., initial stability period begin date), the length of the initial administrative period will vary:
	    • Begin date is day after initial measurement period ends
	    • End date will be 60 days from the initial administrative period begin date, rounded to the end of the month
	• Hours pulled into this calculation can be based on pay period begin or end date

Stability Period	12 months in length begins the day after administration period ends

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Alight's approach for <u>Initial periods</u>

Example 1: hire date = 6/2/17

Period	
Initial measurement period (IMP)	6/2/17 – 6/1/18
Initial administrative period (IAP)	6/2/18 – 7/31/18
Initial stability period (ISP)	8/1/18 – 7/31/19

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Alight's approach for <u>standard periods</u>

Standard Periods	Approach
Measurement Period	• 12 months in length • October 3 – October 2
Administrative Period	• 2.5 months in length • October 3 – December 31 • FTE calculation will be run in October • Hours pulled into this calculation can be based on pay period begin or end date
Stability Period	• 12 months in length • January 1 – December 31

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