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# ACA Year-End Prep Webinar

December 15, 2022

Presented by:

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Michelle Miller, HR Premier Services Lead

# TODAY'S AGENDA

- + Important Dates & ACA Information
- + Responsibilities
- + ACA Pre-Processing Checklist & Other Resources
- + 1095-C & 1094-C Guidance
- + Year-End Processing Walk-Through

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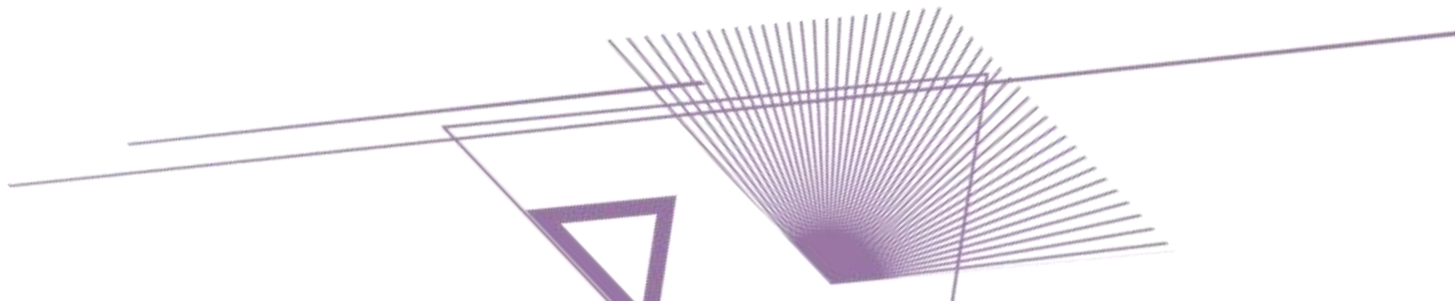
# Important Dates

- **December 14<sup>th</sup>** Clients to begin ACA Pre-Processing Checklist in Würk to prepare for ACA Year-End Processing.
- **January 1<sup>st</sup>** ACA Year-End 2022 Processing becomes available for Clients to complete.
- **January 20<sup>th</sup>** Clients to complete ACA Year-End Processing in Würk for *each* applicable EIN.
- **January 23<sup>rd</sup> – 31<sup>st</sup>** Würk will pull ACA data to file Federal & State 1094-Cs and print/mail employee 1095-Cs.
  - Würk will communicate to clients (via ACA Support Ticket) data errors to be corrected in Würk; once corrections are made, new data files will be pulled.
- **February 1<sup>st</sup> – 28<sup>th</sup>** Würk to provide Clients with errors resulting from IRS file submissions that were “accepted with errors”.



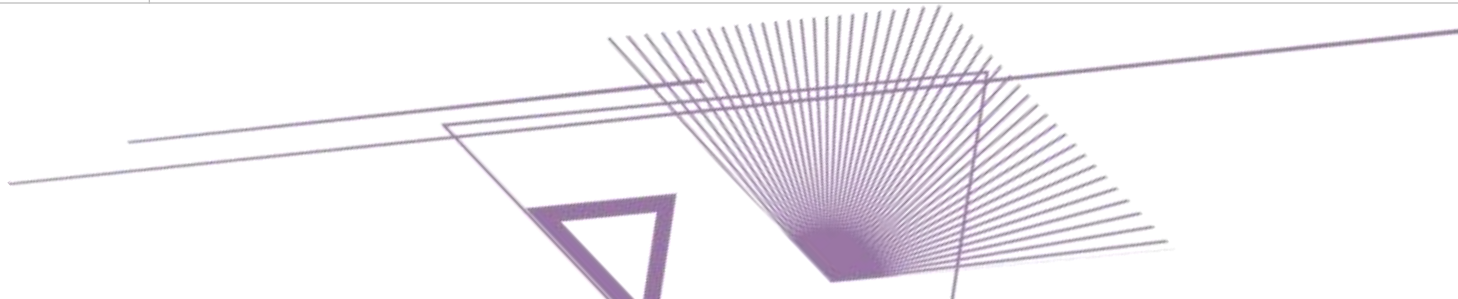
# ACA Acronyms

| <b>ACA</b> | Affordable Care Act        | Also known as "PPACA" and "Obamacare"  |
|------------|----------------------------|--|
| <b>ALE</b> | Applicable Large Employer  | Employer with 50 or more Full-Time (FT) + Full-Time Equivalent (FTE) employees.  |
| <b>MEC</b> | Minimum Essential Coverage | Any insurance plan that meets the Affordable Care Act requirement for having health coverage.  |
| <b>MV</b>  | Minimum Value              | A standard of minimum coverage that applies to job-based health plans.<br>A health plan is considered "minimum value" if it's designed to pay at least 60% of the total cost of medical services for a standard population & its benefits include substantial coverage of physician and inpatient hospital services. |



# Key Terms

| <b>Aggregated ALE Group</b>     | A group of related ALE's that together meet the 50 or more FT+ FTE threshold.   |
|---------------------------------|---|
| <b>Hours of Service</b>         | Each hour an employee is paid for the performance of job duties, which also includes each hour an employee would have been paid for to perform job duties (i.e. Sick time, Vacation time, Holiday, Jury Duty, Bereavement, etc.)  |
| <b>Affordability Percentage</b> | Defined by the IRS on an annual basis and are manually updated by a Würk Consultant. Affordability percentages are effective dated based on each clients' medical Benefit Plan year, not calendar year.   |
| <b>Variable Employee</b>        | An employee that an ALE cannot predict or guarantee the number of hours to be worked, and therefore is unable to determine the employee's ACA Status ahead of time. An employee assigned to a "Variable" or "Part-Time" ACA Profile will be measured over a specific period of time to determine their ACA Status.                |
| <b>Non-Variable Employee</b>    | An employee that an ALE knows and can guarantee hours that qualify the employee as Full-Time. All employees assigned to a "Non-Variable" or "Full-Time" ACA Profile will receive a 1095-C and will be included on the employer's 1094-C.  |
| <b>Form 1095-C</b>              | Employee form provided to those who held a Full-Time ACA Status for at least one month in the reporting year. Indicates when the employee was eligible for medical coverage, when medical coverage was offered by the employer, cost of the lowest (Employee Only) medical premium offered, and sometimes enrollment information. |
| <b>Form 1094-C</b>              | Employer form (one per FEIN) sent to the IRS that indicates company information, ALE details, medical coverage information and employee 1095-C counts   |

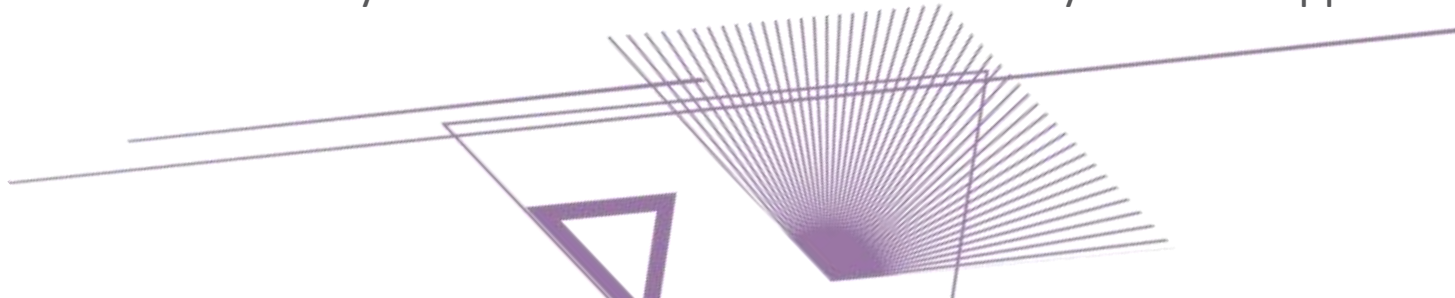


# ACA Information to Note

- Biggest Change: The IRS has removed mention of “good faith effort” when it comes to providing individuals with the Forms 1095-C on time (as of 2022)
  - Previously, ALE’s were able to have penalties and fees either waived or reduced.
- IRS proposed extension to 3/2/2023 but Wurf will be managing to 1/31/2023 deadline
  - Current states with ACA reporting requirements remain; employees must be included in state reporting if they **lived** in any of these states during the reporting year:
    - California
    - Washington D.C.
    - Rhode Island
    - New Jersey
    - Massachusetts
- No new fields and/or codes have been added to the Form 1095-C for 2022 reporting.

# Client Responsibility

1. Review *ACA Pre-Processing Checklist* and corresponding employee data and settings in Würk; make updates as needed.
2. Communicate any questions via ACA Support Ticket or join one of Würk's ACA Office Hours in January.
  - January 4th
  - January 11<sup>th</sup>
  - January 18<sup>th</sup>
3. Complete Year-End Processing steps in Würk for all applicable EINs filing in 2022 by the **January 20<sup>th</sup>** deadline. This is to ensure timely filing and mailing of forms 1094-C & 1095-C.
4. Review and take necessary action on ACA data errors sent via your ACA Support Ticket.





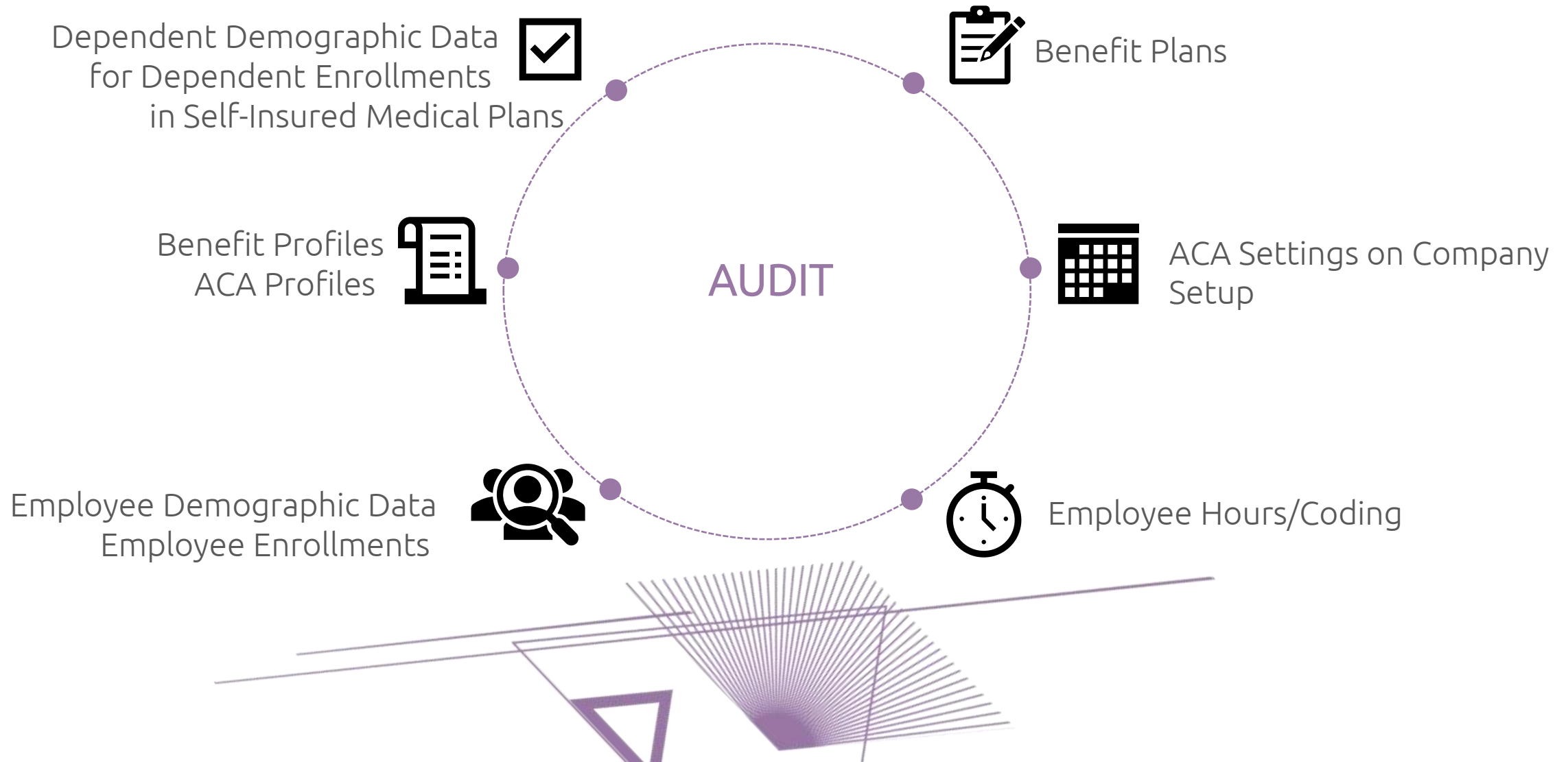
# Würk's Responsibility

1. Respond to ACA Support Ticket questions in a timely manner.
2. Pull data files from Würk & file with the IRS and applicable states once client ACA Processing is completed.
3. Mail 1095-C forms to Active and Terminated employees who had a 1095-C form generated during client ACA Processing.
4. Provide clients with filing errors and resolutions via ACA Support Ticket that are returned during IRS ACA filing.





# Before Generating Forms



# ACA Pre-Processing Checklist



## ACA Manager 2022 Year End Guide & Pre-Processing Checklist



GUIDE PREPARED BY WÜRK:

2162 Market Street  
Denver, CO 80205

Need to connect with Customer Success? Call us at 720-707-1676

### EMPLOYEE INFORMATION

My Team > Employee Information

ACA Manager will look to certain information in the employee's record.

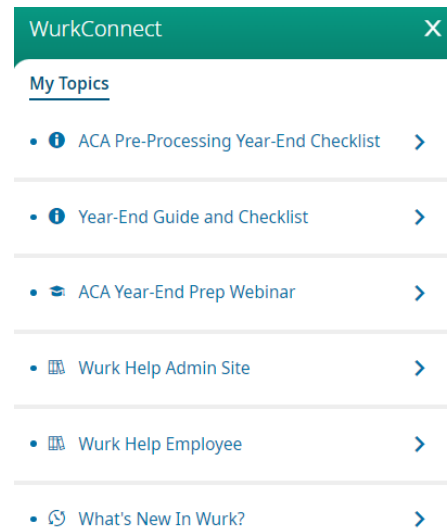
| Profiles   | Completed?               |
|--|--------------------------|
| <p><b>Benefit Profile</b></p> <p>The first step you will want to complete is to verify that each employee has the correct Benefit Profile. The Benefit Profile assigned to the employee will direct ACA Manager to the appropriate plan when determining which plan should be used for ACA reporting, so it is important that it contains the appropriate plan options. Some companies offer three medical plans, but a certain Benefit Profile assigned to the employee may only include two, so the ACA Manager will consider the plan not included in the Benefit Profile when evaluating the employee. <b>During this step, you will also want to ensure every employee who is eligible for benefits has a "Benefit Eligible" Profile attached.</b></p> <p><b>Note:</b> Clients with Union employees will have a specific "Union" Benefit Profile for this population with a place holder medical plan to populate the correct codes for the 1095-C timeline. <b>If you need this added to your setup, please reach out to Support via your ACA ticket.</b></p> <p><b>Benefit Profile Effective Date</b></p> <p>The Effective Date of the "Benefit Eligible" Benefit Profile (or equivalent profile containing medical benefit plans) determines the month the employee is eligible to begin medical coverage, which will be reflected on the employee's ACA Timeline, including populating the associated code on their 1095-C. This tells the system when the Benefit Profile should be applied to the employee.</p> <p><b>Important:</b> If a new hire/re-hire's Benefit Profile Effective Date is <b>prior to</b> the actual date the employee is first eligible to begin medical coverage (i.e. 12/31/1900 for current year new &amp; re-hires/benefit eligible employees, or a date within their Waiting Period), <b>this will negatively impact ACA calculations.</b></p> <p><b>Ensure every employee who is eligible for medical benefits has a "Benefit Eligible" (or equivalent) Profile reflecting the correct Effective Date.</b></p> <p><b>How to Verify:</b> Starting from the <i>Employee Information</i> report, add the "Benefit Profile (Effective Date From)" and "Current Benefit Profile (Effective)" columns.</p> <p><b>Note:</b> This column will <b>only</b> display the current Benefit Profile assigned, <b>not</b> future dated Benefit Profile assignments.</p> <p><b>What to Look For:</b></p> <p>Find out if someone has a Benefit Profile assigned prior to their hire date (ex. 12/31/1900); or check to see if Benefit Profile aligned with the hire date when there should be a 30-day waiting period</p> <p><b>Example:</b> An employee with a Hire Date of 10/21/2020 will be eligible to begin their medical benefits on 12/1/2020 (the 1<sup>st</sup> of the month following 30 days from hire). Below is how the "Benefit Eligible" Benefit Profile must be dated for the ACA Manager to reflect the correct codes on the 1095-C.</p> | <input type="checkbox"/> |

# WurkConnect

- The [\*ACA Pre-Processing Checklist\*](#) has also been loaded into WurkConnect to prompt you to review different areas in the system and give you the ability to check off each item as you complete it. [Click here to learn more about WurkConnect.](#)
- To access the checklist, log in to Würk and click on the WurkConnect button in the upper right-hand corner.



- The WurkConnect panel will come up and you'll navigate to ACA Year-End and walk through each of the checklist items.



# Würk Help Resources

<https://wurkhelp.knowledgeowl.com/help>

The screenshot displays the Würk Help Resources website. The header is purple with the Würk logo on the left and a 'Contact Us' link on the right. Below the header is a search bar with the placeholder text 'Search for articles...'. The main content area features a grid of nine buttons: 'Getting Started', 'What's New', 'Using Würk', 'Managing HR', 'Managing TLM', 'Managing Payroll', 'Recruitment', 'System Admin', and 'Training Portal'. A tenth button, 'Year-End Prep', is located below the grid and is highlighted with a purple border. On the left side, there is a dark sidebar with a list of categories, each preceded by a right-pointing arrow. The 'ACA - Affordable Care Act' category is highlighted with a purple border and contains a list of links: 'ACA Reports Guide', 'Understanding ACA Codes', 'ACA Year-End Processing FAQs & Troubleshooting Guide', 'ACA Processing Guide - PDF' (marked with a green 'New' tag), and 'ACA Manager 2021 Year End Guide and Pre-Processing Checklist - PDF'. At the bottom of the page, there are three sections: 'Popular Articles', 'New Articles', and 'Updated Articles'.

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Year-End Prep

ACA - Affordable Care Act

- ACA Reports Guide
- Understanding ACA Codes
- ACA Year-End Processing FAQs & Troubleshooting Guide
- ACA Processing Guide - PDF New
- ACA Manager 2021 Year End Guide and Pre-Processing Checklist - PDF

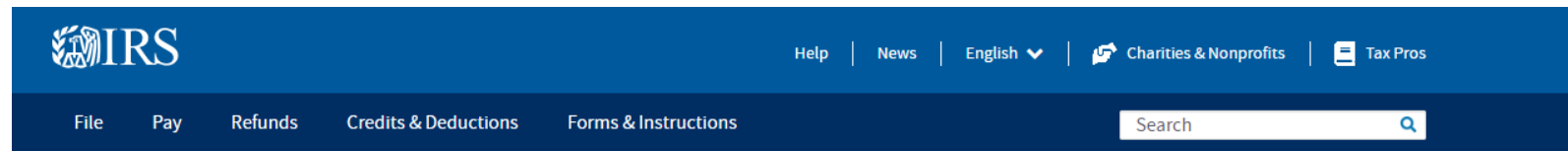
Popular Articles

New Articles

Updated Articles

# IRS Information Center

<https://www.irs.gov/affordable-care-act/employers/aca-information-center-for-applicable-large-employers-ales>



[Home](#) / [Affordable Care Act](#) / ACA Information Center for Applicable Large Employers (ALEs)

## ACA Information Center for Applicable Large Employers (ALEs)

### Individuals and Families

#### Employers

#### ALE Info Center

#### Health Care Tax Tips

#### Questions and Answers

#### List of Tax Provisions

#### Legal Guidance and Other Resources

### Summary

Two provisions of the Affordable Care Act apply only to applicable large employers (ALEs): the employer shared responsibility provision and the employer information reporting provision for offers of minimum essential coverage. In addition, self-insured ALEs – that is, employers who sponsor self-insured group health plans – have additional provider information reporting requirements.

Employers must determine their ALE status each calendar year based on the average size of your workforce during the prior year. Employers that had at least 50 full-time employees, including full-time equivalent employees, on average last year, are most likely an ALE for the current year.

- [How to Determine if you are an ALE](#)
- [Resources and Outreach Materials for Applicable Large Employers](#)

### What's Trending for ALEs

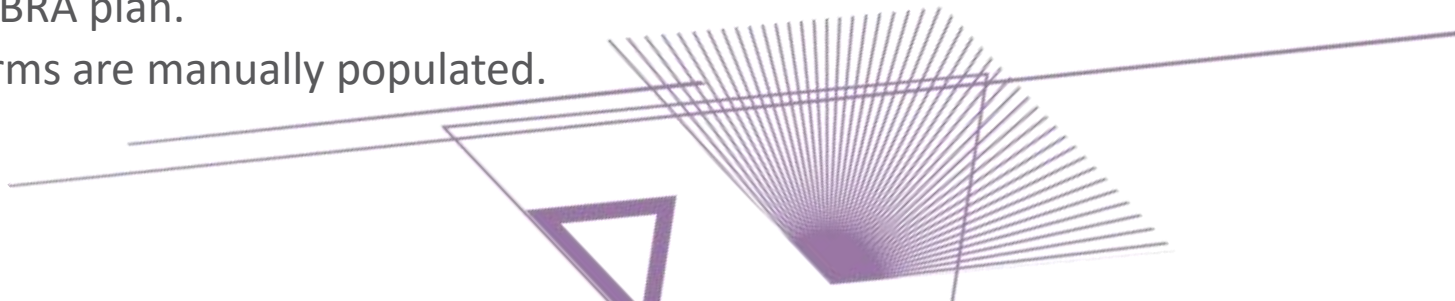
### Employer Topics

- [HealthCare.gov](#)
- [Small Business Health Care Tax Credit and the SHOP Marketplace](#)
- [Employer Shared Responsibility Provisions](#)
- [Information Reporting by Applicable Large Employers](#)
- [Information Reporting by Providers of Minimum Essential Coverage](#)
- [Affordable Care Act Information Returns \(AIR\)](#)
- [ACA Information Center for Tax Professionals](#)



# Form 1095-C Best Practices

- 1095-C
  - Generated for all employees who held an ACA Full-Time status in Würk for at least one month during the reporting year.
- All overrides and/or manual changes should be made to an employee's *ACA Timeline*, **not** to their individual Form 1095-C.
  - The Form 1095-C is populated directly from the employee's *ACA Timeline* . If a manually adjusted Form 1095-C is deleted, this will also remove the manual changes made.
- Dependent Form 1095-C (*clients with Self-Insured Plans ONLY*)
  - Used for individuals who do not have accounts in Würk but must receive a 1095-C for a self-insured plan.
  - Example: Former spouse or just aged out dependent child who enrolls in a self-insured COBRA plan.
  - Forms are manually populated.



# 2022 System Updates

- Hire Date different than Start Date caused blank Line 16
  - When an employee's Hire Date and Start Date were different, their ACA timeline and 1095-C sometimes populated Line 16 for the month before their start as blank. This is fixed, and the employee's Line 16 in the ACA timeline and 1095-C for the month before their Start Date will display the correct code.
- Employee Form 1095-C Validations for Line 14
  - The system now validates if Line 14 is populated correctly by verifying whether there are values in the Line 14 row for either each individual month, or a value in the All 12 Months box, but not in both. This validation occurs when saving, and with either successfully save, or will display a validation message that reads *"Line 14 must either be entered in All 12 Months or each individual month should be populated"*.
- Added Validations
  - Upon clicking the *Finalize* button, an additional validation check will run. Previously, validation was only done upon Saving a populated form.
- Part-Time Employees With Incorrect Code 2F
  - When the ACA Profile included the *Set Safe Harbor Code To* rule, for variable employees, 2F was sometimes incorrectly calculated in months when Line 14 calculated 1H. This is fixed, and in this situation, the system now does not calculate 2F in months when Line 14 calculates 1H.



# Form 1094-C Populate Form

- Clicking Populate Form presents you with a pop up that will automatically fill out the form based on the selections that are chosen.
- The only manual adjustment you may need to make is adjusting the form counts in Line 18 and 20 for any Dependent Forms 1095-C that need to be included or after any additional 1095-Cs that are added or removed thereafter.

1094 Questionnaire Confirmation

☒ This is the authoritative transmittal for this ALE Member

☒ ALE Member is a member of an Aggregated ALE Group for at least one calendar year month

ER is part of an Aggregated ALE Group for the following months

X

☒ All Months

ER qualifies for the 98% Offer Method

Yes

Qualifying Offer Method

Yes

☒ A Minimum Essential Coverage (MEC) plan was offered to at least 95% (70% in 2015) of full time employees and dependents

☒ All Months

CANCEL

OK

# ACA Year-End Processing Walk-Through Demo



# ACA Year-End Processing Demo

- Accessing Work Connect / Work Help
- Recalculate Employee Timelines
- 1095-C Forms
  - Add Forms
  - Populate
  - Review
  - Finalize
- 1094 Form
  - Add Form
  - Populate
  - Review/Edit
  - Finalize



# Important Processing Items

- Review Test/Broker/Dummy Work Accounts are setup correctly & ensure 1095-C forms are not created.
- Update 2022 ALE Group List
- Processing is PER EIN
- Plan Start Month of “00” represents the employee was not eligible for any (Medical) Plans during 2022.
- Companies with Self-Insured (Medical) Plans who create 1095-C Dependent Forms must manually update lines 18 & 20 on the 1094 form.
- “Deliver” 1095-C Forms AFTER Work has confirmed successful E-filing w/IRS.



# Next Steps/Important Dates

| Item   | Owner         | Due Date  |
|--|---------------|---|
| Client Completes <a href="#">Year-End Pre-Processing Checklist</a> | Client        | 12/14/2022-12/31/22   |
| ACA Office Hours   | Würk          | January 4 <sup>th</sup><br>January 11 <sup>th</sup><br>January 18 <sup>th</sup> |
| Client Completes <a href="#">Year-End Processing in Würk</a>       | Client        | 1/3/2023 – 1/20/2023  |
| ACA Files Pulled for Filing 1094-C & Mailing 1095-C                | Würk & Client | 1/23/2023 -1/31/20223   |
| IRS Errors Returned from Filing                                    | Würk & Client | 2/1/2023-2/28/2023  |



# Questions?





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THANK YOU