



# Epicor HCM and the Affordable Care Act

## Employer and Individual Expectations

The Affordable Care Act (ACA) requires individuals and everyone in their family to either have qualifying insurance known as “minimal essential coverage”; qualify for an exemption to the requirement; or make a shared responsibility payment (commonly referred to as a penalty) when filing their tax return. Individuals will be required to report their health insurance status when filing their tax returns and the 1095 form is proof of coverage. Applicable Large Employers (ALE's) with at least 50 full-time employees should provide employees a 1095-C report as proof if the employer furnishes health insurance. The 1095-C and 1094-C reports are filed with the IRS by the employer. In addition, there is a section on the 1095-C report allowing employers to document sponsorship of self-insured group health plans. Additional details, rules and requirements can be found at <http://www.irs.gov/Affordable-Care-Act>.

## Epicor HCM

As a result of the new ACA reporting requirements, Epicor HCM includes reports in the Compliance section under ACA for the 1095-C and 1094-C reports. The 1095-C report mimics the form provided by the government. The 1094-C report assists in gathering information needed by employers to complete the government 1094-C form by displaying a count of full-time and total employees for each month of the year.

### 1095-C

The 1095-C report is broken into three sections:

- Part I provides information about the employee and employer, including the employee's name, address, and social security number, as well as the company's name, address, contact information, and tax identification number.
- Part II shows whether or not an employee, dependent and/or spouse was offered health coverage by the employer, the type of coverage offered, which months of the year they were offered coverage, the lowest monthly premium cost an employee would pay for the self-only plan, and a safe harbor code if applicable.
- Part III provides information about the employee's spouse and dependents covered.

## Benefits

- Active full time employees report
- Waiting period
- ACA benefit offer management
- Tracking employees who waive coverage and reasons
- COBRA updates
- Summary of benefits coverage
- Form 1094-C report
- Form 1095-C report
- FSA annual limits

Data that appears in the 1095-C report is dependent upon the employee's Benefit Offer record, which once created for an employee, appears in the Benefit Enrollments task under the ACA Offers. There are flags for "coverage," "minimum essential coverage," and "minimum value" for the employee, dependent, and spouse. In addition, the employer is asked to enter the lowest employee contribution amount. This is the monthly amount the employee would pay if they elected the self-only coverage option.

The screenshot shows the Epicor Form 1095-C interface. At the top, it says "EPICOR" and "Reports > Form 1094/1095". The form title is "Form 1095-C Employer-Provided Health Insurance Offer and Coverage" for the year 2014. It includes fields for Employee Name (Deese, Kama), Social Security Number (XXX-XX-1759), and Employer Name (Manpower, Inc.).

**Part II Employee Offer and Coverage**

Offer of Coverage (after required code)	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
14	10												
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage	\$ 25.00	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
16 Applicable Section 408(a) Safe Harbor (enter code, if applicable)	2C												

**Part III Covered Individuals**

If Employer provided self-insured coverage, check the box and enter the information for each covered individual.

(a) Name of covered individual(s)	(b) SSN	(c) DOB (if SSN is not available)	(d) Covered all 12 months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec

At the bottom, it says "Cat. No. 60705M" and "Form 1095-C (2014)".

The screenshot shows the Epicor "People > Create/Modify Benefit ACA Offers" interface. It has several sections:

- Actions:** Use this task to create, modify or delete benefit offer records for employees. The offer records can be maintained in the Benefit Enrollments task and are used to populate data on the 1095-C report. Select an Action:  Add New Offers,  Modify Existing Offers,  Delete Existing Offers.
- Offer Dates:** Select the dates to add. \* Offer Start Date: [calendar icon], \* Offer End Date: [calendar icon].
- Offer Information:** Select the details for the records that are being added.
  - Employee:**  Coverage,  Minimum Essential Coverage,  Minimum Value.
  - Dependent:**  Coverage,  Minimum Essential Coverage,  Minimum Value.
  - Spousal:**  Coverage,  Minimum Essential Coverage,  Minimum Value.
 \* Lowest Employee Contribution Amount: [input field].
- Employees:** Select the employees to use for the offer records. \* Employees: [dropdown menu]. Buttons: Add, Remove, Remove All.

Health coverage offered to employees must be considered affordable by the government. If the yearly employee contribution amount for the self-only benefit option is more than 9.5% of the mainland single federal poverty line, it is not considered affordable. Because this value may change over time, the federal poverty line is a configurable field in ACA Parameters.

### 1094-C

The 1094-C (Employee Counts Only) report displays the number of full-time employees and total employees for each month of a given year. These counts are used by an administrator when filling out the government issued 1094-C report.

Month	Full-Time Employee Count	Total Employee Count
Jan	90	90
Feb	90	90
Mar	90	90
Apr	90	90
May	90	90
June	90	90
July	92	92
Aug	92	92
Sept	92	92
Oct	92	92
Nov	92	92
Dec	92	92

Name	Business Card Title	Company	Location	Department	Status	Status Category
Aarts, James W	Compensation and Benefits Manager	Manpower Inc.	Bridgeport, CT	Human Resources	Active	Regular Full Time
Ables, Brent Q	Machine Operator	Manpower Inc.	Denver	Finance and Accounting	Active	Regular Full Time
Ables, Brent Q	Machine Operator	Universal Services Corporation	Washington D.C.	Manufacturing	Active	Regular Full Time
Atukhov, Michael J	Strategic Planning Manager	Universal Services Corporation	Los Angeles	Operations	Active	Regular Full Time
Anglin, Harold	Process Technician	Universal Services Corporation	Seattle	Engineering	Active	Regular Full Time
Antolin, Loren E	Manufacturing Technician	Universal Services Corporation	Seattle	Manufacturing	Active	Regular Full Time
Antolin, Seteary A	Skilled Operator	Universal Services Corporation	Seattle	Manufacturing	Active	Regular Full Time
Aragaki, Julia J	Operator	Universal Services Corporation	Seattle	Manufacturing	Active	Regular Full Time
Arambulo, Matthew M	Process Technician	Universal Services Corporation	Seattle	Engineering	Active	Regular Full Time
Archer, Angela A	Accounting Supervisor	Manpower Inc.	Denver	Finance and Accounting	Active	Regular Full Time
Archer, Ann B.	Administrative Assistant	Universal Services Corporation	Chicago	Administration	Active	Regular Full Time
Archer, Sandra J	Operator	Universal Services Corporation	Seattle	Manufacturing	Active	Regular Full Time
Armstrong, David F	Senior Accountant	Universal Services Corporation	San Jose	Finance and Accounting	Active	Regular Full Time
Atkinson, Anah D	Process					
Av, Rebecca L	Engineer					
Baba, Kathleen R	Manufac					

### Applicable Large Employer (ALE)

Some of the provisions of the Affordable Care Act, or health care law, apply only to large employers. There is a report available to help determine full-time active employees for a given time period. This will help to assist employers to determine if they are an Applicable Large Employer. An applicable large employer is an employer that employed an average of at least 50 full-time employees on business days during the preceding calendar year.

This report uses status categories that are flagged as full-time to track the number of full time employees. Variable hour employees will need to track actual hours worked to determine if fulltime or FTE. The Timesheet Summary report in Epicor HCM's Timesheets module tracks hours worked and hours paid for employees.

Status Category	1/2014	2/2014	3/2014	4/2014	5/2014	6/2014	7/2014	8/2014	9/2014	10/2014	11/2014	12/2014
Regular Full Time	290	288	288	290	288	290	288	290	288	290	288	290
Agency Full Time Temporary	11	11	11	11	11	11	11	11	11	11	11	11
Total Active Full-Time Employees	300	299	299	300	299	300	299	300	299	300	299	300

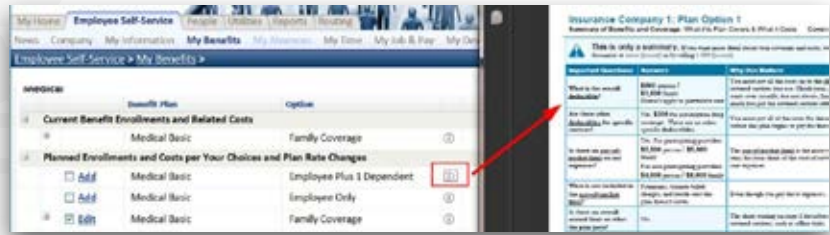
## Benefits

A Benefits Waive Coverage checkbox indicates when employees waive coverage for a plan during enrollment. Employees who waive coverage in a plan are required to select the reason they are refusing enrollment according to the ACA requirements.

Epicor HCM provides employers a variety of date tracking options such as waiting period, waiting period frequency, and group eligibility parameters as the ACA stipulates that employers offering group health insurance coverage shall not apply any waiting period that exceeds 90 days (the period that must pass with respect to an individual before the individual is eligible to be covered for benefits under the terms of the plan).

The COBRA Election Notice and the COBRA General Notice are updated to include new information concerning other health coverage options available in the Health Insurance Marketplace.

The Summary of Benefits and Coverage forms are summaries based on plan option (i.e. Individual and Spouse PPO, Family Coverage



PPO). The ACA requires insurers to provide a Summary of Benefits and Coverage (SBC) to the employer that sponsors the group health plan for furnishing the SBC to participants and beneficiaries. The document saved at the benefit option level is available for viewing in Open Enrollment via an informational icon.

The ACA requires employers to set an annual limit on pretax employee contributions to health care Flexible Spending Accounts (FSAs) and the associated benefit functionality does not allow a contribution over the maximum value specified.

Healthcare reform requires that large employers cover dependent children to age 26 and the ACA guidance is provided via an informational icon and in system Help.

## Summary

The Affordable Care Act is a complex set of regulations and will continue to evolve. Epicor HCM is there to help employers manage the ACA and various other government compliance requirements.

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