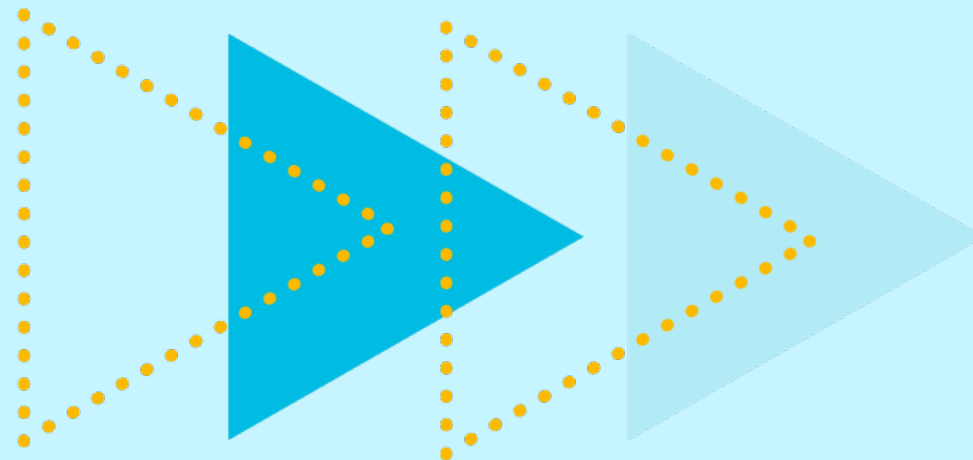# Inova HCM ACA Year-End Review

Questions....

We will respond to some questions at the end of the presentation, and we will amend the final slide(s) of the shared slide deck to include the written Q&A response for reference.

Inova HCM Year-End ACA Resources Page

https://inovapayroll.com/inova-hcm-year-end-aca

ACA Reporting Forms	2024 Tax Year Deadlines (forms filed in 2025)
1095-C due to employees (postmarked if mailed)	March 3, 2025
1094-C and 1095-C due to IRS if paper filing	February 28, 2025
1094-C and 1095-C due to IRS if electronic filing	March 31, 2025

ACA Resources:

- Register for our 2024 Inova HCM ACA Year-End Review Webinar (11/14 at 1 p.m. CT)
- 2024 ACA Manager Training Guide
- 2024 ACA Data Review Guide
- 2024 ACA Codes
- IRS Forms 1094-C & 1095-C FAQs

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Agenda

- Timeline and due dates
- ACA settings and employee settings
- Create, review, finalize, and filing forms
- Question and Answer

Checklist

ACA Setup Review Report

👤 My Info > My Reports > My Saved Reports

Turn `Others' Settings` on and filter search Saved As Name "starts with" **ACA.** Find the **ACA Setup Review** report

☐ **Active - ACA profiles assigned to everyone**

Everyone hired into the system needs to have an ACA profile assigned to them. Without the ACA profile there will be zero ACA data generated for that employee. Which means the system will not produce a 1095-C form for them and will not be able to read hours to know if they qualified as FT or not.

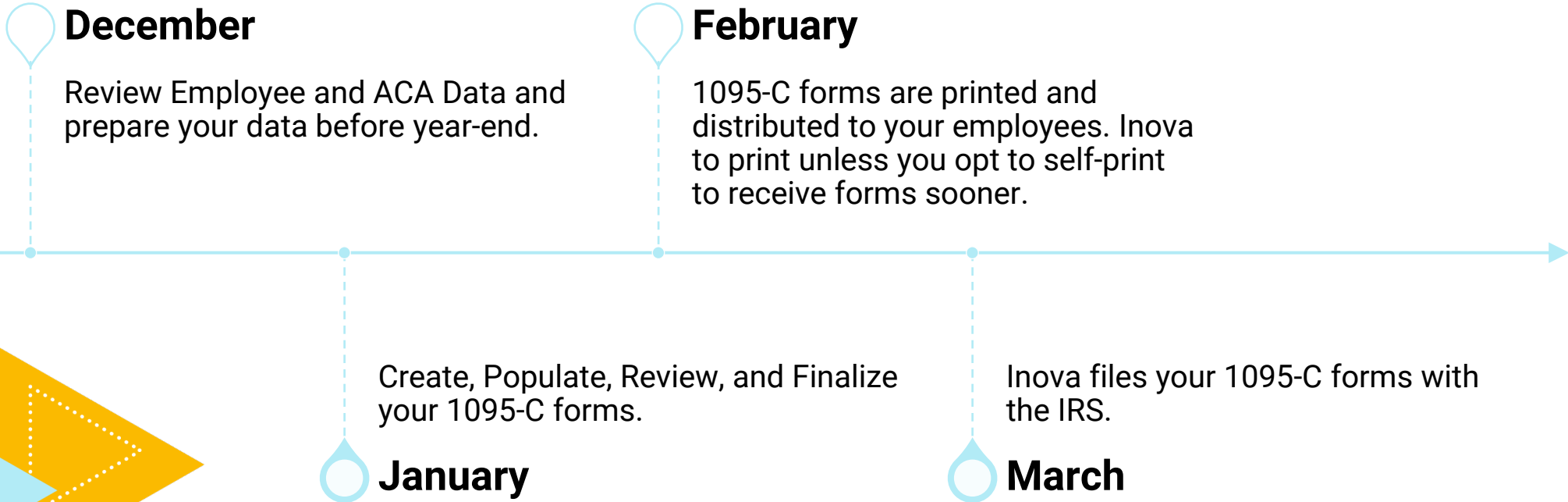|	
Filter	Employee Status: != Terminated
Filter	Current ACA Profile (Effective): Is Null
Action	Assign the appropriate ACA Profile to those who are Null

☐ **Active - Those with a Full-time or Non-Variable ACA profile have a Benefit Profile**

Anyone with a Full-time or Non-Variable ACA profile will be seen by the system as expecting an offer of health coverage after their waiting period has expired. The Benefit Profile is what the system reads to measure this offer and the affordability.
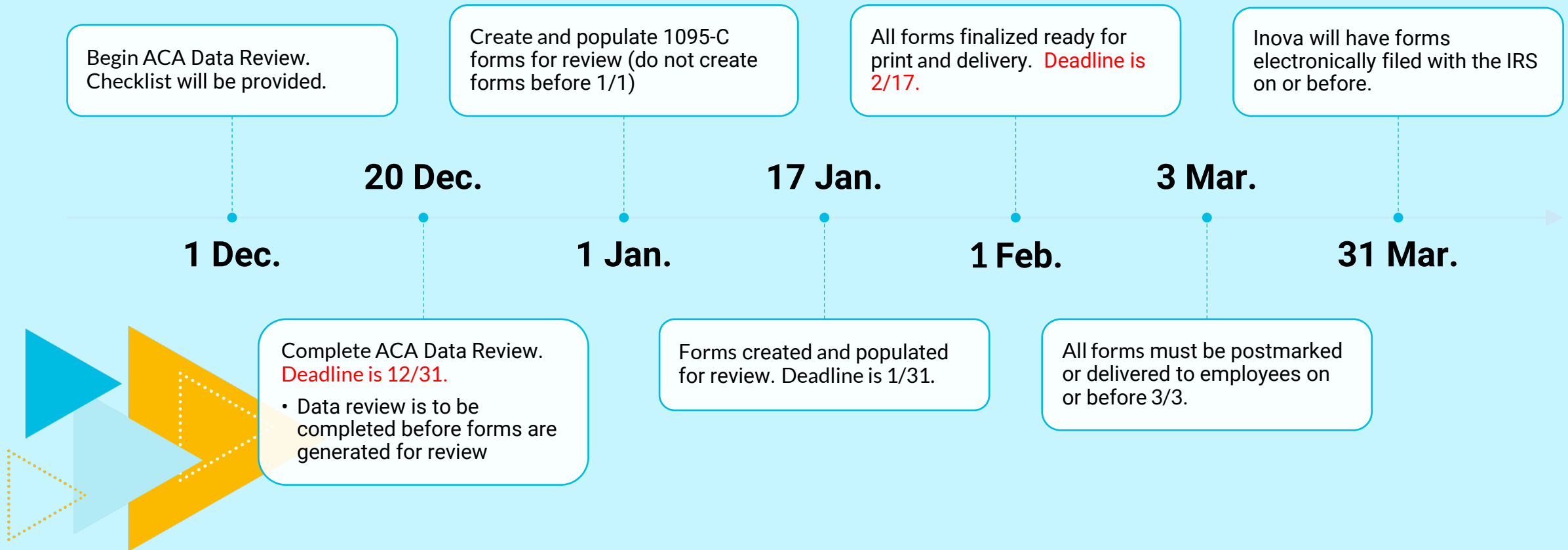
Filter	Employee Status: != Terminated
Filter	Current ACA Profile (Effective): = Full-time (substitute your ACA profile name)

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ACA Year – End General Timeline

December - review data. January - create and review forms. February - print and distribute.

December

Review Employee and ACA Data and prepare your data before year-end.

February

1095-C forms are printed and distributed to your employees. Inova to print unless you opt to self-print to receive forms sooner.

Create, Populate, Review, and Finalize your 1095-C forms.

January

Inova files your 1095-C forms with the IRS.

March

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Important Dates for 1095-C form Delivery

20 Dec.

17 Jan.

3 Mar.

1 Dec.

1 Jan.

1 Feb.

31 Mar.

Begin ACA Data Review. Checklist will be provided.

Create and populate 1095-C forms for review (do not create forms before 1/1)

All forms finalized ready for print and delivery. Deadline is 2/17.

Inova will have forms electronically filed with the IRS on or before.

Complete ACA Data Review. Deadline is 12/31.
- Data review is to be completed before forms are generated for review

Forms created and populated for review. Deadline is 1/31.

All forms must be postmarked or delivered to employees on or before 3/3.

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Affordability

- **2023** – 9.12%

- **2024** – 8.39%

The affordability percent applies when the plan year begins. If a plan begins 7/1, January – June would be 9.12%, and July – December would be 8.39%.

- **2025** – 9.02%

  - Federal poverty level (2024 = $105.29 maximum employee monthly contribution)
  - Rate of Pay based on 30 hours a week (130 per month)
  - W-2 based on box 1 of W-2

Employee Setup

ACA Profile (Assigned on the ACA tab of the Employee Information Screen)

- **Full Time / Non-Variable / Salary** – expecting an offer of medical coverage after waiting period

- **Variable / Hourly** – measurement period to determine 130hr per month avg.

- **Non-Employee** – will not be counted as an employee on the 1094-C

- **Union** &/or **International** may also exist.

MY TEAM

Feedback

ACA

My Team/Employee Information/**Employee Profile**

ACA Timeline Overview

Manage Employee's ACA Timeline

Date Range: 05/01/2020 - 11/01/2020

Last Calculated: 11/06/2020 03:46 am

ACA Profile   Full-time Hours   Effective Date   01/01/2012

ACA Profile

ACA Profile

Full-time Hours

Effective Date *

01/01/2012

+ Add

AN ACA PROFILE SHOULD BE ASSIGNED TO EVERY PERSON ENTERED INTO THE SYSTEM

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Employee Setup

Benefit Profile Assigned to everyone who is eligible for Medical Benefits.

- Assigned to all employees offered benefits.
- **The date should be the date the coverage would become effective even if waived.**
- Blank Profile means no offer.
  - Blank or be assigned a "Not Eligible" empty profile.

Benefit

Benefit

Standard Benefits
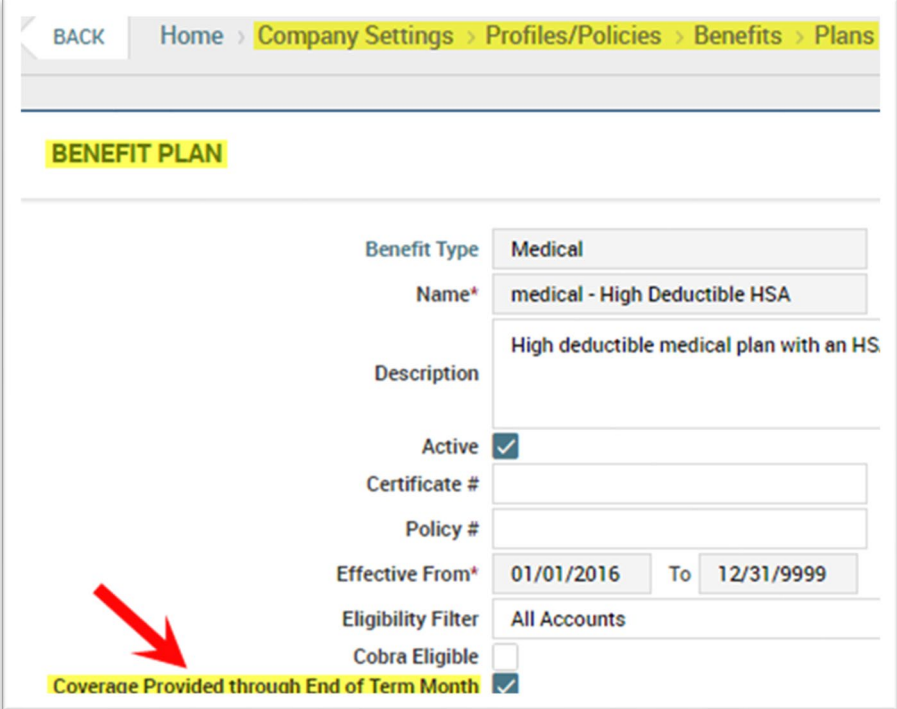
Effective Date *

12/31/1900

+ Add

Managing Employee Changes: Terminations

- Terminate Employee

- End Benefit Elections (Coverage Date)

Managing Employee Changes: Terminations

- This setting can help with end dating coverage for terminated employees. Checked means the end of the month, unchecked will assume date of termination. Should reduce 12/31/9999 dates that are accidentally left active.

Managing Employee Changes: New Hires

Add ACA Profile:
Employee Information > ACA Tab

Add Benefit Profile:
Employee Information > ACA Tab

Add Benefit Plans:
Employee Information > Benefit Plans Section

Managing Employee Changes: Re-hires

- Identify all re-hires for 2024.

- Make Sure that the benefit profiles are properly dated. This means showing when they would have been active and inactive for medical coverage.

- Review the ACA Timeline or 1095-C forms creating any manual edits that are needed.

- If rehired within 13 weeks of last employment, the waiting period should be 1st of the month after date of hire.

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Managing Employee Changes: FT → PT Changes

Remember that an employee's employment status — the label (Employee Type) an employer uses to distinguish between different classes of employees, often based on their expected work schedule — is not the same as an employee's ACA status.

Ex: You may change an employee's Employee Type from full-time to part-time in June, but the employee may continue to be considered ACA full-time for the rest of the year.

Form/Status	MAY 2020	JUN 2020	JUL 2020	AUG 2020	SEP 2020	OCT 2020	NOV 2020
ACA Rule Processing	Info	Info	Info	Info	Info	Info	Info
Line 14 Codes (Series 1)	1E	1E	1E	1E	1E	1E	1E
Line 15 (Employee Only Lowest Cost)	120	120	120	120	120	120	120
Line 16 Codes (Series 2)	2C	2C	2C	2C	2C	2C	2C
Hours	-	-	-	-	-	-	-
Month Status	-	-	-	-	-	-	-
ACA Status	FT	FT	FT	FT	FT	FT	FT

Employees with an ACA Status of FT for any Month will Generate a 1095-C Form

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Employee Setup

Others' Settings

Full Time Hourly or Salaried Employees (including Terminations)

MUST have BOTH a Benefit Profile and ACA Profile, even if they waived coverage.

Part Time/Variable Employees (including Terminations)
MUST have an ACA Profile.

If you offer Benefits to Part Time Employees, they should also have the proper Benefit Profile.

Non Employees/1099/International/System Admins/Test/Not in Payroll/Temp Agency
MUST have an ACA Profile marking them as Non Employees or International

An Employee Must Have An ACA Profile To Have A 1095-C Form Created

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Compliance Alerts:

Some Reasons for Compliance Alerts

- Employee is ACA Full Time Status but does not have a Benefit Profile assigned to them.

- Employee's Benefit Profile is not properly dated (miscalculated waiting period).

- The plan is considered not affordable by ACA guidelines.

- The employee is ACA full-time for the current stability period, but benefits were terminated.

- Employee was not offered Benefits and is considered Full Time by ACA guidelines (Averaged 130hrs per month)

◄ 1 of 1 ► 12 Rows [System] ▼			Dates: This Year ▼(1)	
↓² Month ▼	Affordable Plan Offered ▼	Minimum Value Plan Offered ▼	Compliance Alert ▼	Approaching ACA FT ▼
= ▼	= ▼	= ▼	= ▼	= ▼
		▲		
December	55	55	2	0
November	54	54	2	0
October	54	54	2	0
September	54	54	2	0
August	54	54	2	0
July	55	55	0	0

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After Corrections: Recalculate Each Employee

After Corrections: Recalculate All Employees

Team > HR > ACA > Employee ACA Actions

ACA Form Contact Information

- Company contact information Should be Updated if needed.
- **Admin> Company Settings > Global Setup > Company Setup > ACA Tab**
- If the ACA tab is not visible, please contact your Account Manager.

ACA Form Contact Number format should be 10 digits #########
No dashes, parenthesis, or extensions

Self-Insured Plans

- All dependents and spouses must be in the system with Social Security #s and Date of Births. These dependents must also be assigned to the employee's benefit enrollment.

- If you had a self-insured health plan during any part of 2024 verify that your plan is marked correctly with a check for being self-insured or unchecked for fully funded. This is located within the plan's details, in the Benefit Plan section.

BENEFIT PLAN

Benefit Type	Medical
Name*	Medical Buy Up
Description	Buy Up Medical Coverage that is FSA Eligible
Active	☑
Certificate #	
Policy #	
Effective From*	01/01/2016 To 12/31/9999
Eligibility Filter	All Accounts
Cobra Eligible	☐
Coverage Provided through End of Term Month	☐
Plan is Self-insured	☑
Vendor	

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1095-C Creation

Creating your 1095-C forms is easy. The system will assist in detecting who should and who should not get a 1095-C form. **Team> HR > ACA> Forms> Employee Forms 1095-C**, Select the year 2024 and select "MASS ADD NEW"

Leave the default selection to be "Mass Add For Selected Year" this will create unpopulated 1095-C forms based on the following criteria:

- Showing an ACA Status of FT for any month of the Selected Year.
- Showing an ACA Status of PT for any month of the Selected Year **AND** the employee is enrolled in any Self-Insured Medical Benefit Plan with the Effective Dates within the Selected Year. (excluding Waived records)
- Any Terminated Employee showing as still actively enrolled in a Self-insured medical plan at anytime in 2024.

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COBRA

Fully Funded:

- You should report the offer of COBRA Coverage, with the COBRA Rate in line 15, for those that are still under your Employment. (Coverage dropped due to moving to part-time or a reduction in hours)

Self-Funded

- You should report the offer of COBRA Coverage, with the COBRA Rate in line 15, for those that are still under your Employment.

- You must report those who were on COBRA Coverage due to termination, Including spouses & dependents.

- You must report those on COBRA but were not employed by you a single day in 2024, including Spouses and dependents. These forms will need to be manually created.

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1095-C Review & Finalize

- **Team> HR > ACA> Forms> Employee Forms 1095-C**, change the selected year to 2024 this will display all 1095-C forms that have been created.

- The two tools that you will use most will be the View Selected and Finalize

  - **View Selected:** To go one by one through the forms, you can SELECT ALL and then click on VIEW SELECTED. From here you can go through each form individually and finalize. The form is completely editable until you click the Finalize Form Button.

  - **Finalize:** If you have your 1095-C list reviewed and verified the forms are accurate, you can mass Finalize by selecting those you wish and clicking FINALIZE.

1094-C Creation

- The 1094-C will be created within our office prior to the filing process to make sure all edits, exclusions, and inclusions of forms are properly accounted for before filing.

- If you have multiple entities that make one ALE group, we will need the Federal EIN number and the exact Legal Name associated with that EIN Number. This can be provided by sending that information to mysupport@inovapayroll.com.

Filing Your Forms by Inova

3/21/25 = Inova goal to complete the electronic filing process

3/31/25 = All forms will be filed

Finalized forms may be filed by Inova any time after **3/3/25**

All forms will be electronically filed

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Individual State Requirements

- Inova will file all forms with the IRS

- Inova will **NOT** file forms with individual States unless previously arranged.
  - California
  - Massachusetts
  - New Jersey
  - Rhode Island
  - District of Columbia
  - Vermont (goes into effect if federal requirement ends)

We will support you in the filing of your state forms if it is required of you. Most of these states only require the employer to file if you are using any form of a self-funded plan. For fully funded plans the insurance carrier is typically filing this information with the state. **PLEASE CHECK ON YOUR STATE REQUIREMENTS** if you are working in any of the above states. Verify with your carrier that they are fulfilling the requirement for you.
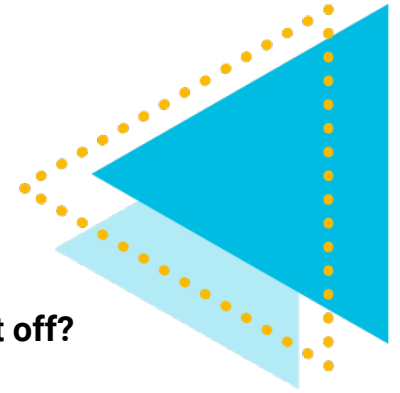
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Questions....

We will take this time to answer some questions. The full written record of the Q&A will be distributed with the copy of this presentation's slide deck and available from the resource page.

Additional ACA Resources for Inova Clients

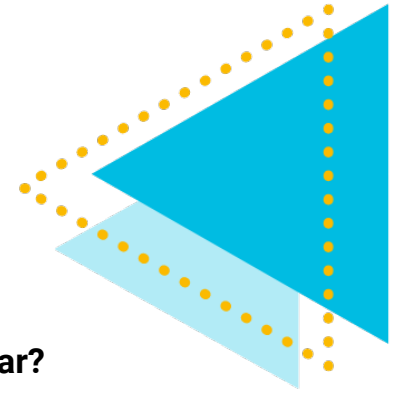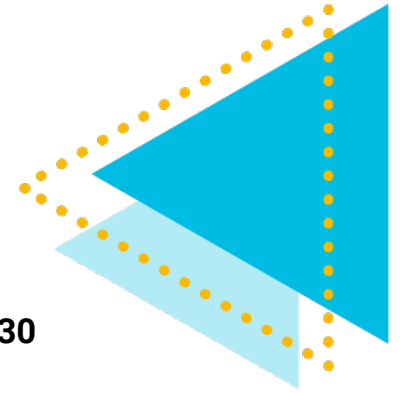https://inovapayroll.com/inova-hcm-year-end-aca

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Q&A

- **Will the ACA Review Checklist kick off automatically or do we need to contact our Inova Rep to get them to kick it off?**
  - The ACA Review Checklist will be incorporated into the [ACA Manager Training Guide](#) (It will not kick off automatically, you will need to download or print it and go through the checklist.

- **How about if we are W-2 safe harbor?**
  - W-2 Safe Harbor can be calculated at the end of the year.

- **Are seasonal H2B workers included in the full time ACA headcount?**
  - Seasonal and H2B workers are included in the headcounts for the 1094-C forms that are created. Seasonal employees may not count toward your ALE count if they truly qualify in IRS's eyes as Seasonal employees. More information can be found on this through the IRS website.

- **Where do I find the compliance alerts?**
  - The best place to look for compliance alerts is in the ACA Data Summary Report. Once you are on the report, it will give you a total number of alerts for the month which you can click on to get the detailed list of the employees with the alert.

- **Will instructions for the reports used be provided? Ex. ACA Data Summary Rept. Thanks**
  - Yes, instructions will be included within the [ACA Manager Training Guide](#) and checklist within the Guide.
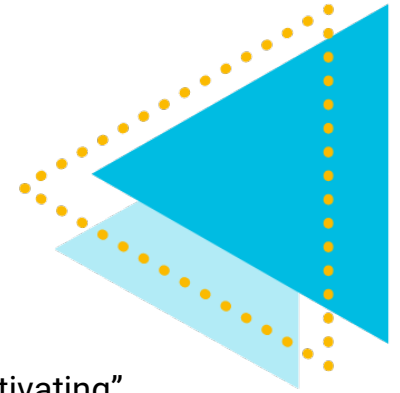
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Q&A

- **What if you were not self-insured until 11/01/2024? Do we only look at November and December or the entire year?**
    - You look at the entire ACA filing, but you will only need to do the additional self-funded steps for the months you were self-funded.

- **What if I do not see ACA>forms> etc. … from the Team>HR menu?**
    - If you do not see these settings one of the things is happening. You either are not signed up for the ACA manager via Inova or your security does not provide you access to see the ACA information.

- **Will we get a copy of the forms for filing in the employee's file?**
    - We will not send you a duplicate hard copy although the forms will be available digitally for you to print your own hard copy if you would like. Most clients will save a PDF of all the forms rather than keeping hard copies. The employees will have the forms available to them via their Inova login as well.

- **Is there a report we can run to make sure all dependents have SSN and birthdate included in the system**
    - You can bring in a contacts report (My Reports > HR Reports > HR Maintenance > Employee Contacts) this will list all contacts associated with employees whether they are attached to a medical plan or not.
    - You can also run a Dependents report (Team > Benefits > Dependents) This will list all the dependents attached to plans.

Q&A

- **How is the 130 hour per month figured for seasonal employees? Or how many months do they have to average 130 hours.**
  - Seasonal employees will typically still fall into the same measurement as your regular Variable employees. The most common length of measure for these variable employees is 11 months for new hires and 12 months for an ongoing employee beyond their first year.

- **Can we import the dependent info into Inova that we receive from our carrier?**
  - This will be dependent upon the data within the file. When data comes from the carrier, you will typically need the employees SSN associated with the data to be the key record that ties the carrier data to your Inova data. Without that, there is no tie between the two sets of data, and you will not be able to import. Our recommendation is usually to import the contacts to the employees and then assign those contacts as the spouses and dependents enrolled within the plan via the employee's benefit enrollment.

- **If we are self-funded, will we be notified if there are employees that we do not have SSNs for?**
  - There is no auto-notification of spouses or dependents missing SSNs. There are reports available where this can be reviewed. The IRS will also not allow the forms to be filed if the information is inadequate.

- **Is it necessary to have dependents in the system, if there are any?**
  - It is required that all self-funded medical plans have spouse's and dependents' SSN and DOB information and that they are enrolled into the medical coverage with the employee. It is not required for fully funded medical plans.

Q&A

- **How does inactivating an employee affect the report, as for seasonal employees?**
  - Inactivating an employee may not have the same effect as terminating them would. In some instances, "inactivating" the employee will still show the employee as employed. The safest thing to do with seasonal employees is to terminate and rehire them if they return.

- **Is there an easy way to see if as an employer you are required to file 1095s? We just took over payroll for two other companies. They are not set up for 1095s. Is there an easy way to find out if they should be?**
  - There is not an easy way to see this via a report. There is information on the IRS website for determining ALE status. A lot would depend on the details of the merger/acquisition as well.

- **Sometimes we use a dummy # for the SS#.**
  - If you have dummy SSNs for employees, that will cause issues with W-2 filings as well as ACA filings and could cause your employee some IRS and legal issues down the road. These SSNs should be fixed ASAP before your final 2024 payroll.
  - If you have dummy SSNs for spouses and dependents, these need to be fixed as well for the reporting to be correct and accurate, this information should be available on their enrollment forms or via a report from your broker/carrier.

- **What about people that leave insurance to get Medicare?**
  - If your company has 20 or more employees, the group health plan is considered the primary coverage. Employers are generally required to provide the same benefits to Medicare-eligible employees as they do to employees under age 65.