

Insights & Outlooks

Benefits Consulting

Data & Analytics

Account Management

Employee Advocacy

Human Capital Management (HCM)

10-Step ACA Compliance Checklist

EONE Benefit Solutions Recommends reviewing the following checklist each year prior to year-end, and before your next plan year, in order to avoid costly [IRS fines](#)¹.

- 1. Does The [Employer Mandate](#) Apply to You and Your Organization?** If you haven't already, confirm whether your organization is an [Applicable Large Employer](#) (ALE). Also, if there is common ownership with other entities, you may be part of an Aggregated ALE which would require some additional reporting elements.
- 2. System Setup:** Partner with effective vendors to manage your employees' data and to create and file your 1094C and 1095C forms. EONE recommends a single source HRIS system but, at the very least, make sure your different systems efficiently and accurately "talk to each other".
- 3. Know Your Workforce:** Make sure you have established, and are following, [measurement/lookback procedures](#) to capture any variable hour employees who measure as Full-Time employees. Include a process to monitor this throughout the year to ensure that all employees working 30 hours or more per week are offered medical insurance.
- 4. Get Your Forms Right the First Time:** Double check to be sure that your employee data is complete. For example, in some systems, only employees with "ACA Full Time" noted will have forms generated. Reviewing this now will help you avoid spending a lot of time with manual edits to your forms after they are generated. Also, understand your reporting system's process for review and approval. Be sure to check your system frequently, as some forms may be rejected and require correction before being transmitted.
- 5. Minimum Value and MEC:** Double check that your system of record is accurately tracking whether your plans meet the [Minimum Value](#) and [MEC](#) thresholds. This is an important component for avoiding penalties.
- 6. Keep Coverage Affordable:** Know the [risk of medical coverage being unaffordable](#). For 2020 the affordability threshold is 9.78% of an employee's household income contributing toward self-only coverage for your lowest MV plan. For 2021 it has increased to 9.83%.
- 7. Self-Funded Plans:** If your medical plan is self-funded, make sure your system is set up to report Part III on 1095Cs. Note, this includes COBRA enrollees, as they should receive a form as well.
- 8. Review, Check, and Double-Check:** Finally, review [1095Cs](#) and [1094Cs](#) prior to submission. We highly recommend having forms reviewed by an ACA expert prior to filing.
- 9. Reminder:** If you file 250 or more W-2s you must [report the cost of healthcare in Box 12 of the W-2s](#). Now is a good time to ensure your payroll system is set up properly to do this at the end of the year.
- 10. State Specific Requirements:** Be sure to review state specific reporting requirements and verify that your reporting vendor will fulfill those requirements for you.

¹ This list is a quick summary of high-level considerations. The ACA is a complicated law. Employers should review their policies, procedures and form submissions with legal counsel whenever possible.