RiskRT®
Powered by Pay Plus Benefits

The ACA Recordkeeping, Tracking & Monitoring Solution

Overview

The Affordable Care Act (ACA) redefines how U.S. employers do business. For applicable large employers (ALEs), 95% of eligible employees must receive offers of health insurance; otherwise employers may incur penalties for noncompliance. To determine ALE status, employers must correctly calculate if 50 or more full-time or full-time equivalent employees were employed in the previous calendar year.

The ACA's definition of a full-time employee is someone who works an average of 30 hours or more per week or 130 hours per month. Once ALE status is established, employers must identify full-time employees by accurately tracking the exact number of hours of service for each employee each calendar month to verify eligibility for an offer of coverage.

Challenges for Employers

Determining employee health insurance eligibility is a challenge for employers due to:

- Variable, seasonal, short term, and/or part time workforces
- Employees in multiple locations
- Inadequate tracking and reporting tools
- Misinterpreting the evolving ACA regulations

Another problem employers face is how and when to properly complete and submit ACA related forms to the Internal Revenue Service.

John Heaton, President and Founder of Pay Plus Benefits, Inc. understands the magnitude of the issue when he said, *"More than 230,000 companies need to be ready to process ACA statements and reports."*

The U.S. Bureau of Labor Statistics' figure refers to private companies with fifty or more employees. This figure does not include the public sector and nonprofit employers, also subject to the ACA regulations.

ACA Penalties

The ACA penalties reveal the complexities of the law. Employers who do not adhere to the regulations may face penalties for the following reasons:

- Type 'A' Penalty – Failure to offer full-time employees and their dependents minimum essential coverage (MEC). Annual penalty per eligible full-time employee if employer does not offer coverage to 95% of their full-time employees: $2,160.00 (if at least one full-time employee receives a tax credit to purchase coverage through a state-based health insurance exchange or the federal marketplace).

Even if you overlook one employee, $2,160 will be multiplied by your total number of full-time employees to determine the total penalty payment. However, the IRS will subtract the first 30 full-time employees from the equation.

- Type 'B' Penalty – Failure to offer affordable MEC and minimum value (MV) coverage to their full-time employees and dependents or only offering MEC coverage that does not provide minimum value. Annual penalty per employee: $3,240.00 (if at least one employee receives a tax credit to purchase coverage through a state-based health insurance exchange or the federal marketplace).

- Failure to file: 1094-C form --Annual penalty per return: $250.00 - $3 million max.

- Failure to supply timely statements: Employee 1095-C form --Annual penalty per form: $250.00 - $3 million max.

It is worth noting that the penalties mentioned have increased since the ACA's inception.

Can you afford a $ 3 million penalty?

Data Tracking Limitations

Penalties are a potential reality for employers. Pay Plus Benefits has studied the details of the Employer Shared Responsibility Provisions (ESRP) a.k.a. Employer Mandate and has witnessed companies struggle to develop sustainable tracking mechanisms in an attempt to determine where they stood with regard to the employer mandate.

The tracking systems reviewed were inefficient because they lacked:

- Accurate algorithms
- Look-back measurement method implementation
- Full-time equivalent employee identifiers for ALE determination
- Alerts to when benefits should be offered
- Methods to flag employees who were not made an offer of coverage

Need for a Measurable System

Through Pay Plus Benefits' research, the single largest problem employers face is the need for a simple tool where employee data can be managed to ensure accurate ACA recordkeeping.

When an agribusiness used an internal spreadsheet to determine employee health coverage eligibility for more than 600 employees, the calculations were incorrect. The internal spreadsheet calculated 130 employees were eligible for benefits, when in reality, the business only needed to offer benefits to 27 employees to meet ACA compliance.

Management of employee data becomes even more complicated for companies with multiple payroll engines, variable workforces, and employees who work in different locations. Because of this immense need, Pay Plus Benefits designed a specialized system known as RiskRT®.

The team at Pay Plus Benefits believes that the application of information is the most important factor to ensure the success of businesses today. RiskRT® provides efficient data analysis and eliminates formula errors - found in 90% of the spreadsheets reviewed through research. Our system imports employee data from multiple systems such as payroll, benefits, administration, and Human Resource Information Systems (HRIS) platforms and automates tracking data needed to meet ACA compliance.

RiskRT® defines your smart decisons

ACA Recordkeeping Solution
The RiskRT® product is a comprehensive data system that tracks and monitors employee eligibility for offers of coverage under the ACA employer mandate. The system is designed for all employers including those with variable and seasonal workforces, and tracks and monitors in real-time.

"Pay Plus Benefits has a long history of technological ability to pull data from different sources and put it into a single database - clean it, and make it workable, so that it can be read, analyzed, and understood to provide people the information they'll need to comply with the law."- George F. Cicotte, Attorney, specializing in employee benefits.

Differentiators of RiskRT®
The differentiators of RiskRT® include the ability to: calculate eligibility for offers of coverage by the use of algorithms, merge data from multiple payroll engines, electronically transmit IRS 1094-C, distribute IRS 1095-C employee statements, offer IRS audit support, and adapt with changing governmental rules.

The recordkeeping system details the exact hours employees work and reflects the status of offers of coverage made to eligible employees. This type of data is required to properly report to the IRS to avoid potential penalties.

RiskRT® Control Center

Monitoring & Tracking

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Enroll Deadline - Full Time												
Enroll Deadline - Measured EEs												
Eligible in Prior Period								4				

Eligibility & Enrollment

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Eligible - Offered Health Benefits	90	97	99	101	105	105	105	105				
Enrolled	42	63	60	60	61	61	61	61				
Waived	38	33	39	41	44	44	44	44				
Not Offered	20	4	4	4	4	4	4	4				
Total Eligible Employees	100	101	103	105	105	109	109	109				
	80%	96%	96%	96%	96%	96%	96%	96%				
Not Eligible	96	95	94	90	96	95	95	95				
Not Completed Measurement	96	93	90	70	76	62	66	48				
Measured, Not Eligible		3	4	11	19	33	33	47				
Terminated/Ineligible, Covered												
Will be Eligible 1st of Following…												
May be Eligible 1st of Following…												
Eligible for Rehire												

Payroll Information

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
New Hires				5								
Paid Employees	200	204	199	12	139							

How does RiskRT® function? The layout of the system looks similar to a spreadsheet. It combines payroll data, benefits enrollment information, and complex ACA rules. The easy-to-use Control Center summarizes actions required month by month, allows employers to evaluate risks and strategize, making real-time analysis possible 24/7.

12 Key Benefits of RiskRT®

1. ALE Status:
Algorithms calculate and determine your status as an applicable large employer (ALE).

2. Payroll Data Configuration:
Imports payroll data from any payroll system that can export to a Comma Separated Value (CSV) file, and allow multiple payroll files to be combined into one location for quick and convenient analysis.

3. Implementation and Training:
Program implementation is guided by Client Success Managers with step-by-step instructions for payroll/benefit integration and product education.

4. Detailed Employee Information:
Tracks a wide range of employee information, such as paycheck history, gaps in service, and benefit eligibility using specific measurement periods. Additionally, RiskRT® can forecast future results and has options for pay code exclusions for entries that do not represent hours of service.

5. Functionality:
A robust system, that is simple to use by saving employers time.

6. IRS Reporting:
Generates information for IRS reports 1094-C and 1095-C. This includes electronic filing of the 1094-C, and producing and mailing 1095-C statements.

7. Secure Host:
The cloud-based platform allows for accessibility anytime. The platform also provides security and performance without the need to purchase, install, and maintain expensive hardware or software.

8. Companies/Businesses with Multiple Locations:
Allows for multiple payrolls to be combined into one location for analysis.

9. Proactive Monitoring: Validates employees who will be (or could be) eligible for benefits in upcoming months.

10. Comprehensive Tracking:
Variable, seasonal, and part-time tracking. Ideal for agricultural, educational, and service industries. Reports monthly "offer of coverage reports," and full-time eligibility counts. Calculates average hours worked to determine employee eligibility. Assists in tracking breaks in service and special unpaid leave. Offers complete transparency.

11. Controlled Groups:
Aggregates for ALE status and tracks each ALE member independently for reporting purposes.

12. Analysis:
Analyzes data to evaluate the impact of all measurement periods.

Extended Assurance

Knowing your company is tracking data with RiskRT® will help you prevent unexpected ACA penalties and issues, however, another service we offer is ACA Assured™, which is powered by legal experts who have worked with the ACA since its inception. ACA Assured™ helps you avoid unexpected liabilities by verifying the results of RiskRT®, answering your questions, and reviewing your ACA compliance strategies. ACA Assured™ can also review your end-of-year information, to verify compliance with reporting requirements.

In the event of an IRS audit relating to ACA compliance, ACA Assured™ will work with IRS auditors to resolve the audit, saving you time and money in the process.

With RiskRT®, plus the guidance and assistance of ACA Assured™, you can have the best tools available for handling the mandates, requirements, and regulations of the ACA.

Conclusion

You are invited to discover how RiskRT® can help secure the continued success of your company by eliminating risk. Whether you oversee people working in restaurants, vineyards, schools, or other sectors in the vast areas of employment, smart decisions define your company's long-term success.

In regards to employee health benefits eligibility, the innovative system allows you to:
• Forecast eligibility
• Track enrolled and waived employees

As the ACA regulations continue to change, the product developers will continue to implement and update the changes within the system.

RiskRT® - The headache-eraser technology that forecasts when employees are eligible for health insurance.

About Pay Plus Benefits, Inc.

Pay Plus Benefits, Inc., headquartered in Kennewick Washington, was founded in 1990. The business provides other companies superior human resource administration services through visionary technology which results in accessible and reliable solutions for customers. Ranked as a top 500 fastest-growing American company and a recipient of the Inc./Cisco Growing with Technology Award, the company offers a high-tech infrastructure of products. For more information, visit www.RiskRT.com or call 888.531.5781.

Note: This review provides a general summary of RiskRT® and is not intended for legal or tax advice.

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