

# Benefit Offering and Assessable Payment Estimates

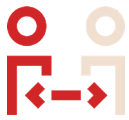
ADP TotalSource®



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# Benefit Offering

Applicable large employers (ALEs) may be at risk for Employer Shared Responsibility Payments if they do not offer their full-time employees health coverage that meets certain thresholds for affordability and minimum value.

For purposes of certain Employer Shared Responsibility assessable payments, a health plan meets the minimum value threshold if it has a minimum actuarial value of at least 60 percent, meaning the plan covers at least 60 percent of the total allowed costs of medical benefits expected to be incurred under the plan.

Note that all of the ADP TotalSource, Inc. Health and Welfare Plan (ADP TotalSource Health Plan) medical offerings meet the minimum value threshold. As a result, any full-time employee that is offered health coverage through the ADP TotalSource Health Plan will only be eligible for a premium tax credit through the Health Insurance Marketplace if the ADP TotalSource health coverage is deemed unaffordable due to the premium cost compared to the employee's income.



# Applicable Employer Shared Responsibility Payment Provisions

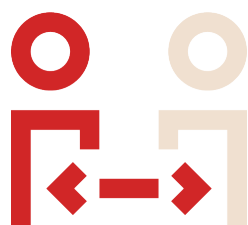
## Minimum Offering Threshold

If an Applicable Large Employer (ALE) does not offer minimum essential coverage to at least 95 percent of its full-time employees (and their dependents), the employer may be assessed an Employer Shared Responsibility Payment if at least one full-time employee receives a premium tax credit through the Health Insurance Marketplace for one or more months during the calendar year.

**Note:** If an ALE Member offered minimum essential coverage to all but five of its full-time employees and their dependents, and five is great than 5% of the number of full-time employees of the ALE Member, the ALE member may report as if it offered health coverage to at least 95% of its full-time employees and their dependents.

The Employer Shared Responsibility Payment is calculated as follows:

$$(\text{Number of Full-Time Employees} - 30) \times \$2,000^* = \text{PENALTY}$$



\*The annual failure to offer Employer Shared Responsibility Payment for 2014 is \$2,000 indexed annually for inflation thereafter. The indexed payment amounts are listed below

First Day of Calendar or Plan Year	Affordability Threshold
2015	\$2,080
2016	\$2,160
2017	\$2,260
2018	\$2,320
2019	\$2,500
2020	\$2,570
2021	\$2,700
2022	\$2,750
2023	\$2,880
2024	\$2,970

The Employer Shared Responsibility Payment is assessed on a monthly basis and calculated as 1/12 of the above amount for each month in the calendar year during which a full-time employee receives a premium tax credit, using the total amount of full-time employees for the month.

- Employees with credited service hours equal to at least 30 hours per week or 130 hours per month are generally considered full-time and eligible to enroll in health coverage.
- According to final regulations, the offering threshold percentage is measured on a controlled group member level and not at the controlled group level. Clients that are part of a controlled group will need to evaluate each member of the controlled group separately to determine the Employer Shared Responsibility Payment risk for failure to offer coverage. If you have employees that work for more than one controlled group member, an offer of coverage by one member company is considered an offer of coverage for all controlled group members.





# “Failure to Offer” Payment Estimates

Applicable large employers that have not met the minimum offering threshold are at risk on an annual basis of \$2,000 per year for 2014 ([indexed for inflation thereafter](#)) per full-time employee, with the first 30 employees excluded from the calculation, if at least one full-time employee receives the premium tax credit for purchasing coverage through the Health Insurance Marketplace.

The failure to offer Employer Shared Responsibility Payment is based on full-time employees (with the first 30 employees excluded from the calculation) and does not include full-time equivalent employees.



# Frequently Asked Questions

**Where can I view a list of my employees without benefits coverage?** In ADP TotalSource, go to Process > ACA > ACA Compliance Dashboard > Compliance Issues and select Review under "Not offered coverage".



This section provides a list of employees who measured as ACA FullTime without a corresponding ACA Medical Plan to enroll in. Click on the employee's name to review their ACA Status and offering summary. Please contact your ADP Benefit Service Specialist if you need assistance to update an employee's benefit offering (prospectively). Note: Benefit offering updates for Terminated employees is not permitted.

Full-Time employees not offered coverage						
<a href="#">Resolve</a>						
<a href="#">Download this list</a>						
Employee Name	Position ID	Status	Business Unit	Location	Months Not Offered	Eligibility Class
Amazing, Jolee Egonio (Amazing, Johnny)	24G601472	Active		Henry Location	Jan - Dec	Not Eligible
Arabnia, Amir	24G17751N	Active	PGF WFN Test 4 V9.1	8.12.17 - Implementation Test - Parent	Mar - Dec	Not Eligible

The Full-Time Equivalent Without Offers tab will list employees who completed a measurement period and averaged full-time hours, but have not yet been moved to a benefit eligible class code. Please contact your ADP Benefit Service Specialist to assist with updating their benefit eligibility class and opening an enrollment window. Please do not update their benefit class directly in their Employment Profile as this will not ensure a proper enrollment window is opened in alignment with their Stability Period start date. Failure to offer coverage to ACA full-time employees could result in your company's owing an IRS employer shared responsibility payment.

Manage Benefit Offers							
<a href="#">Go to ACA Compliance Dashboard</a>							
<a href="#">Full-Time Employees Without Offers</a>   <a href="#">Full-Time Employees With Offers</a>   <a href="#">Part-Time Employees With Offers</a>   <a href="#">History</a>							
These employees are either measured or designated as full-time but are not eligible for minimum essential coverage medical plans. If benefits should be offered, update their Corporate Groups appropriately. To update many employee corporate groups at once, click <a href="#">here</a> to access Employee Import. Only employees with full-time status during 2023 processing year are included here.							
Employee Name	Stability Period Start Date	Administrative Period End Date	Business Unit	Location	Benefits Eligibility Class	ACA Eligibility Status	Action
Billy, Gunn	02/01/2023			Fountain Valley	Not Eligible	Full-Time	<a href="#">Update Corpor...</a>
Billy, Gunn	02/01/2024	01/31/2024		Fountain Valley	Not Eligible	Full-Time	<a href="#">Update Corpor...</a>
House, International	06/29/2023				Not Eligible	Full-Time	<a href="#">Update Corpor...</a>



**Is the \$2,000 per year for 2014, (indexed for inflation thereafter) Employer Shared Responsibility Payment based on full-time employees or full-time equivalent employees who are part-time workers?**

The failure to offer Employer Shared Responsibility Payment is based on full-time employees. Full-time equivalent employees are considered only for purposes of determining whether the employer is an applicable large employer.

**How can I make modification to an employee's record to ensure future compliance?**

To view an individual employee's ACA Benefit Offerings, go to People > ACA > ACA Information. To modify an employee's eligibility class go to People > Employment > Employment Profile and hover over Corporate Groups. Once you click the edit pencil, you can update an employee's Benefits Eligibility Class

## Additional Information

[Shared Responsibility for Employers Regarding Health Coverage Final Regulation](#)

[IRS Questions & Answers on Employer Shared Responsibility Provisions](#)