

# Benefit Offering and Assessable Payment Estimates

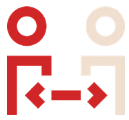
A complete  
guide to the  
ADP TotalSource®  
ACA Dashboard



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The Affordable Care Act Dashboard allows ADP TotalSource client administrators to better understand the applicability of the Employer Shared Responsibility provision of the Affordable Care Act to their business.

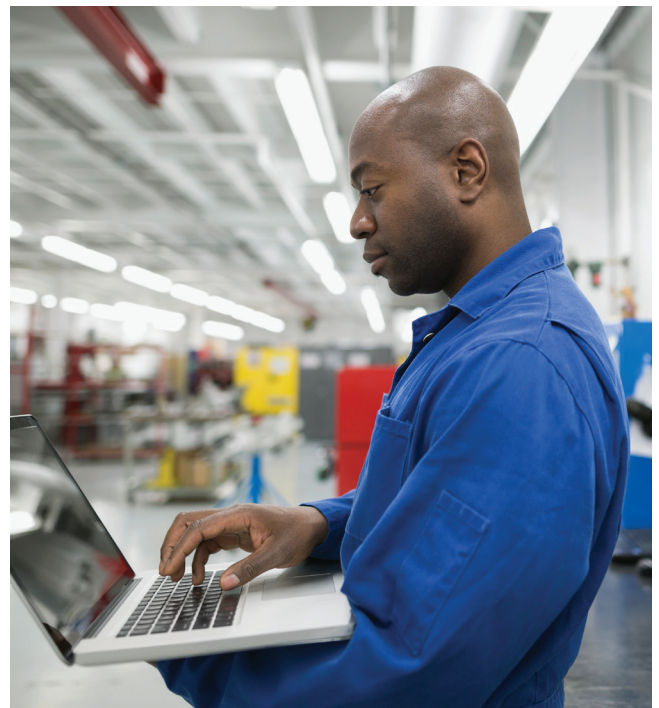


# Benefit Offering

Applicable large employers (ALEs) may be at risk for penalties 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 pays 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

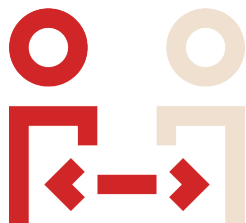
## Minimum Offering Threshold

If an applicable large employer 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 the ALE Member offered minimum essential coverage to all but five of its full-time employees and their dependents, and five is greater 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:

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



\*\$2000 annual failure to offer Employer Shared Responsibility Payment for 2014, indexed annually for inflation thereafter. The indexed payment amounts are listed below:

First Day of Calendar or Plan Year	Annual Penalty Amount (Assessed Monthly)
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
2025	\$2,900

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 such 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 company separately to determine Employer Shared Responsibility Payment risk for failure to offer. If you have employees that work for more than one controlled group member/ company, 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 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.

This risk is estimated on a monthly basis for clients that fail to offer minimum essential coverage to the minimum required amount of full-time employees. 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. The payment risk is calculated monthly and displayed on the “Overview” tab as the **estimated** payment risk incurred year to date. On the “Penalty” tab, the estimated payment risk is displayed by month.

Overview

Penalty

Annual YTD Penalty Estimate: [View Penalty Detail](#)

\$86,400.00

Current Penalty Threshold: 185

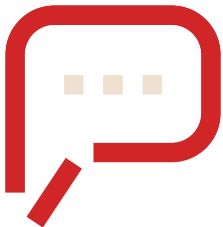
Current Full Time Employees: 195

**Failure to Offer Penalty**

Employers that do not meet the threshold of offering medical coverage to at least 95% of the full-time employees could be subject to a \$2,000 annual penalty per person, if one or more full-time employees receive subsidized coverage through a Health Insurance Marketplace. The penalty is assessed on a monthly, pro-rated basis for a calendar year.

Overview		Penalty	
Month	Full Time Employees	Less Exclusions	Penalty
January	192	30	\$29,160.00
February	183	30	\$27,540.00
March	195	30	\$29,700.00
Total			\$86,400.00

# Frequently Asked Questions



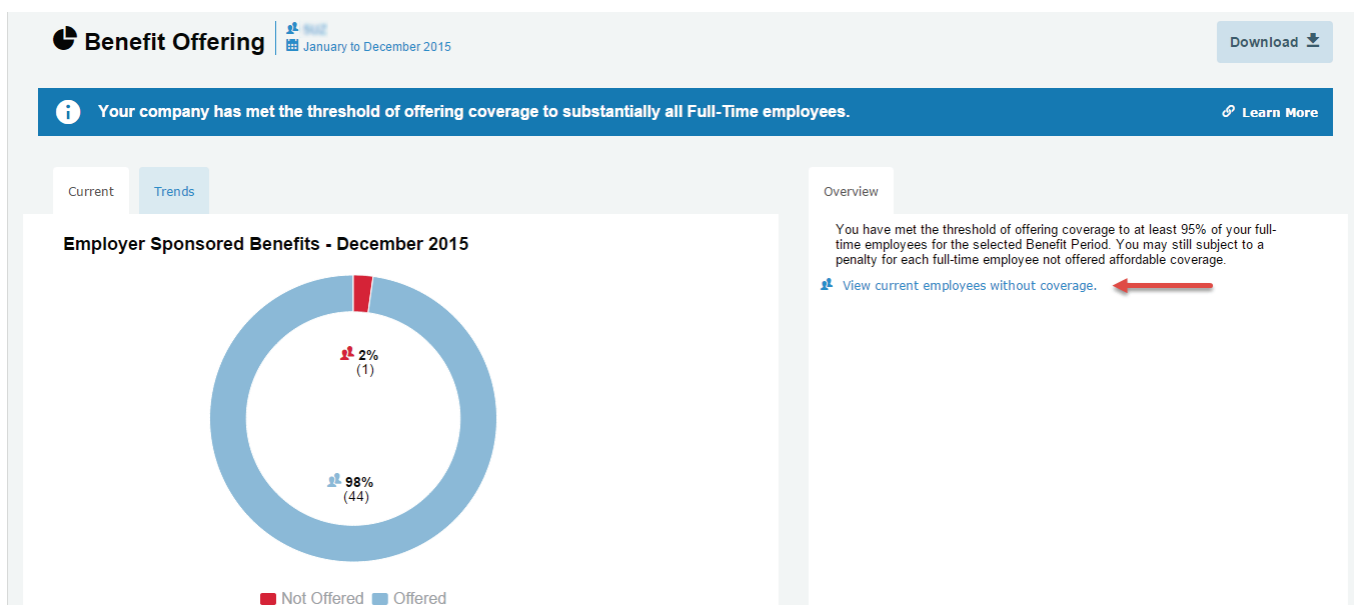
**Is the \$2,000 per year (for 2014, indexed for inflation thereafter) Employer Shared Responsibility Payment based on full-time employees or full-time equivalent employees who are part-time workers?**

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.

## Where can I view a list of my employees without benefits coverage?

In MyTotalSource go to Reporting > Benefits Reports > ACA Shared Responsibility FTE Calculator and scroll down to the Benefit Offering section.

Under the Benefit Offering section, select "View current employees without coverage" link. See below:



This link will allow you to view details for employees that have been determined to be full time in the selected month on the basis of the monthly hours of 130 or more.

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

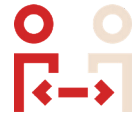
Access your employee's profile directly from the Benefit Offering section of the ACA Dashboard to review and/or make changes to ensure compliance in future months. The employee's profile link is located within the "View current employees without coverage" detail.

# ADP TotalSource Dashboard Notes

**If an employer offers health coverage** for some months but not others during the calendar year, the Employer Shared Responsibility Payment is computed separately for each month for which coverage was not offered. The amount of the Employer Shared Responsibility Payment for the month equals the number of full-time employees employed for the month (minus up to 30) multiplied by 1/12 of \$2,000 ([for 2014, indexed for inflation thereafter](#)).

**If the employer is part of a controlled group**, then for purposes of the payment calculation the ALE member's number of full-time employees is reduced by that member's allocable share of 30. The payment for the calendar year is the sum of the monthly payments computed for each month for which coverage was not offered.

## Additional Information



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



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