

{ 1095&1094 SOLUTION }



Employee Navigator's 1095 and 1094 Solution

ACA Services

- ✓ Print & mail IRS Form 1095-C and 1094-C to employees
- ✓ Print & mail IRS 1095-B for self-funded employers
- ✓ E-file IRS Form 1094-C for employers
- ✓ HR Webinar Training (Optional: Paid by HR)

Employee Navigator will generate the 1095's for all employees who were eligible for an offer of coverage in an employer sponsored health plan during the calendar year, regardless of whether an offer was actually made. This includes all ACA full-time employees and all Variable Hour employees who have completed their measurement period and were determined to be FT eligible status, as well as retirees and COBRA participants. We will also collect the data for Part III of the 1095-C form for self-insured companies.

2015 Service Fees

Service	1-50	51-100	101-250	251-500	501-1000	1001+
Federal E-file & Print/Mail	\$4.75	\$3.95	\$3.15	\$2.50	\$1.80	\$1.40
Federal E-file & Print/Mail (Peak)*	\$5.75	\$4.95	\$4.15	\$3.50	\$2.80	\$2.40

**Peak pricing one day only occurs on the print deadline (February 1, 2016)*

No Deadline and no commitment required by companies

While many payroll firms and ACA compliance services providing 1095 filing are no longer taking additional customers, Employee Navigator has no deadline. Since our tool is self-service, companies do not need to commit now to using Employee Navigator; however, it is prudent to begin the data collection process as soon as possible and we recommend filing by January 20th.

NOTE: Submissions to file the 1095 may be completed up until 8:00 PM EST on February 1, 2016



{ 1095 REPORTING *Start to Finish* }



Classify Employees



Add Medical Plans



Establish ACA Periods

Import Hours



ACA Codes Added



Complete Company Information



Import carrier enrollment



User Override (optional)

NELCO[®]

Nelco API



Data validation

Review IRS forms



Authorize efile
a. E-file with IRS
b. Mailed to Employees



Pay with credit card



E-file acceptance status



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Key filing requirements

For the most part, filing the 1095 and 1094 is a data collection exercise; however, the items below represent the more difficult components that must be completed and will most likely pose challenges for companies:

- ✓ **1095-C Line 14:** One of 9 codes is entered to track the offer to health insurance for each employee: (no offer, affordable offer, employee only offer, etc.).
- ✓ **1095-C Line 16:** If applicable, one of 9 codes is entered for each month providing an explanation why penalty isn't applicable (not employed, in waiting/assessment period, enrolled, qualified for an affordability safe harbor, etc.).
- ✓ **1094-C:** This form acts as a cover sheet for all the 1095-C filed, provides the employer an opportunity to certify eligibility for transition relief from assessment, and contains the count of 1095-C's filed and the number of ALE employees employed each month.

What is involved in generating a 1095 and 1094 with Employee Navigator

1. Importing & categorizing employees including the ACA classification of Full-Time Eligible, Part-Time Ineligible, and Variable Hour.
2. Create the medical plans (This data is used to determine the correct code for Line 14 and Line 16).
3. Establish the measurement and administrative periods to allow the software to determine the codes for Line 14 and Line 16.
4. Importing the hours to determine which employees are full-time.
5. Import actual enrollment from the health insurance carrier (This data is used to determine the code for Line 16 and Part III for self-funded plans).
6. Complete the company information: This step includes the collection of the company information printed in the form such as the address, control group information and transition relief.

ACA Software Training

\$400 for HR TRAINING: Employee Navigator will be conducting HR training webinars designed to help HR managers learn how to use Employee Navigator's software. Training will include managing variable hour eligibility, importing employees, classifying employees, importing hours, importing current enrollment, and managing ACA measurement periods. The annual subscription, which must be paid by credit card, will unlock the webinar registration for portal, community forum and knowledgebase for HR managers. EMPLOYEE NAVIGATOR RESERVES THE RIGHT TO TERMINATE YOUR LICENSE IF WEBINAR TRAINING REGISTRATION CODES ARE SHARED WITH HR MANAGERS AT DIFFERENT COMPANIES.



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The advantages of Employee Navigator's ACA solution

- 1. Cost effective filing solution for 1095s:** Employee Navigator's fees are low.
- 2. Data collection:** We will help companies collect the necessary information for the IRS 1095/1094 Reporting. What sets us apart from other ACA solutions is that we aren't making you complete monthly eligibility calculations yourself. Instead, we have turned ACA compliance into simple data inputs so that we can do the calculations for you!
- 3. Control:** You can fill out the forms on your schedule.
- 4. Streamline the eligibility determination for part-time employees:** Manage employee eligibility by tracking the hours worked of the non-full time employees to determine the appropriate measurement dates and eligibility associated with new hire and standard stability periods.

Does a company have to use Employee Navigator's benefit administration solution?

No. Employee Navigator can still be used to file the 1094 and 1095. Clients not using Employee Navigator's benefit administration system will need to import employee and dependent enrollments, including historical enrollments. Building enrollment history will be the most difficult step for companies who are not using a benefit administration system. For example, an employee that was eligible but not enrolled in health insurance that has a life event will need to track the date of the life event so the proper code can be entered on Line 16 for each month.

IMPORTANT: In order to correctly assemble the enrollment history, enrollment from the insurance carrier must be imported in sequence. For example, the enrollment for January 2015 must be imported before enrollment for february 2015. This is necessary to eliminate the possibility of overlapping enrollment periods.

Has Employee Navigator ever e-filed with the IRS?

No, that's why we partnered with Nelco Solutions to electronically transmit, print AND mail 1094 and 1095 forms. Nelco currently e-files over 5 million W2's and 1099's annually and has been performing these service for over 20 years.

How are the 1095 fees collected?

Once the enrollment is verified by Nelco, the filing package will need to be selected and a credit card payment will be required.



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What type of software enhancements are upcoming?

Employee Navigator will be releasing upgrades throughout the summer and fall based on user feedback. [Click here](#) to see the upcoming and completed enhancements.

Who are ideal candidates for Employee Navigator?

Companies with 12 month stability period using the look-back measurement method to determine if variable hour employees are ACA eligible are ideal candidates for our solution. The measurement and stability period will be the same for all groups of employees and should coincide with the annual open enrollment period for all employees on the health plan. Companies that are on the cusp of being an ALE are ideal for Employee Navigator as well because our ALE Calculator allows employers to determine their ALE status.

Support for 6 month stability period is scheduled for the fall, and is planned to be supported for the 2015 required filing.

HR Summary

Who has to file?

The Affordable Care Act requires certain employers (those with 50+ employees) to offer affordable coverage to their employees. But which employees need to be offered coverage? Employee Navigator is here to help you define your employees, track their hours, and stay in accordance with the regulations put in place by the Affordable Care Act.

Who is the tool design for?

The system was designed so brokers and HR can collectively assemble the necessary data to complete the 1095s and 1094s. A significant portion of the data collection requires companies to categorize employees, and we believe companies themselves are best suited to perform this service. Similarly, brokers can help obtain enrollment data from carriers which will be necessary to determine the correct code on Line 16.

What are the fines for not filing?

After December 31st, 2015, Applicable Large Employers that fail to file an information return and do not provide the appropriate form to all full-time employees could be subject to a penalty up to \$250 per form, with a maximum annual penalty of \$3 million.

Does the software support Variable Hour tracking?

Yes. The variable hour tracking feature enables companies to set-up initial measurement periods, stability periods and administrative periods for new and existing employees. The software streamlines eligibility tracking for part-time employees.

The software permits employers to track hours on a monthly basis (130 hours). Users are able to import hours for employees and the system automatically tracks hours worked during the measurement period for new hires and ongoing employees. Employers have the ability to use the variable hour tracking even if they are not using our platform to enroll in benefits.



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The Nuts & Bolts of ACA Eligibility

The Basics

All full-time employees who are expected to regularly work > 30 hours per week must be offered affordable coverage. Affordable means the cost of the insurance is less than 9.5% of their income.

Companies will need to track the hours of employees that are expected to regularly work less than 30 hours a week to determine if they should be offered coverage. The federal government has prescribed maximum waiting periods for employees and various measurement requirements, but in summary, employees who average > 130 hours a month over a prescribed measurement period must be offered affordable health coverage.

How do the Measurement Periods work?

The measurement period is the period of time hours are tracked to determine if an employee has worked on average more than 130 hours per month. The minimum measurement period is 3 months and the maximum is 12 months. When setting up measurement periods, it is important to note that companies set up two different groupings. The first group is new-hires for their initial measurement period which outlines the new hire periods and determines how long they are a variable hour employee and how long the administrative period is before they are offered new-hire coverage. Once an employee has been employed for a full measurement period, a new hire will graduate into their standard measurement and stability periods and all the employees will be measured together. It is recommended to use the month of your health insurance renewal as the start of your stability period. The eligibility period and measurement periods only apply to variable hour employees.

Administrative Periods

Once the measurement period has finished, the IRS gives employers some time to review the hours an employee worked to determine if they should be offered coverage. This period is called the Administrative Periods. The length of the administrative period cannot be longer than 90 days and the days may be allocated before or after the measurement period.

Affordability Calculator

The Affordability Calculator uses the Rate of Pay Safe Harbor to determine if the cost of coverage for an employee is affordable. We do this by selecting an employer's low cost plan and determining if any employee cost is greater than 9.5% of their salary.

ALE Calculator

The ALE Calculator helps to determine how many full time employees were employed in a given month. We make this determination using the following calculation:

Full Time Employees +
Full Time Equivalents -
Statutory Exclusions =
Total Full Time employees

Full Time Equivalent employees are determined by the total hours worked by non-full time employees (meaning Variable Hour and Part-time employees) divided by 120.