

Outlined below are two distinct demographic categories that are commonly omitted that would need to be accounted for to ensure accurate current year (2023) ACA reporting.

Required Employee Census Information:

1. Separated Employees

ACA reporting requires all FT employees who worked for *the employer* to (1) receive a 1095-C form and (2) be reported to the IRS before the published deadlines. The group would need to include all full-time employees who received a paycheck in 2023 for at least one pay period as part of the census loaded into the case built. It doesn't matter whether the employee was enrolled in health coverage. An example is a person who was working for the company during 2023 but left after the 1st pay period – only one check for 2023 – needs to be included. Since this new case built began during 2023 can the group confirm all full-time employees were included in the case census data provided.

We are seeking confirmation that everyone who terminated from January 2023 to current have been included in the demographic census data loaded into the benefit enrollment system regardless of their benefits enrollment profile. If not, the ACA Reporting would be incomplete, and *the employer* be open to penalties for non-compliance. We suggest a review the payroll roster for employees who dropped from pay period to pay period to ensure all individuals are captured. While reviewing the health plan roster may identify some former employees, it wouldn't be comprehensive enough to satisfy the ACA standards.

2. Life Event Activity

The dependent spouse and child(ren) category changes are the most difficult to capture retroactively as part of the requirement for groups with *self-insured* medical plans. Not only does the 1095-C form require the reporting of the relationship to the employee, but also each month that each dependent had health coverage or failed to have health coverage. This is best explained by illustration: Assume Jane Smith was enrolled in single medical coverage as of 02/01/2022 and in May she married John who had a child, Laura, age 25, and added both to the health care plan – family coverage effective 05/01/2023. In June, Laura celebrated her 26th birthday, so she was dropped from the medical plan as of 07/01/2023. The 1095-C requires groups with *self-insured* medical plans to report Jane had coverage from February 1 through the balance of the calendar year; John had coverage from May 1 through the balance of the calendar year; and Laura had medical coverage from May 1 through June.

Employee SSN	Employee	Location	Coverage Number	Plan name	Product name	Coverage Tier	Effective Date	Termination Date
527-45-4569	Jane Smith	Company A	130001	Example Plan A	Medical Product	EO	2/1/2022	4/30/2023
527-45-4570	Jane Smith	Company A	130002	Example Plan A	Medical Product	FAM	5/1/2023	6/30/2023
527-45-4571	Jane Smith	Company A	130003	Example Plan A	Medical Product	ES	7/1/2023	

We are seeking confirmation that all life event activity that drove the addition, or deletion, of an employee, spouse or child was included in the medical benefits census data loaded into the benefit enrollment system. If not, they need to be added, lest the ACA Reporting be incomplete and *the employer* open to penalties for non-compliance.

Medical Carrier Coverage File: Beginning 1/1/2023 – Current:

- ✓ All historical benefit coverage for Medical *anytime* during the 2023 reporting year, this would include any changes in medical plan and/or coverage tier changes. [Note: Employers with self-insured medical plans, Retiree and/or COBRA coverage anytime during 2023 would also be required]

For example: If an employee had Employee Only medical coverage during the prior plan year 7/1/2022 – 2/28/2023 but changed medical plans and/or tiers to Employee + Spouse as of 03/01/2023 then both records would need to be provided and captured in the employee's record. Because ACA reporting is done on a calendar year basis, **January – December**, any coverage changes within this period would need to be housed in the system to ensure the correct details are captured within the ACA reporting accurately. (See example below)

Employee SSN	Employee	Location	Coverage Number	Plan name	Product name	Coverage Tier	Effective Date	Termination Date
123-45-6789	Jane Johnson	Company A	100001	Medical Plan A	Medical Product	EO	7/1/2022	2/28/2023
123-45-6789	Jane Johnson	Company A	100002	Medical Plan A	Medical Product	ES	3/1/2023	

We apologize for the granular nature of this information, but it's driven by the ACA rules and regulations. This level of detail matters in ACA reporting and transactions with the IRS.