



## **How to Stay ACA Compliant**

## Frequently Review ACA Data

A monthly ACA compliance process could prevent IRS penalties. For ACA non-compliance, the IRS assesses penalties based on the monthly compliance information in an organizations annual ACA filing. Monthly compliance checks are essential for avoiding penalties.

**The monthly ACA process is based on these five components:**





## 1. Regulatory Proficiency

Understanding and being regulatory proficient with ACA rules ensures that organizations comply with the law, avoiding potential penalties and legal consequences for non-compliance.

## 2. Quality of Employee Data

For the ACA data to be compliant, data fields such as census information, time & attendance, employment type, wage and rate information, as well as contribution structure, must be precisely tracked.

## 3. Documentation and Record-Keeping

Monthly ACA compliance is heavily reliant on supporting documents. Summary Plan Documents (SPDs), Benefits and Coverage, insurance premiums, offers of coverage, medical invoices, enrollment forms, waiver forms, and acknowledgement of offers for the appropriate reporting year should all be readily available in the event a penalty is assessed.

## 4. Data Interpretation

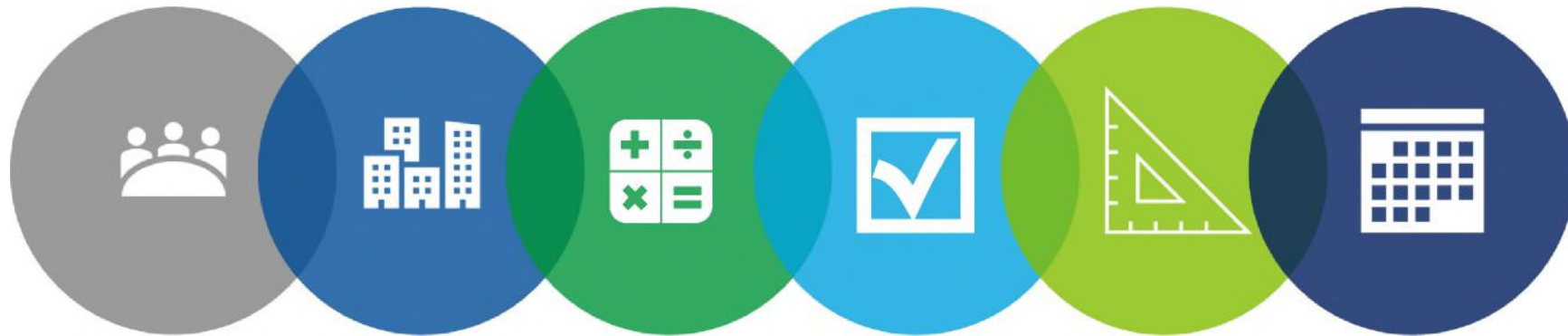
Accurate interpretation of ACA data ensures that the organization complies with these requirements, including offering affordable health insurance coverage to eligible full-time employees and reporting health coverage information to the IRS.

## 5. Regulatory Awareness

Mastering ACA rules such as IRS-Approved Measurement Methods, Affordability Safe Harbors, and Limited Non-Assessment Periods can help organizations stay in compliance each month.



# Top ACA Compliance Mistakes



01

## Misclassification of Employees

It is imperative for organizations to correctly classify employees under the ACA guidelines.

02

## Inaccurate Analysis of Aggregate Employer Group

Multiple corporate entities owned by a single organization should proactively determine if their businesses are considered an aggregated group under ACA guidelines.

03

## Incorrectly Calculating Full-Time Equivalent Employees

An employee is considered full-time if they work 30 hours per week or 130 hours (about 5 and a half days) per month.

04

## Failing to Provide Minimum Essential Coverage

Under the Affordable Care Act, make sure that at least 95% of your workers have access to a plan that is both affordable and meets a minimum value threshold.

05

## Failure to Use the Approved Measurement Method

Failure to apply the approved measurement method correctly could result in inaccurate fulltime counts and significant penalties.

06

## Missing a Filing Date

Employers who fail to submit accurate ACA information by the filing dates may be penalized.



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