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The federal Patient Protection and Affordable Care Act (ACA) requires the State of Arizona to offer group health plan coverage to their full-time employees (and their dependent children up to age 26). Failure to do so will lead to a penalty known as the “Employer Shared Responsibility Payment (ESRP).”

There are two types of ESRP penalties under the ACA known as “Pay or Play Penalties.” One penalty is assessed for failure to offer health coverage to full-time employees. If the State does not properly offer health coverage to just one employee, the penalty would exceed \$76,000,000, because it is assessed against all covered employees not just those not offered benefits (e.g. \$2,000 per active employee – 2,000 X 38,000 employees). This penalty is also known as the “sledgehammer” penalty.

The second penalty is assessed for failure to offer coverage that is of minimum value and affordable. This penalty is \$3,000 for each employee who obtains health coverage on the Marketplace Exchange and receives an exchange subsidy for insurance.

The Arizona Department of Administration (ADOA) is responsible for reporting this information to the IRS and our employees by preparing and filing new 1094/1095 IRS forms, which are due in early 2016.

In order to ensure ACA compliance and its complex reporting requirements, HRIS employee data integrity including, but not limited to hours worked, paid leave and FMLA leave hours is now more critical than ever before. If the proper hours of service are not accurately tracked in HRIS, it can cause an employee to be incorrectly classified under ACA, causing incorrect reports to be filed with the IRS and potentially triggering the penalties outlined above. ADOA is currently reviewing data consistency across all agencies using HRIS, ensuring key data fields affecting ACA compliance are utilized appropriately.

It is imperative that agencies understand key ACA components in order to properly identify eligible employees. In order to achieve consistent HRIS data integrity, ADOA will provide ACA training to all HR and Benefit liaisons in January 2016. This training is required to ensure that all agencies are in compliance with the law to avoid any penalties.

Who should attend this training?

- Chief HR Officers or Human Resources Managers
- Employees who input HR or Benefit data into HRIS
- Benefit Liaisons or Benefit Staff
- Payroll Staff

Training Objectives

- ACA Requirements and Mandates (Minimal Essential Coverage, affordability, standard measurement period, lookback measurement period, etc.)
- ACA Employee Designation
- ACA Designation User Field (HRIS has a new user field - this user field will be explained during training sessions in late January).
- Proper usage of Hire Date
- A review of the IRS Forms 1095-C and 1094-C

Training Dates and Times

- Thursday, January 14th 1:00 – 3:00 pm
- Tuesday, January 19th 1:00 – 3:00 pm
- Friday, January 22nd 9:00 – 11:00 am
- Monday, January 25th 9:00 – 11:00 am
- Thursday, January 28th 1:00 – 3:00 pm
- Friday, January 29th 9:00 – 11:00 am

Please register for the Affordable Care Act (ACA) training in YES to reserve your seat! The dates and times for the training are listed above.

To register, please login to YES and complete the following steps:

1. Click **Employee Training**
2. Click **Registration by Category**
3. Click **ADOA Courses**
4. Find **Affordable Care Act** (ADBEN103) and then select the session you wish to attend

Webinars will be made available to those outside of the Phoenix Metropolitan Area. Please contact Jennifer Bowling at Jennifer.bowling@azdoa.gov to discuss webinar availability.