

ARE YOU READY FOR THE AFFORDABLE CARE ACT?

As of **January 1, 2015**, under the Affordable Care Act (ACA), employers with more than 50 full-time employees (FTEs)¹ will be mandated to provide healthcare coverage to all employees working 30-plus hours per week.²

UNDERSTANDING THE IMPACT

NEW HEALTHCARE COSTS

Under the ACA, a portion of your workforce could be reclassified as full-time employees for purposes of the act. **How will you determine which employees now qualify for benefits? And do you know the projected costs?**

Whether your organization decides to “play” or “pay,” there are costs you will face:

- **Play** — the average cost to provide healthcare is about \$10,000 per employee per year³
- **Pay** — penalties for not providing coverage and/or “affordable” coverage range from \$2,000 to \$3,000 per employee

NEW COMPLIANCE CHALLENGES

You must determine which employees are eligible for coverage, using the “look-back” period (a 3-12 month time frame to determine which part-time employees should be reclassified as full time). Organizations must then provide coverage for eligible employees for a minimum of the longer of six months or your look-back period.

Do your current systems give you the necessary visibility to determine which employees are FT/PT? And once that is determined, can you proactively manage your workforce to obtain an optimal mix of full-time and part-time employees?

NEW ADMINISTRATIVE BURDENS

You will be able to provide evidence of ACA compliance efforts through reporting. The benefits administration process may also become more complex, as auto-enrollment may be mandated for qualifying large employers.

How are you currently performing benefits administration? Is employee information centralized, and can you run reports across your entire organization?

HOW KRONOS CAN HELP WITH THE ACA

- **Provide accurate information** about average hours worked by full-time and part-time employees
- **Deliver timely reporting** of employee data to assist with and determine benefit eligibility
- **Monitor your workforce** by analyzing schedules, time records, and benefits enrollment in real time
- **Provide comprehensive auditing** and reporting features that will permit you to provide evidence of your ACA compliance efforts to government agencies
- **Deliver the required forms** for submittal to government agencies on the ACA

¹ Full-time equivalent nonseasonal employees.

² Based on selected look-back period.

³ “Employers held health benefit cost growth to 4.1%,” Mercer, November 14, 2012, <http://www.mercer.com/press-releases/1491670>.