

Institution Administrator Call

July 21, 2022

Agenda

- Portal Articles
- W4 Self-Service Changes – State Only
- Affordable Care Act (ACA)

Portal Articles

Recently posted articles:

JULY 12, 2022: [Investment Changes to UW 403\(b\) Supplemental Retirement Program](#)

JUNE 27, 2022: [Bank Unused Vacation Hours](#)

JUNE 27, 2022: [Summer Prepay Deductions: Summer Employment / Family Status Changes](#)

Upcoming articles:

- Mid-Year Benefits Check-Up

2022 W4 Self-Service Changes – STATE only

- Employees will now be able to update NEW state W4s through ESS.
- Currently, the form requires any new state must be submitted as a paper form to their campus payroll coordinator for entry.
- NEW: Employees can now choose any state the UWS is currently registered with:
 - California
 - Iowa
 - Illinois
 - Massachusetts
 - Michigan
 - Minnesota
 - North Carolina
 - Virginia
 - Wisconsin



Reminder:

Encourage employees to be updating their tax status on Self-Service. This will decrease manual entry and administrative errors.

This page is currently accessible 7 days prior to start date, as long as the employee has the self-service security role.

Employees can continue to file Exemption on Self-Service.

Administrator entry: Individuals that are working out of state or country will still not be able to update this tax status on self-service (No Taxable Gross/No Tax Taken)

- Reciprocity employees should fill out Form W-220
- Employees working in another state or country can fill out the Supplemental tax form accordingly to have the state tax withholding turned off.



Affordable Care Act (ACA)

Overview

- Employee Reminders
 - Individual Mandate
- Employer (institutions) Reminders
 - Hours Worked Requirement
 - Shared Responsibility Penalties
 - Lump Sum Payments
 - Student Help
 - Marketplace Notice Requirement
 - Communication from Department of Health and Human Services (DHS)
 - HRS Reports
 - Administrator Resources

Affordable Care Act (ACA)

- Employee Reminders
 - Individual Mandate:
 - January 2014: Individuals required to have minimum essential health insurance OR pay penalty when filing income tax returns
 - December 2017: Tax Cuts and Jobs Act passed which eliminated mandate penalty effective **January 1, 2019**
 - December 2018: Texas Judge ruled the individual mandate unconstitutional due to the elimination of the penalty; furthermore, declared the entire ACA law invalid
 - *The future of this litigation is unknown; therefore **all** aspects of the ACA should continue to be administered/enforced*
 - June 2021: Supreme Court dismissed the case
 - ***All** aspects of the ACA should continue to be administered/enforced*
 - 1095 Forms
 - February 2022: Issued for the 2021 plan year
 - Encourage employees to consent to electronic distribution

Affordable Care Act (ACA)

- Employer (institutions) Reminders
 - Hours Worked Requirement
 - FTE defined by the ACA as an employee that works an average of 30 or more hours per week (doesn't align with the state/UW System's health insurance eligibility requirements)
 - Required to offer affordable, minimum essential health insurance to 95% of full-time employees (FTE)
 - Required to report to the IRS annually regarding offers of affordable, minimum essential health insurance

Affordable Care Act (ACA)

- Employer (institutions) Reminders, continued
 - Hours Worked Requirement
 - Institutions should monitor employee hours using reports outlined in Running the Affordable Care Act (ACA) Reports in HRS (KB 65060)
 - 2017 Coverage: 10/1/2015 – 9/30/2016 (notified of fines fall of 2019, fines paid/resolved early 2020)
 - 2018 Coverage: 10/1/2016 – 9/30/2017 (notified of fines July 2021, fines paid/resolved early August 2021)
 - 2019 Coverage: 10/1/2017 – 9/30/2018 (notified of fines December 2021, fines paid/resolved April 2022)
 - 2020 Coverage: 10/1/2018 – 9/30/2019
 - 2021 Coverage: 10/1/2019 – 9/30/2020
 - 2022 Coverage: 10/1/2020 – 9/30/2021 (**can no longer be managed**)
 - 2023 Coverage: 10/1/2021 – 9/30/2022 (**can be managed**)

Coverage year is 1/1 – 12/31. Standard Measurement Period is 10/1 – 9/30.

Example: For 2022, the coverage year is 1/1/2022 – 12/31/2022. The standard measurement period is 10/1/2020 – 9/30/2021.

The measurement period determines employee eligibility under ACA for the upcoming coverage year. After 9/30, for the upcoming coverage year, eligibility under ACA cannot be changed.

Affordable Care Act (ACA)

- Employer (institutions) Reminders, continued
 - Shared Responsibility Penalties:
 - **Penalty 1 (no offer of coverage penalty)** – Applies IF...
 - Employers do not offer minimum essential health insurance coverage OR
 - Do **not** offer to 95% of FTEs AND at least one FTE gets coverage through the Marketplace AND receives a premium tax credit/subsidy
 - Penalty of \$2,750 (for 2022) per FTE applies to **all** (but 30) FTEs (estimated penalty of \$72.6 million)

Year	% of Full-Time Employees Not Offered Coverage
2017	1.32%
2018	1.12%
2019	2.11%
2020	2.06%
2021	1.85%

Affordable Care Act (ACA)

- Employer (institutions) Reminders, continued
 - Shared Responsibility Penalties:
 - **Penalty 1 (no offer of coverage penalty)**
- Chart shows by institution the % of Full-Time Employees Not Offered Coverage
- UW System is one employer for ACA reporting purposes

*Over 2% and/or increased from the prior year.

	2017	2018	2019	2020	2021
System Total	1.32%	1.12%	2.11%	2.06%	1.85%
UW-Eau Claire	1.80%	0.96%	0.99%	2.00%*	1.51%
UW-Green Bay	0.81%	0.97%	1.36%	1.94%*	1.37%
UW-La Crosse	1.29%	1.26%	1.39%	1.04%	1.34%*
UW-Milwaukee	1.73%	2.17%	3.17%	3.56%*	3.28%*
UW-Madison	0.98%	0.76%	2.08%	1.86%	1.67%
UW-Oshkosh	2.07%	1.63%	2.35%	2.56%*	2.23%*
UW-Parkside	1.22%	0.76%	1.28%	0.74%	0.81%*
UW-Platteville	0.59%	0.39%	1.16%	1.30%*	1.29%
UW-River Falls	2.33%	1.11%	2.04%	1.41%	1.84%*
UW-Stout	2.66%	1.71%	1.79%	2.21%*	2.73%*
UW-Stevens Point	2.34%	2.08%	3.20%	2.42%*	2.68%*
UW-Superior	4.10%	3.77%	4.96%	5.48%*	1.74%
UW System Admin	0.00%	0.00%	0.20%	0.29%*	.08%
UW-Whitewater	1.73%	1.69%	2.27%	2.28%*	1.74%

Affordable Care Act (ACA)

- Employer (institutions) Reminders, continued
 - Shared Responsibility Penalties:
 - **Penalty 2 (inadequate coverage penalty)** – Applies IF...
 - Employers offer health insurance coverage to 95% of FTE's; however, **not** affordable OR does not provide minimum value AND at least one FTE gets coverage through the Marketplace AND receives a premium tax credit/subsidy.
 - Penalty of \$4,120 per year (or \$343.33 per month) for 2022 per FTE that receives premium tax credit/subsidy (not to exceed the amount of penalty 1).

Affordable Care Act (ACA)

- Employer (institutions) Reminders, continued
 - Shared Responsibility Penalties:
 - **Penalty 2 (inadequate coverage penalty)**
 - **April 2018:** UW System received notice for 2015 plan year filing that contained 16 employees. After further analysis, it was determined the UW System owed a penalty for **one employee**. UW System responded to the IRS timely and paid a **\$3,120** penalty. Affected institution notified.
 - **September 2019:** UW System received notice for 2017 plan year that contained 43 employees. After further analysis, it was determined the UW System owed penalties for **22 employees**. UW System responded to the IRS timely and paid a penalty of **\$41,245** on behalf of affected institutions.
 - **July 2021:** UW System received notice for 2018 plan year that contained 29 employees. After further analysis, it was determined the UW System owed penalties for all **29 employees**. UW System responded to the IRS timely and paid a penalty of **\$43,790** on behalf of affected institutions.
 - **December 2021:** UW System received notice for 2019 plan year that contained 57 employees. After further analysis, it was determined the UW System owed penalties for all **employees**. UW System responded to the IRS timely and paid a penalty of **\$77,500** on behalf of affected institutions.

Affordable Care Act (ACA)

- Employer (institutions) Reminders, continued
 - Shared Responsibility Penalties:
 - **Penalty 2 (inadequate coverage penalty)**
 - Employees that caused penalty for 2019 (and are risk groups each year):
 - Can control:
 - Not Eligible for State Group Health Insurance but worked more than an average of 130 hours per month (5 employees)
 - Student Help (who worked an average of over 30 hours a week) (2)
 - Some control:
 - Part-time employees with FTE less than 50% (8)
 - Cannot control (due to statute):
 - University Staff employees who are in their 2-month waiting period for State Group Health Insurance (34)
 - Employees on LOA longer than 3 months (2)
 - Crafts workers* (6)

*Effective January 1, 2022 crafts workers will be offered affordable coverage. 2024 will be the first coverage year where crafts workers will no longer be a risk group.

Affordable Care Act (ACA)

- Employer (institutions) Reminders, continued
 - Lump Sum Payments:
 - Consider if a lump sum payment is the best options for a position. Positions with an FTE are more administratively manageable in HRS for ACA purposes as well as for benefit management purposes.
 - If a **lump sum payment** is the best option, employees need to **enter hours timely**.
 - If hours are not entered timely, hours for lump sum payments will automatically be calculated at 8 hours per working day for the period the lump sum payment was entered for.
 - Hours will most likely be overstated for the period adding more hours to the measurement period which could put the employee over the 130 average hours per month, making the employee eligible for health insurance under ACA but under state benefit eligibility rules the employee would not be eligible.
 - UW System could not cover the employee but would be required to report the employee as eligible under ACA.
 - Use **ACA report Missing ACAHW Hours** (UW_ACAHWREQ) to manage employees with lump sum payments with no ACAHW hours reported where Days-Worked Equivalency method is being used.
 - Employees enter hours in their timesheet the same as any other hours worked. Code of ACAHW should be selected.

Affordable Care Act (ACA)

- Employer (institutions) Reminders, continued
 - Student Help:
 - Institutions should keep student help under 25 hours per week.
 - Review [UW System Administrative Policy 1237 \(formerly GEN 20\): Student Employment](#)
 - University Staff-Temporary:
 - Consider how you are using University Staff-Temporary Employees who may not be eligible for WRS benefits.
 - Review [UW System Administrative Policy 1256 \(formerly HR 7\): University Staff Temporary & Project Appointments](#)

Affordable Care Act (ACA)

- Employer (institutions) Reminders, continued
 - Marketplace Notice Requirement
 - Institutions should provide the Health Insurance Marketplace Notice to employees within 14 days of hire. Notice is updated annually.
 - The Marketplace Notice, Cover letter and Distribution Policy can be found on the [ACA Administrator page](#)

Affordable Care Act (ACA)

- Employer (institutions) Reminders, continued
 - Communication from Department of Health and Human Services (DHS):
 - Letter – If an employee applies for coverage through the Marketplace and indicates they were not offered affordable, minimum essential coverage by their employer, DHS sends letter to employer to determine if the employee is eligible for a premium tax credit/subsidy.
 - Process – If an institution receives a letter, interoffice or fax it to UW-Shared Services, Service Operations (Benefits Team) as soon as possible. Service Operations will create a ticket, research the situation and file an appeal if necessary.

Affordable Care Act (ACA)

- Employer (institutions) Reminders, continued
 - HRS Reports to review hours and trending status.
 - Running the Affordable Care Act (ACA) Reports in HRS ([KB 65060](#)).
 - Access to run ACA reports: Security role - UW_UNV_BN_ACA_REPORT. Request HRS Security Roles in HRS ([KB 44549](#)).
 - **Missing ACAHW Hours (UW_ACAHWREQ)** - Lump sum payments with no ACAHW hours reported where Days-Worked Equivalency method is being used
 - **Unmatched ACAHW Hours (UW_ACAHWNUSE)** - Time that has been entered in Time & Labor using ACAHW time reporting code with no corresponding lump sum payment
 - **ACA Hours Report (UW_ACAHRSRPT)** - Summary report showing all hours (regular, work study, ACAHW, and Days-Worked Equivalency)
 - **ACA Full-Time Trending Report (UW_ACA_TREND)** - Identifies borderline full-time eligible employees whose current total hours and expected hours are equal to or greater than 120 hours. This report can be used to help manage the risk for next year.
 - **Measurement Period Report (UW_ACA_MPRPT)** - Run for specific employees to get measurement and stability periods
 - **Not Affordable Full-Time Employees (UW_ACANAFTRP)** - Employees by month that were ACA full time and not offered coverage or the coverage was not affordable. This report can be used to determine who was part of the risk group for the current year or past years.

Affordable Care Act (ACA)

- Employer (institutions) Reminders, continued
 - Administrator Resources:
 - ACA Procedural Guidance
 - ACA Administrator FAQs
 - ACA Measurement & Stability Periods Illustration
 - Running the Affordable Care Act (ACA) Reports in HRS (KB 65060)
 - Marketplace Notice
 - Marketplace Notice – Cover Letter
 - Marketplace Notice – Distribution Policy (UW System Administrative Policy 1260 (formerly HR 12) Health Insurance Marketplace Notice Distribution)



Send your questions to uwshr@uwsa.edu

Campus Collaboration & Discussion

- For discussion topics email uwss-svc.CampusCallSlides@uwss.wisconsin.edu