SkilMatch documentation for activating, changing and deactivating Affordable Care Act (ACA) "Employee Share of Lowest Cost Monthly Premium for Self-Only Minimum Value Coverage" Tracking Code (TC) table entries. "ESHxx" TCs. Command "ACAESHCD".

Abbreviations that may be used in this documentation:

- **ACA** = Affordable Care Act
- **ALE** = Applicable large employer (ACA defined)
- **EE** = Employee
- **FT** = Full-time (ACA defined)
- **HCI** = Health care insurance
- **IMP** = Initial measurement period
- **LBR** = Look back reporting (SkilMatch SMP/IMP reporting)
- **MEC** = Minimum essential coverage (ACA defined)
- **MVC** = Minimum value coverage (ACA defined)
- **SMP** = Standard measurement period
- **TC** = Tracking codes (ACA defined or SkilMatch-defined)
- **VH** = Variable-hour (ACA defined)

Important **notes:**

- **If you <u>are</u> not an ALE for a reporting year, you should not need to activate or use ESHxx TCs.** Only ALEs are subject to ACA compliance reporting (1094/1095-C).

- **If you <u>are</u> an ALE for a reporting year, but you do not offer MEC with MVC HCI to any temp or staff EE** using IRS-defined offer indicators **1B**, **1C**, **1D** or **1E** on 1095-C Line 14, **you should not need to activate or use ESHxx TCs.** Only offer indicators **1B**, **1C**, **1D** or **1E** on 1095-C Line 14 require EE share amounts on Line 15.

- Although ESHxx TC table entries should be activated in temp companies, they can be used for both temp and staff EEs in that company... similar to tax table usage.

- To be able to process the ACAESHCD command, your SkilMatch user ID **must** have "SKPAYROLL" security authority.

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ESHxx TCs table entries are your user-defined dollar amounts for various "EE share" of MEC with MVC HCI (offered) costs. **They are used by SkilMatch to populate IRS 1095-C Line 15: "Employee Share of Lowest Cost Monthly Premium for Self-Only Minimum Value Coverage".**

- **ESHxx TCs will populate an EE's 1095-C Line 15 with a** **"dollar" amount, not a code.**
- Each ESH TCxx table entry has an **"Effective date"** (i.e., when the amount was first determined/activated/offered/in effect/available for use).
- **Important note:** All ESHxx TC table entry amounts to be used for EEs during 2015 should, logically, have an **"Effective date"** of **1-1-15 or before**... because, if an ESHxx TC table entry was not made effective until, for instance, June 2015, SkilMatch data entry "rules" will not allow it to be used as an EE's individual "assigned" ESHxx TC in January-May of 2015.

Further, again, re-stated, "beating a dead horse": VERIFY WITH YOUR ACA EXPERT.

- ESHxx TCs table entries "stand" for set amounts that **you have defined** (and are, typically, ACA-defined "affordable", i.e., usually calculated using an EE's pay rate or an EE's prior-year W2 earnings) and are based on formulas or policies **you have established**.
- ESHxx TC table entry amounts "represent" the monthly cost an EE **would have been** required to pay as the EE's share for the "lowest cost HCI policy for self-only with MVC"... **whether the EE enrolled for that policy or not**... and no matter what other coverage (EE + spouse, EE + dependents, EE + spouse and dependents or self-only coverage for a different policy) might have been available to or accepted by the EE.

Important concept "to get": What is "EE share" on form 1095-C Line 15? VERIFY WITH YOUR ACA EXPERT.

1. **It is not** an amount associated with changing year-to-year monthly HCI "premium" costs to an ALE.
2. **It is not** based upon whether an EE actually enrolled in HCI coverage.
3. **It is not** even the actual monthly HCI premium cost to an EE **unless** the EE enrolled in the lowest cost MVC HCI policy as self-only.
4. **It is the monthly cost "offered" to an EE (whether the EE enrolled or not) for a self-only HCI policy offering ACA-defined MVC. If the cost is not ACA-defined "affordable" (usually based on either the EE's "last year's W2" or the EE's "pay rate at the time of the offer of HCI"), the HCI offer is not compliant with ACA rules.**
5. **And... still another explanation from an insurance company ("from the web"):** "An ALE's offer to an EE of HCI MVC, self-only, at a monthly cost to the EE that is **$93.18 or less** in 2015 (i.e., 9.5% of the FPL [Federal Poverty Level] for a single individual) is a **1A** offer for that month... and the ALE is not required to complete the corresponding month on Line 15, "EE share", for that month. But when an ALE's offer to an EE of HCI MVC, self-only, at a monthly cost to the EE is **greater than $93.18** in 2015, Line 15 **must** be completed. In other words, if an ALE offers **1B**, **1C**, **1D**, or **1E** coverage at a monthly cost to the EE of **greater than $93.18** for any month on the 1095-C Line 14, the corresponding month on Line 15, "EE share", **must** be completed. On the other hand, when an ALE uses offer codes **1A**, **1F**, **1G**, **1H** or **1I** for any month on the 1095-C Line 14, corresponding Line 15 **must not** be completed."

Important ACAESHCD command "data entry" notes:

- This command **allows** you to **print** a list of your ESHxx TC table entries. **(See page 10)**

- This command **allows** you to **create a new** ESHxx TC table entry.

- This command **allows** you to **delete an existing** ESHxx TC table entry. **(An ESHxx TC table entry that could ever be needed on a 1095-C should never be deleted.)**

- This command **allows** you to **change an existing** ESHxx TC table entry's "Employee share of lowest cost monthly premium" (amount) and/or "Description". **(An ESHxx TC table entry that could ever be needed on a 1095-C should never be changed.)**

- This command **does not allow you to change** the "Effective date" of an existing ESHxx TC table entry after it has been created. The original ESHxx TC table entry must be deleted; then a new ESHxx TC table entry with the correct "effective" date must be added. **(An ESHxx TC table entry that could ever be needed on a 1095-C should never be deleted.)**

- **Logically** you should not (and cannot) have more than one ESHxx TC table entry **"Effective date"** for the same "**xx**".

- **Note1:** An EE's **individual** file **could** have multiple ESHxx TCs (with different "start" dates) selected from your ESHxx TC table entries when an EE's pay rate changes (see Note2, below), etc. Typically, an EE's share cost ESHxx TC **will not change...** whether the ALE's premium costs go up or down... **unless** the EE's pay rate or "prior-year" W2 changes. **Why?** If "affordability" is based on 9.5% of "pay"... 9.5% of $100.00 will **always** be $9.50 no matter what the actual insurance company's premium might be from plan to plan or from year to year.
  Note2: IRS rules do not allow an increase in an EE's share during the plan year... even if the EE's pay rate is increased. An EE's share can only be increased during annual open enrollment. **However,** if an EE's pay rate **decreases,** the EE's share should probably be reduced. **VERIFY WITH YOUR ACA EXPERT.**

"Logic" for creating your table of ESHxx TCs: VERIFY WITH YOUR ACA EXPERT.

- Each ESHxx TC table entry is just a "code" that "**means**" a monthly "**amount**". (For example, a "code" could have nothing to do with the "content"... ESH17 = $97.21; or ESH35 = $150.13; etc.)

- **The "xx" (sub-code) portion of the ESHxx TC does not need to be "meaningful"... but will probably be easier to use and recall if it is.** (For example, ESH**08** TC table entry is an amount for EEs making $**8**.00-8.99 per hour; ESH**13** TC table entry is an amount for EEs making $**13**.00-15.99 per hour; ESH**30** TC table entry is an amount for EEs making $**30**.00**+** per hour; etc.)

- As an example **only**...

    If your ESHxx TCs will be "logically" created **based on ACA-defined "affordability" based on "ranges" of rates of hourly pay:** (**Note:** The ACA-defined monthly "affordable share" for hourly vs. salaried EEs is **different:** For an "**hourly**" EE it's rate-of-pay **x** 130 (hours) **x** 9.5%; For a "**salaried**" EE it's 9.5% **x** one month's salary.)

    ESH**08** TC's **"Description"** could be "**8**.00-8.99, 98.80" with an **"Employee share of lowest cost monthly premium"** amount of 98.80 ($8.00 **x** 130 hours **x** 9.5%); then ESH**09** could be "**9**.00-9.99, 111.15" with an amount of 111.15... maybe ending with ESH**39** as "**39**.00 or more, 481.65" with an amount of 481.65; etc.

    Or, for **bigger** ranges, maybe ESH**08** could be "**8**.00-12.99, 98.80" with an amount of 98.80; then ESH**13** could be "**13**.00-17.99, 160.55" with an amount of 160.55; etc., (and skipping the use of ESH09, 10, 11 and 12 and any other "in-between" numbers).

    Or, if you **always have the same share amount for all employees at all pay rates,** you could use simply use "not-meaningful" ESH01 as "$156.34 for everyone" with an amount of $156.34; **or** "not-meaningful" ESH02 as "$0.00 - no EE premium" for situations where you pay 100% of the HCI premium.

- Each amount has been "established" by you based on your organization's criteria for setting various EE "share" of monthly HCI costs for the "lowest cost monthly premium for self-only MVC" offered to EEs... whether an EE enrolled in "self-only" coverage or not.

- An IRS website that may be helpful: https://www.irs.gov/irb/2014-9_IRB/ar05.html

To embark on your "logic" plan... determine **(1)** how many "amounts" could possibly be deducted from EEs for offered self-only HCI MVC and **(2)** when the amount was first offered/valid/effective and **(3)** then assign a "logical", easily remembered ESH**xx** TC table entry for each amount.

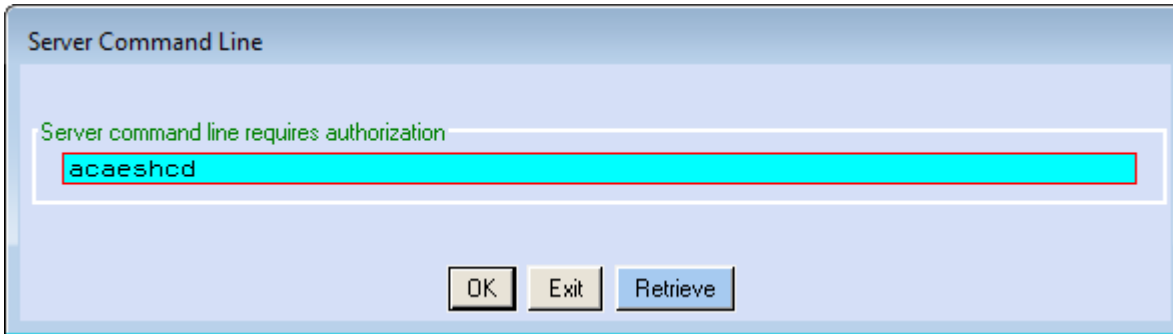**Important "examples used in this documentation" information:**

- There are **so many (too many)** scenarios, options and choices possible when documenting/showing "examples" for entering ESHxx TC table entries... depending upon each organization's policies, insurance offered, etc.

- Screen images and examples in this document do not reflect your organization's specific circumstances. The documentation and examples are **only** intended to assist with your understanding of the data entry process and are not intended to be an explanation of ACA law or IRS regulations. **WORK WITH YOUR ACA EXPERT TO DETERMINE APPROPRIATE ESHXX TC TABLE ENTRIES TO BE USED.**

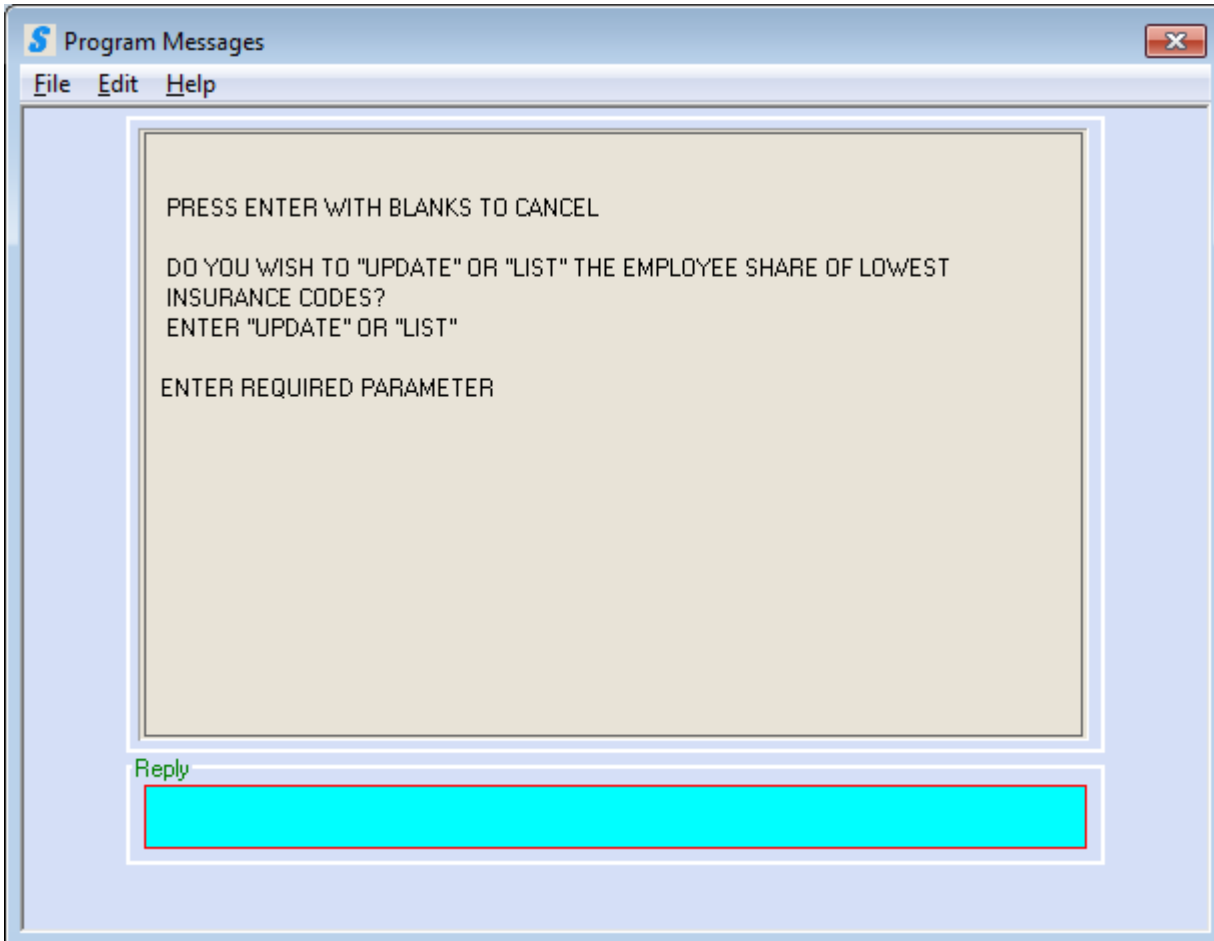**HERE IS THE EXAMPLE BEING DOCUMENTED:**

- ESHxx TC table amounts **logic for this example only** is based on **"ACA-compliant", "safe harbor" "rate of pay" "ranges"...** by $1.00 amounts... from $9.00-$30.00 (i.e., 9.00-9.99, 10.00-10.99... 29.00-29.99, 30.00+, etc.). Amounts were determined/effective/set on 12-1-14. ESHxx TC table **"xx" sub-codes will "match"** the low pay rate of the range to make them easier to remember during data entry into EE files later... i.e., ESH**10** TC table entry will represent a pay range of $**10**.00-$10.99 with a "share" amount arbitrarily set **below** ACA-defined affordability ($123.50) at $105.00; ESH**29** will represent a range of $**29**.00-$29.99 with a "share" amount arbitrarily set **at** ACA-defined affordability, $358.15; ESH**30** will represent a range of $**30**.00**+** with a "share" amount arbitrarily set **at** ACA-defined affordability, $370.50.

- **Action needed:** Setup 22 ESHxx TC table entries (xx=09-30) with a share amount for each "rate of pay" "range".

- **Action #1 example:** Setup an ESH**10** TC table entry (the **second** entry in this 09-30 group)... for a pay range of $**10**.00-$10.99 with a "share" amount of $105.00. **Description** will be "10.00-10.99, $105.00".

Adding/changing/deleting ESHxx TC table entries

From any menu, click [Command icon]. The following screen will display:

Server Command Line

Server command line requires authorization
acaeshcd

OK   Exit   Retrieve

Key **ACAESHCD** and click **[OK]** or **press [Enter]** to continue. The following screen will display:

S Program Messages

File   Edit   Help

PRESS ENTER WITH BLANKS TO CANCEL

DO YOU WISH TO "UPDATE" OR "LIST" THE EMPLOYEE SHARE OF LOWEST INSURANCE CODES?
ENTER "UPDATE" OR "LIST"

ENTER REQUIRED PARAMETER

Reply

Key **UPDATE** and **press [Enter]** to continue. (**Or**, key **LIST** and **press [Enter]** to print an existing list of ESHxx TC table entries. See printing and sorting instructions on page 10.)

Or, key nothing and **press [Enter]** to cancel the program and return to a menu.

If you keyed **UPDATE** and **pressed [Enter]** to continue, your screen will display:

"Company number"

>   Key a company number to process an ESHxx TC table entry... or click the ⌄ button (prompt and select)... then **double-click** on the correct company number to select that company from the list of your organization's valid company numbers. When the correct company number has been keyed or selected, **press [Tab].**

"Employee share (ESH) code "xx":" (Action #1)

>   Key the "sub-code" (xx) to be used for the table entry **(10)**. To see all of the possible SkilMatch-allowed "generic undefined" ESHxx TC table entries allowed (01-50) **that can be "activated and defined" by you for your table**, click the ⌄ button (prompt and select) with "blank" in the field... then **double-click** on any "generic undefined" ESHxx TC **(10)** to select (and insert) that ESHxx TC to populate the field. When the correct "xx" has been keyed or selected, **Press [Tab]. Note:** SkilMatch "allowing" 50 ESHxx TC table entries **does not mean** that you should have 50... only that 50 are available to use **if needed**.

"Effective date" (Action #1)

>   Key an effective date (keyed as MMDDYY) **(120114)** for this ESHxx TC table entry **(10)**... or select an **Effective date** by clicking the 🗓 button (prompt and select) to the right of the date field... then **double-click** on a date.

Note1: To see possible existing ESHxx TC table entries that may already exist for an ESH "xx" sub-code, key the "xx" sub-code in the **"xx"** field, then click the ⌄ button next to the **Effective date** field (**not** next to the **"xx"** field)... and table entries for that "xx", if any, will display. If desired, you can **double-click** on a table entry displayed to return and populate the **Effective date** field with the **"Valid"** date (column) for the **double-clicked** ESHxx TC table entry.
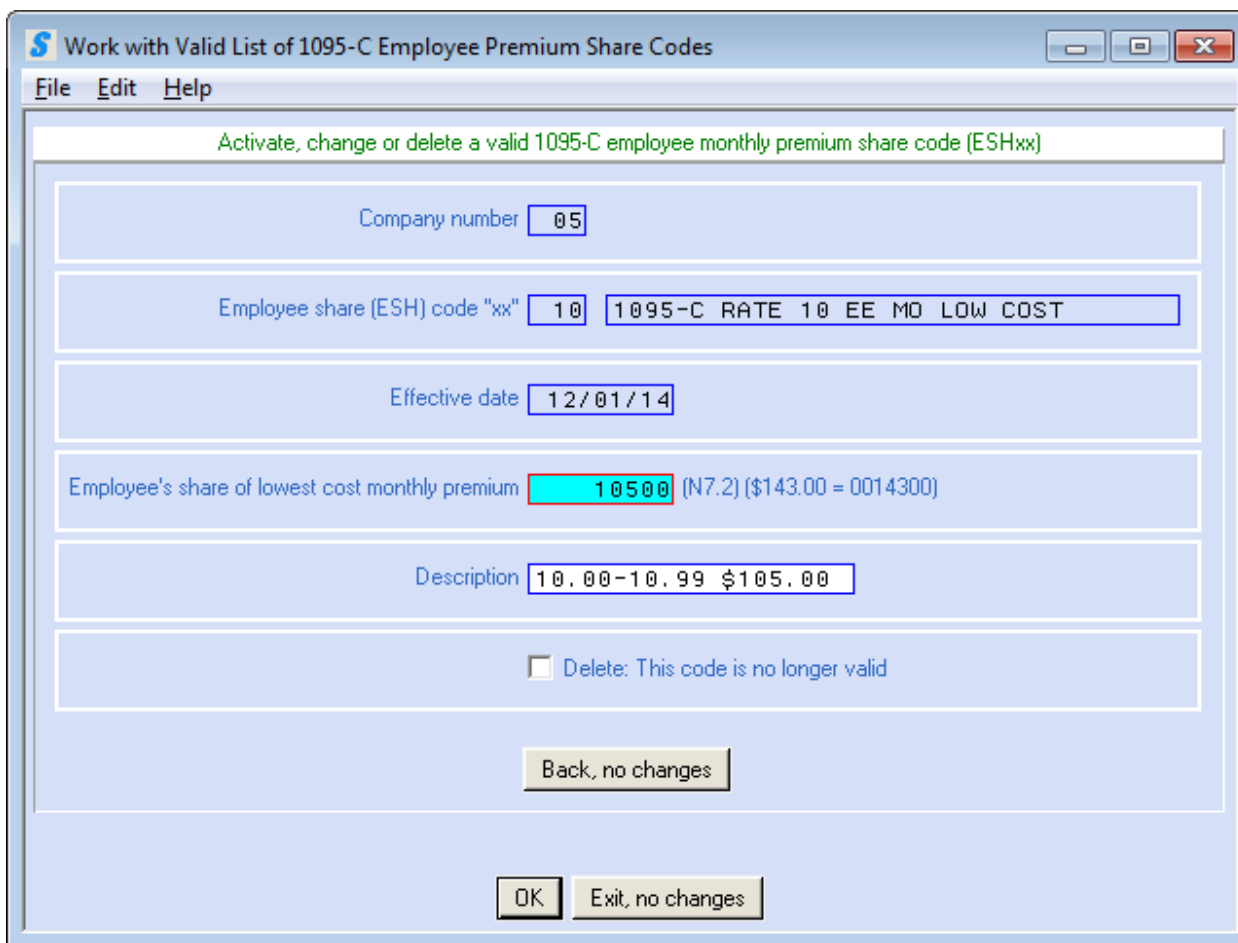
Note2: If you have a reason to **change** or **delete** an **existing** ESHxx TC table entry, key its **"xx"** sub-code and it's **Effective date** (or use the "find" method in Note1, above), then **click [OK]** or **press [Enter]** to bring up the existing ESHxx TC table entry. Proceed with your change or deletion (see "Active/Delete", below). **Reminder: An ESHxx TC table entry that could <u>ever</u> be needed on a 1095-C should <u>never</u> be changed or deleted.**

To process the ESHxx TC table entry **(10)**, **click [OK]** or **press [Enter]** to continue...
Or, to not process the ESHxx TC table entry, end the program and return to a menu, click **[Exit].**

If you clicked **[OK]** or **pressed [Enter]** to continue, the screen will display:

S Work with Valid List of 1095-C Employee Premium Share Codes

File   Edit   Help

Activate, change or delete a valid 1095-C employee monthly premium share code (ESHxx)

Company number   05

Employee share (ESH) code "xx"   10   1095-C RATE 10 EE MO LOW COST

Effective date   12/01/14

Employee's share of lowest cost monthly premium   10500   (N7.2) ($143.00 = 0014300)

Description   10.00-10.99 $105.00

☐ Delete: This code is no longer valid

Back, no changes

OK   Exit, no changes

"Employee's share of lowest cost monthly premium" (Action #1)

Key a 7.2 (7 positions with 2 decimal places) amount (keyed as 0000000 with last two digits as "pennies"; $105.00 = 0010500) for this ESHxx TC **(10)** table entry. **(0010500) Press [Tab].**

"Description" (Action #1)

Key an up to 20-character alpha-numeric description that best describes this share amount. **(10.00-10.99, $105.00).**

"Active/Delete:"

The box defaults to "do not delete" (no check). If this ESHxx TC table entry was an existing ESHxx TC table entry and you want to delete it, click the box to mark it with a "check" and it will be deleted when you process the screen. **Reminder: An ESHxx TC table entry that could <u>ever</u> be needed on a 1095-C should <u>never</u> be changed or deleted.**

To process the add or deletion of this ESHxx TC table entry **(10)**... and go back to the ESHxx TC table selection screen to work with a **different** ESHxx TC table entry... click **[OK]** or **press [Enter].**

Repeat the steps used for the Action #1 example as many times as necessary to create the ESHxx TC table entries you will need for each G/L company.

Or, to **cancel** the add or deletion of this ESHxx TC table entry... and go back to the ESHxx TC table selection screen to work with a **different** ESHxx TC table entry, click **[Back, no changes].**

Or, to **cancel** the add or deletion of this ESHxx TC table entry... end the program and go back to a menu... click **[Exit].**

Printing your existing ESHxx TC table entries
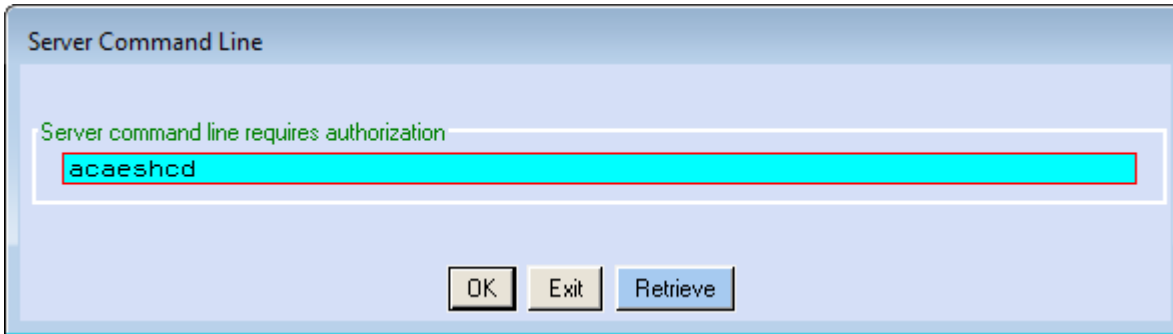
From any menu, click [Command]. The following screen will display:

Server Command Line

Server command line requires authorization

acaeshcd

[OK]   [Exit]   [Retrieve]

Key **ACAESHCD** and click **[OK]** or **press [Enter]** to continue. The following screen will display:

S Program Messages

File   Edit   Help

PRESS ENTER WITH BLANKS TO CANCEL

DO YOU WISH TO "UPDATE" OR "LIST" THE EMPLOYEE SHARE OF LOWEST
INSURANCE CODES?
ENTER "UPDATE" OR "LIST"

ENTER REQUIRED PARAMETER

Reply
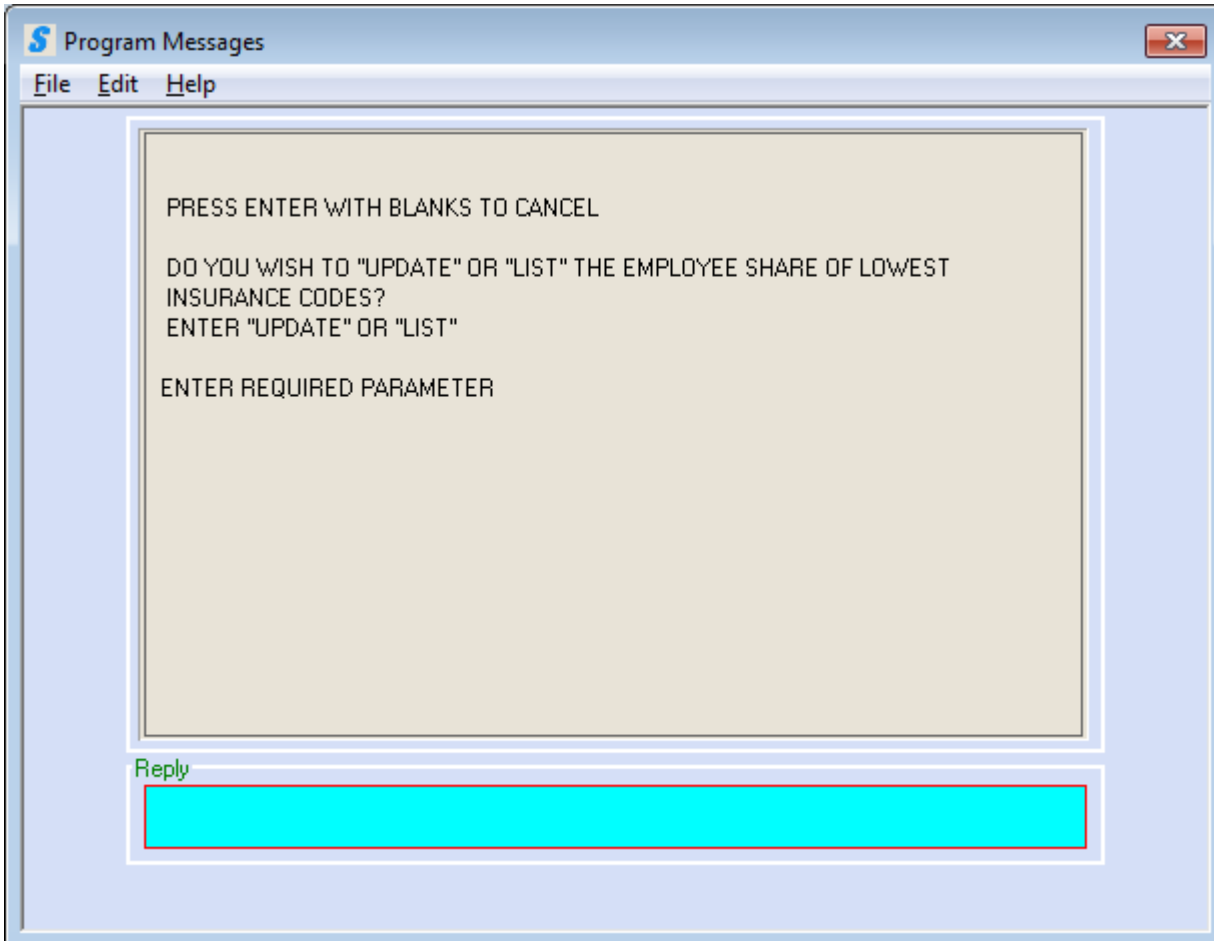
Key **LIST** and **press [Enter]** to print a list of existing ESHxx TC table entries.

Or, key nothing and **press [Enter]** to cancel the program and return to a menu.

If you keyed **LIST** and **pressed [Enter]**, the screen will display:

```
S  Program Messages                                              [x]
  File  Edit  Help

      PLEASE SELECT THE SEQUENCE YOU WANT THE REPORT TO PRINT IN
          1. COMPANY, CODE, EFFECTIVE DATE
          2. COMPANY, COST, CODE
          3. COMPANY, EFFECTIVE DATE, COST
          4. COMPANY, EFFECTIVE DATE, CODE

      ENTER SORT SELECTION "1", "2", "3" OR "4"

      ENTER REQUIRED PARAMETER




  Reply

  [                                                            ]
```
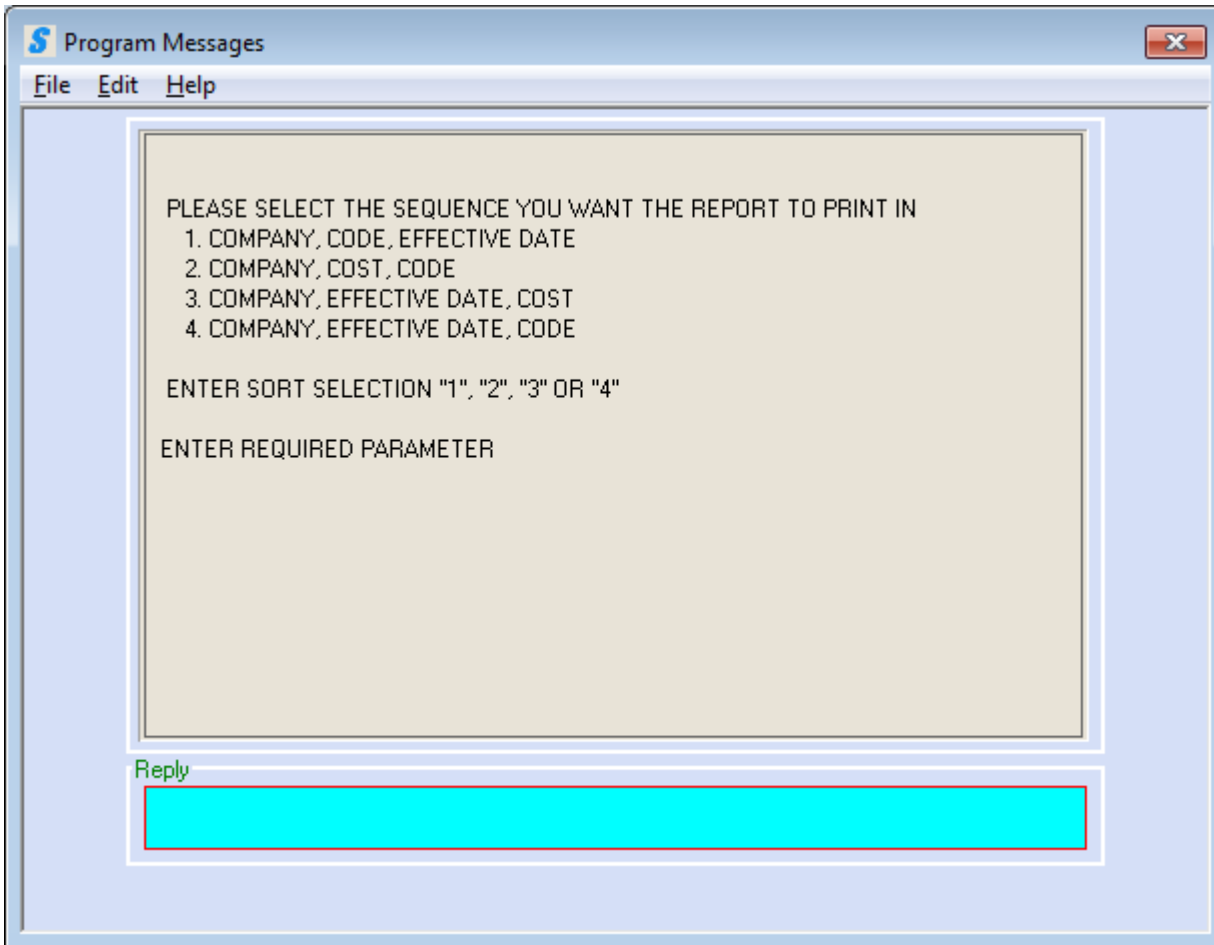
The list can be printed in various sort sequences.

1. G/L company 1st, ESHxx TC 2nd (alpha), effective date 3rd (with earliest effective date first) [within TC]
2. G/L company 1st, share amount 2nd (with lowest share amount first), ESHxx TC 3rd (alpha) [within date]
3. G/L company 1st, effective date 2nd (with earliest effective date first), share amount 3rd (with lowest share amount first) [within date]
4. G/L company 1st, effective date 2nd (with earliest effective date first), ESHxx TC 3rd (alpha) [within date]

Key your preferred sort sequence: **"1, 2, 3, or 4".** Then **press [Enter]** to process your report.

The report, ESH CODES (in the "User Data" column) will be available in your spool file.

The following screen, displaying a spool file, shows an example of sort sequence "1":

```
Display Spooled File
File  Edit  Functions  Help

File              QPQUPRFIL          Page/Line        1/6
Control           [            ]     Columns          1 - 80
Find              [                            ]

*...+....1....+....2....+....3....+....4....+....5....+....6....+....7....+....8
12/22/15  13:41:25  Employee Share of Lowest Cost Insurance  PAGE    1
--   Low   ---Y2K----  --------------------   ----------
CO   Cst   --POLICY--   COST DESCRIPTION      EMP SHARE$
--   Cde   -EFF DATE-  --------------------   ----------
 5   01    2014/12/01  NO EE PREMIUM $0.00          .00
 5   02    2014/12/01  SPECIAL $400.00          400.00
 5   03    2014/12/01  30.00+ $250.00           250.00
 5   08    2014/12/01  MIN-8.99 $95.00           95.00
 5   09    2014/12/01  9.00-9.99 $100.00        100.00
 5   10    2014/12/01  10.00-10.99 $105.00      105.00
 5   11    2014/12/01  11.00-11.99 $110.00      110.00
 5   12    2014/12/01  12.00-12.99 $115.00      115.00
 5   13    2014/12/01  13.00-13.99 $120.00      120.00
 5   14    2014/12/01  14.00-14.99 $125.00      125.00
 5   15    2014/12/01  15.00-15.99 $130.00      130.00
 5   16    2014/12/01  16.00-16.99 $135.00      135.00
 5   17    2014/12/01  17.00-17.99 $140.00      140.00

     OK          Cancel          Help                      IBM
```

(Report details vary based on the sort sequence selected.)

- The first column displays the company number.
- The second column displays the ESHxx TC "xx" sub-code".
- The third column displays the effective date.
- The fourth column displays the description.
- The fifth column displays the share amount.