



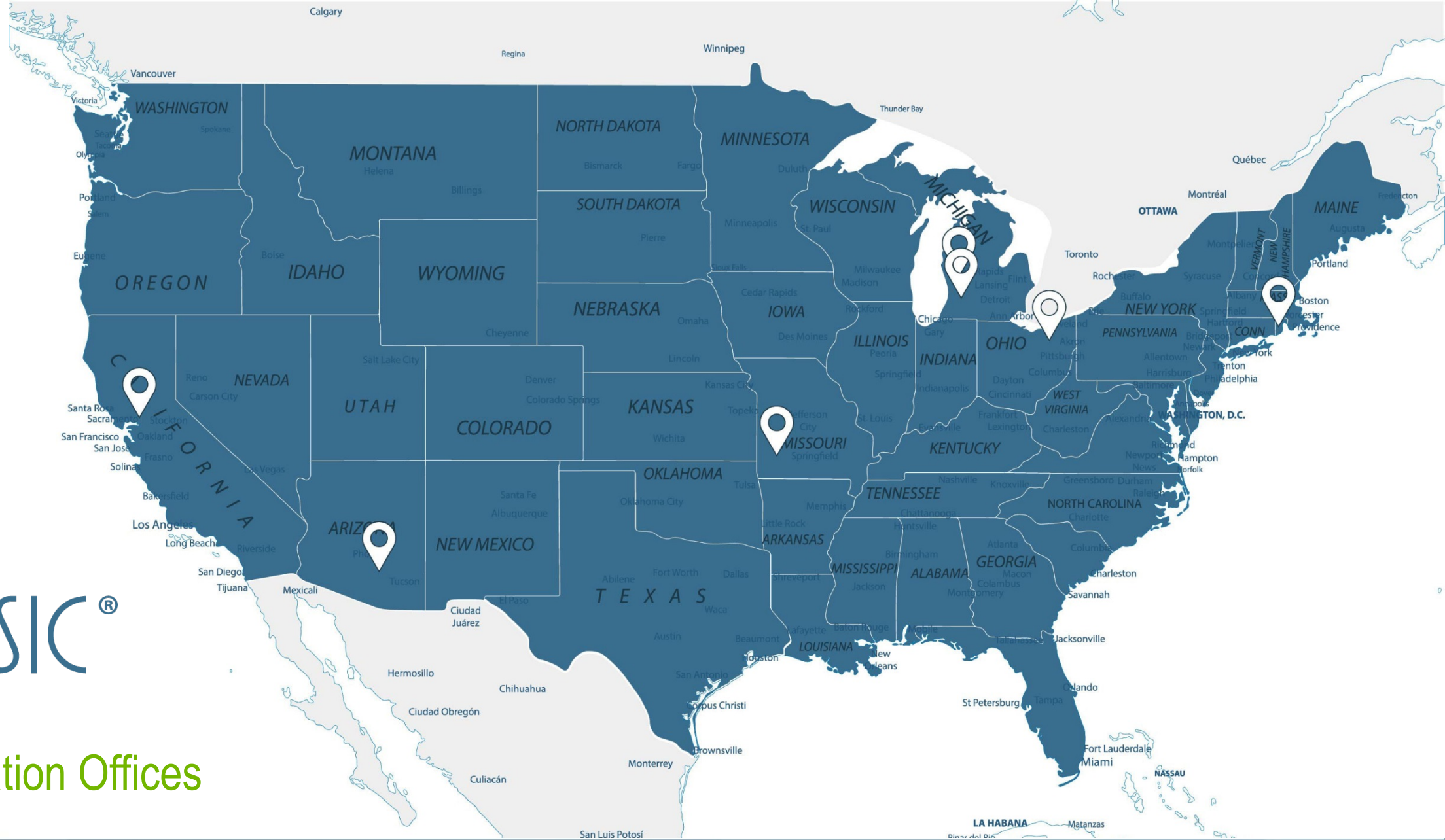
BASIC®

HR Compliance & Technology

ACA ELEVATE



BASIC is a Technology Driven HR Compliance Company



Administration Offices



BASIC family of companies includes;

- BASIC pacific
- BASIC NEO
- BASIC New England

Technology Driven HR Solutions to Take Your Company Further

Suite of HR Benefits, Payroll and Leave Management, and Compliance solutions offered individually or bundled.



HR Solutions should be simple. **Keep it BASIC.**



Why BASIC?

- Serving clients for over 30 years
- Over 18,000 clients nationwide
- Profitable, annual growth exceeding 15%
- 95-98% client retention
- Diversified and integrated services
- 7 administration offices nationwide

Our Team



- Experienced and expert professionals, all located within the U.S.
- Every client receives a Dedicated Account Manager per line of service
- Workforce stability with low turnover
- Ongoing training and career development
- Errors and Omission Insurance (\$2 MM)

Security



- ✓ A thorough data security assessment of the potential risks and vulnerabilities of our systems are tested annually by a third party assessment firm
- Operate a full data backup and redundancy
- 100% emergency power generator backup to enable continuation of critical business functions
- Secure FTP for data exchange
- Ongoing security and privacy awareness training program for accessing, storing, transmitting and safeguarding PHI

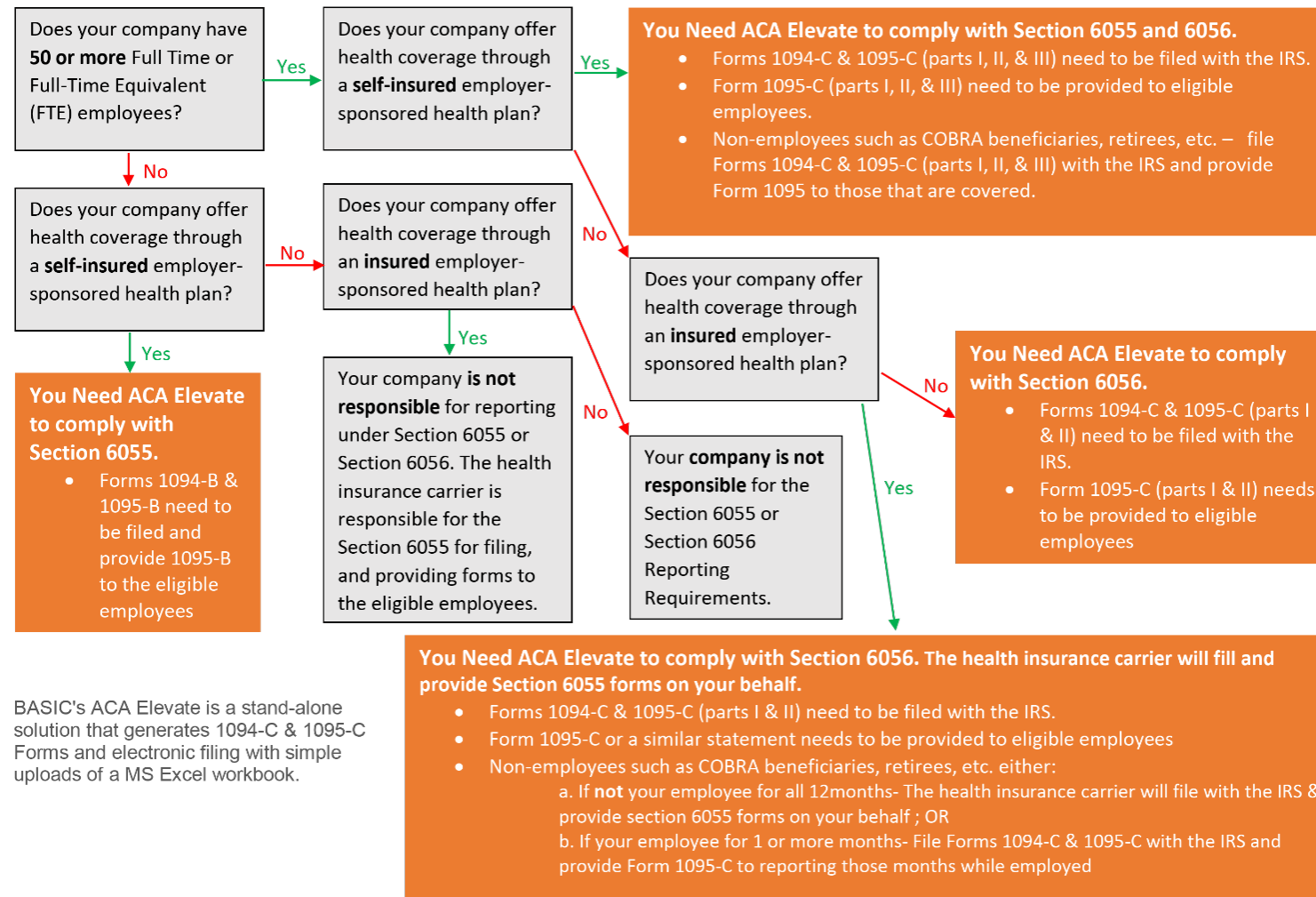
Pay or Play Reporting



- IRS requires insurers and large employers to file reporting forms in order to enforce the pay or play penalties



Does Your Company Need to Comply?



BASIC's ACA Elevate is a stand-alone solution that generates 1094-C & 1095-C Forms and electronic filing with simple uploads of a MS Excel workbook.

Reporting Penalties



- IRS can assess \$250 penalty per return for late, incomplete or incorrect forms
- In addition to filing reports with the IRS, the ACA requires employers to provide certain forms to employees, similar to the existing W-2 reporting requirements. It is important for employers to be aware that the penalties apply separately to both requirements. For example, a failure to file a Form 1095-C with the IRS and a failure to furnish the same Form 1095-C to the employee will result in two penalties of \$250 each, or \$500 per affected employee.
- IRS will grant relief for incomplete or incorrect returns for first year if good faith effort... but “maybe” not for the 2017 Reporting Year and after!



Quicker Deadlines



For 2018 and later years 1095-Cs must be distributed to employees by the first business day on or after January 31



The 1094-C and 1095-Cs must be filed with the IRS



Filing by Mail:
By the first business day on or after February 28 if filing by mail



Filing Electronically:
By the first business day on or after March 31 if filing electronically

2019 IRS (Notice 19-63) has extended the date to provide 1095 forms to employees from January 31st to March 2nd 2020. No other required filing/reporting dates have changed.

Lessons Learned from experience



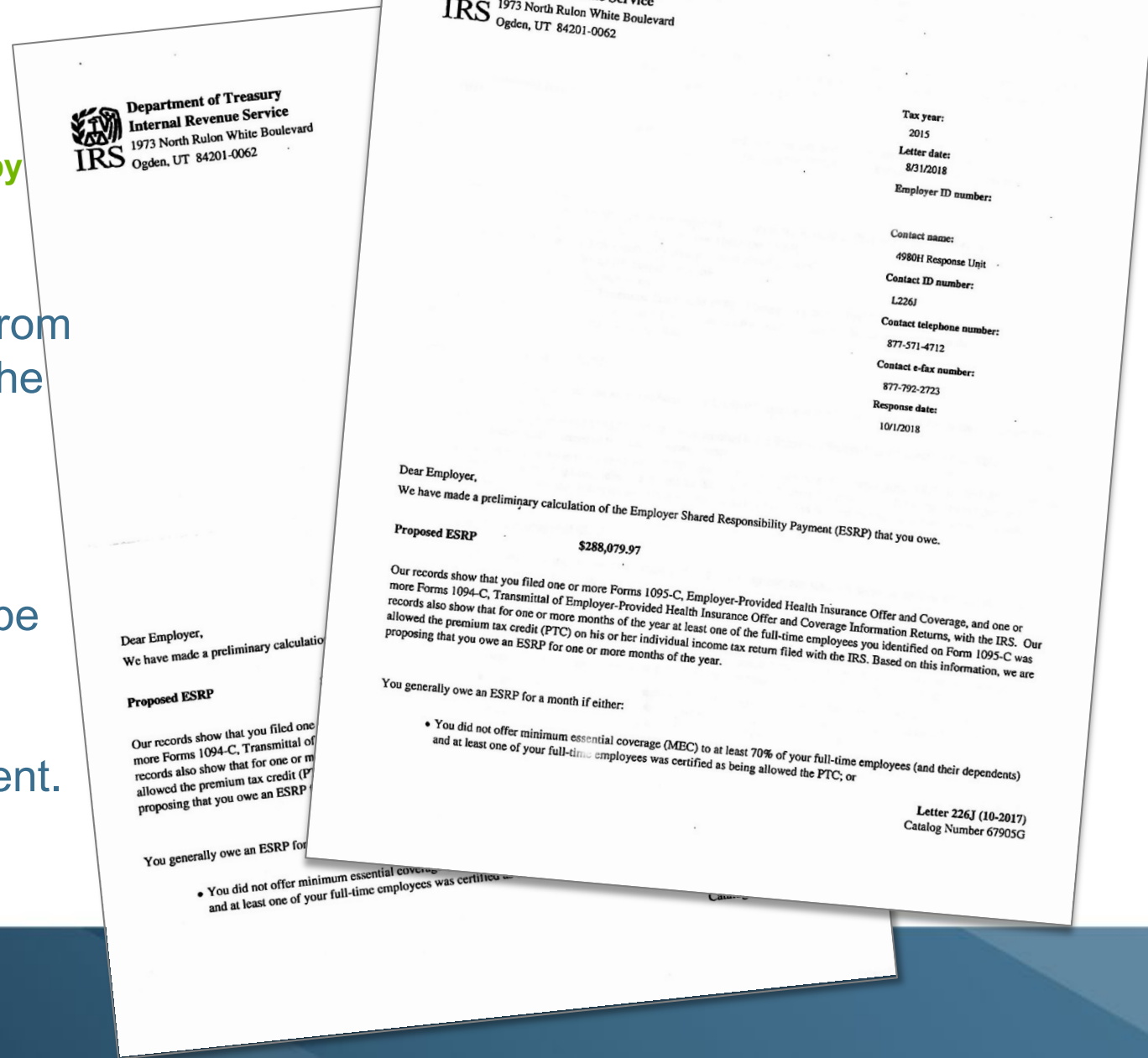
What were some of the major pain points for employers when it came to ACA reporting in pervious years?

- Information needed for reporting may reside across multiple tracking or software systems. HRIS and Payroll systems don't have all of the required information.
- There may be coordination problems between multiple departments to get the data and getting the data out of the system may be complicated.
- Employers have to dedicate resources, time and a lot of energy to complete the forms.
- IRS transmission issues: corrections process continues (SSN/TINs are being rejected 7-10% of the time)

IRS 226J Letters

Penalty calculations are based on data provided by employers to the IRS on Forms 1094 and 1095.

- The IRS continues to send out 226J letters attempting to collect penalties from employers who it thinks did not meet the ACA §4980H employer mandate requirements for 2015.
- We believe that many of the 226J proposed employer assessments will be applied due to mistakes made in employer reporting, rather than to an actual violation of a §4980H requirement.



Why ACA Elevate?

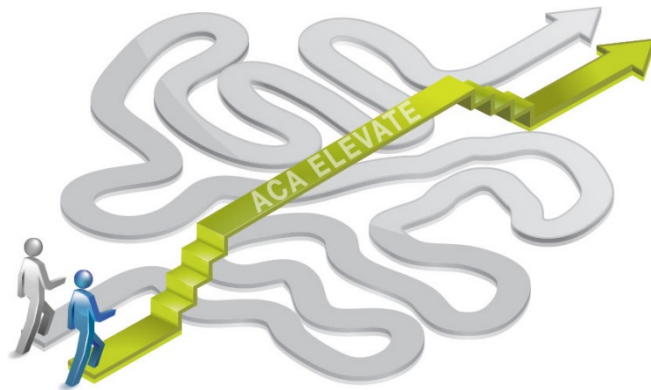


Why should employers choose BASIC's Stand-alone Solution: ACA Elevate over their payroll provider or doing it in-house?

- Accurate forms
- Timely transmissions
- Correct coding for lines 14, 15, 16
- Excellent customer support
- Assuming the liability for accuracy of the transmittal to the IRS, timing of the employee forms and accuracy of the information — of course we can't be held responsible for the data that you or your carrier provide but if we make the error, then we will make it right.
- BASIC's experienced compliance team is answering your questions and guiding you through the whole process with minimal work involved on Employer's part

ACA Elevate: 6055 and 6056 Reporting for any employer!

- **Varying Levels of Complexity:** Self-Insured, Fully-Insured, Controlled Groups, Union & Non-Unions – BASIC can handle them all!



12011A

Form **1094-C** Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns CORRECTED OMB No. 1545-0047

Department of the Treasury Internal Revenue Service **2019**

▶ Go to www.irs.gov/Form1094C for instructions and the latest information.

Part I Applicable Large Employer Member (ALE Member)

1 Name of ALE Member (Employer)		2 Employer identification number (EIN)	
3 Street address (including room or suite no.)			
4 City or town	5 State or province	6 Country and ZIP or foreign postal code	
7 Name of person to contact		8 Contact telephone number	
9 Name of Designated Government Entity (only if applicable)		10 Employer identification number (EIN)	
11 Street address (including room or suite no.)			
12 City or town	13 State or province	14 Country and ZIP or foreign postal code	
15 Name of person to contact		16 Contact telephone number	

For Official Use Only

17 Reserved

18 Total number of Forms 1095-C submitted with this transmittal

19 Is this the authoritative transmittal for this ALE Member? If "Yes," check the box and continue. If "No," see Instructions

Part II ALE Member Information

20 Total number of Forms 1095-C filed by and/or on behalf of ALE Member

21 Is ALE Member a member of an Aggregated ALE Group? Yes No
 If "No," do not complete Part IV.

22 Certifications of Eligibility (select all that apply):

A. Qualifying Offer Method B. Reserved C. Reserved D. 98% Offer Method

Under penalty of perjury, I declare that I have examined this return and accompanying documents, and to the best of my knowledge and belief, they are true, correct, and complete.

Signature _____ Title _____ Date _____

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 01571A Form **1094-C** (2019)

BASIC can handle them all!

A Simple Solution to a Complex Problem

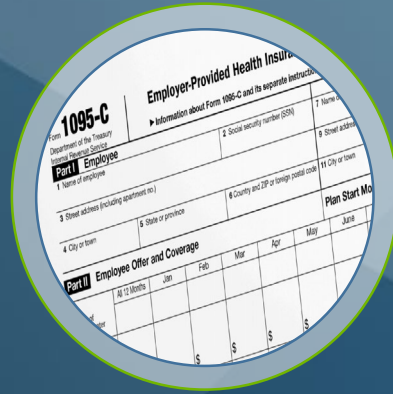
- **ELEVATE: Filing Only** - No need for regular feed of data—BASIC's file works off of a simple MS Excel workbook upload with employee and coverage data at year-end. Focus on key deliverables for employers with simpler reporting needs. Perfect stand-alone solution for companies who don't want to pay extra to upgrade their payroll platform
- Real Time Access – Access training videos, your workbook, view draft forms and make changes online anytime
- Flexible – Choose from a variety of outputs and reporting formats as well as mail and eFiling solutions.
- Unsurpassed Support – BASIC provides both technical support as well as access to our Compliance Experts for complex ACA questions



Automation



Completes
Employer form
1094 C



Batch completes
Employee form
1095 C



Generates
Summary Report In
Excel



Optional Print/mail
of 1095 C forms to
employees' homes

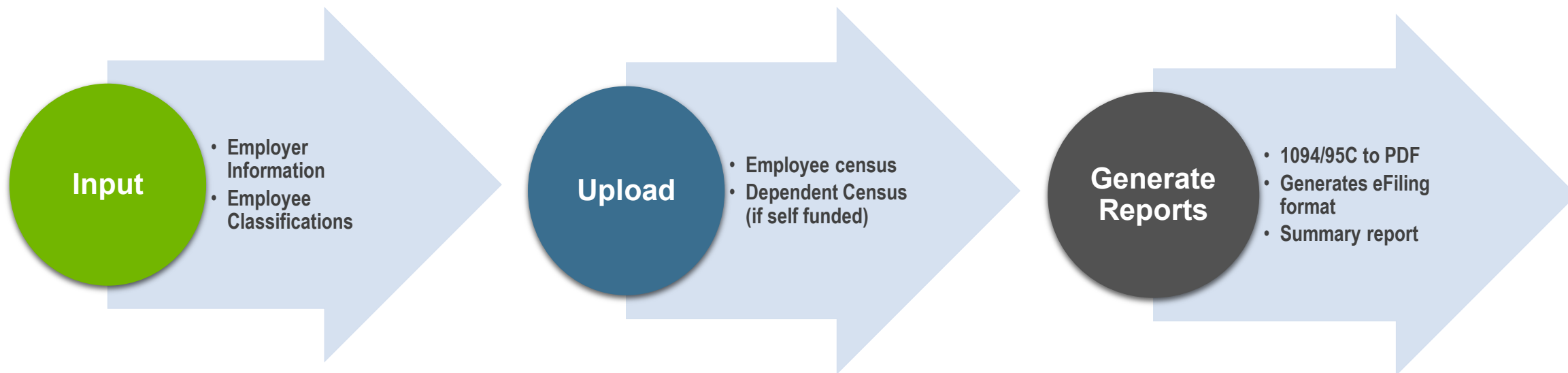
eFiling with IRS automatically included

Built-In Logic and Security

- Determines Correct Indicator Codes
- Assigns Correct Plan Effective Dates
- Calculates 70% and 95% Offer
- Interprets Safe Harbor and Transition Relief Designations Thresholds



ACA Elevate: The Process



ACA Elevate Year-end Filing- Responsibilities

Stage	BASIC	Client
Implementation and Welcome	Set-up client in database. Welcome E-mail sent to Admin user	
System Training	Provide Support	Training sessions available at www.acaelevate.com web landing (log in page)
Data Collection	Provide Support	Upload intake spreadsheet and validate data.
Final Intake & Run	Work with client to update changes and correct errors.	Update data for year-end filing. This can be done with an intake spreadsheet upload or by individual employee within acaevelate.com
e-Filing and Mailing	eFile to IRS & Mail (if BASIC mail service selected)	“or” BASIC will provide an electronic file to client for distribution to employees

ACA Elevate: System Calculates Correct Codes



ACA Elevate

Mail Option*

- Print and mail to employees home

eFiling to IRS

Automatically included with ACA Elevate

- Transmits data to the IRS
- Check status of filing

Form **1095-C** 2019
Department of the Treasury
Internal Revenue Service
OMB No. 1545-0047
Do not attach to your tax return. Keep for your records.
Go to www.irs.gov/Form1095C for instructions and the latest information.

CORRECTED

Part I Employee **Applicable Large Employer Member (Employer)**

1 Name of employee (Last name, middle initial, last name) 2 Social security number (SSN) 7 Name of employer 8 Employer identification number (EIN)
3 Street address (including apartment no.) 9 Street address (including room or suite no.) 10 Contact telephone number
4 City or town 5 State or province 63 County and ZIP or foreign postal code

Part II Coverage

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
19												
20												
21												
22												

19
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For Privacy Act and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 90755M Form **1095-C** (2019)

Important Tax Return Document Enclosed



*Additional cost

BASIC's Award Winning Services

Request a price quote or proposal for one or more of BASIC's services.

- FMLA
- FSA / HRA / HSA
- COBRA
- Payroll & Timekeeping
- Absence Management
- ERISA Essentials
- ACA Elevate



- HR Benefits
- Compliance
- Payroll & Leave

Contact Us

- 800.444.1922
- sales@basiconline.com
- www.basiconline.com

HR solutions should be simple.
Keep it BASIC.

THANK YOU

