

The Affordable Care Act Makes Time Tracking Important NOW

The Patient Protection and Affordable Care Act (PPACA) mandates that certain employers, as of January 1, 2014, must provide affordable, minimum essential healthcare coverage to their full-time employees or be subject to penalties.



Why Does Time Tracking Matter And Why Worry Now?

Employers must consider two important questions related to the Act.

- Am I liable as an applicable large employer under the terms of the Act?
- And, by a different measurement, which employees are full-time and eligible to receive healthcare coverage?

Organizations have to hit the ground running on January 1, 2014. Their applicable large employer status is based on the number of full-time and full-time equivalent employees for six consecutive months in 2013. (Beginning in 2014, the applicable large employer status will be based on the entire calendar year.) Likewise, full-time employee status for insurance coverage in 2014 is based on hours worked and paid in 2013.

Attendance on Demand provides new features to automatically compute company and employee status according to the PPACA guidelines.

Determining Your Large Employer Status

Organizations with 50 or more full-time and full-time equivalents on business days during the preceding calendar year are “applicable large employers.” During the transition year of 2013, employers can choose any consecutive 6-month period (rather than the whole calendar year) as the “look-back period” for calculating their employer designation. This designation applies for the calendar year 2014.

Attendance on Demand automatically determines your large employer status based on the formulas for full-time and full-time equivalents outlined by the IRS.

PPACA Summary				
Item Description	Traditional	PPACA	Hours	Comments
Total Employees	457			Total Active and Inactive Employees in System
F/T Employees		134		Employees with 130 Hours per Month Avg for Period
Non F/T Employees	323		8765.42	Employees without 130 Hours per Month Avg for Period Summary
F/T Equivalents	73.05	73		PPACA Equivalent F/T Employees
Large Employer Employees		207		PPACA Large Employer Measurement
		0		6 Months from Jul-1 2013 to Dec-31 2013

FTEs under PPACA rules

Total employee count under PPACA including FTEs

Full-Time employees according to PPACA

Attendance on Demand calculates large employer status according to PPACA.



Determining Employee Full-Time Status

After determining if your organization is an “applicable large employer” subject to PPACA, the next step is to figure out which employees are full-time according to the Act – paid an average of 30 hours or more per week or 130 hours or more per month.

When employees have fluctuating schedules or work close to 30 hours per week, this determination can be difficult.

The Internal Revenue Service (IRS) outlined a “safe harbor method” that applicable large employers can use to determine the full-time status of their employees. This method involves:

- A **measurement period** of 3-12 months to measure employee hours.
- An optional **administrative period**, maximum 90 days, to determine status, notify employees, and enroll full-time employees.
- A **stability period**, at least 6 months and not shorter than the measurement period, during which the employee status (and insurance coverage for full-timers) applies, even if the hours drop below the full-time threshold during this period.

2013			2014					2015					2016													
Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Measurement Period									Admin			Stability Period														
Measurement Period												Admin			Stability Period											

Often, employers will determine these periods based on their insurance plans’ coverage and open enrollment provisions.

Attendance on Demand provides several ways to view and track employee full-time status according to PPACA:

PPACA Hrs					
Employee	EmpID	Status	Avg. Hrs	F/T	Running FTE Hrs
Winterson, Aaron	13	Part Time	4.00	No	4.00
Points, Olivia	99	Part Time	76.92	No	80.92
Revenna, George	40	Part Time	122.67	No	203.59
Jacques, Delhomme	27	Part Time	124.85	No	328.44
Chevalier, Bobby	17	Full Time	135.72	Yes	0
Powers, Skyler	22	Full Time	137.15	Yes	0

Full-time status is calculated for the employer-defined measurement period. For part-time employees, their FTE contribution is calculated.

Monthly hours measurement for each employee

Employee average for entire measurement period

First Name	Last Name	ID Number	Avg Weekly Hours	Hours
Bruce	Bevan	6	28.19	22.49

PPACA Measurement Period (1/14/14 to 11/14/14)

Days	Period Begin	Hours	Total	
31	1/15/14	133:30	133:30	
28	2/15/14	122:15	255:45	
31	3/15/14	120:00	375:45	
30	4/15/14	140:45	516:30	
31	5/15/14	123:15	639:45	
30	6/15/14	108:00	747:45	
31	7/15/14	127:30	875:15	
31	8/15/14	128:45	1004:00	
30	9/15/14	124:45	1128:45	
31	10/15/14	122:15	1251:15	
30	11/15/14	130:15	1381:30	
31	12/15/14	91:00	1472:30	
		Avg (>=130 is F/T)	122:43	1472:30

Attendance on Demand automatically tracks service hours and each employee’s full-time status according to PPACA rules.

To find out how Attendance on Demand can help your organization, call 800-465-9980 or visit www.attendanceondemand.com

