



CASE STUDY

ACA Compliance Issues for the Oil and Gas Industry

With its boom and bust cycles, the Oil and Gas industry finds itself constantly adjusting in the face of geo-politics, innovation, war, and economic turmoil. The rapid expansion and contraction within the industry can mean layoffs, rehiring, acquisitions, and sell-offs. With the reporting requirements for compliance with the Affordable Care Act (ACA), many of the companies in the Oil and Gas industry face the challenge of tracking hours for a fluid workforce, or gathering data across a range of subsidiaries. The volatile nature of their business means that ACA compliance is a particular challenge for this industry.

Employee Compliance Challenges

The Oil and Gas industry employs a wide range of employee types from full-time home office staff to specialized field personnel to seasonal and shift workers. Tracking hours for employees in the field can be a challenge — they may not punch a clock or have a computer to log hours, so systems must be in place to accurately capture information about hours worked no matter how rugged their workplace. There are also complexities in tracking hours and providing benefits to employees working abroad, versus those stationed in the United States. For these employees, it's important to determine if their hours of service are tied to foreign source income in order to establish their status and issue a 1095-C form if the employee enrolls in health benefit coverage.

Companies may expand and contract over the course of a year as well, based on economic pressures, leading to layoffs and rehires. Tracking the dates for these events is especially important to determine benefits eligibility for these employees. Since the data was never required before, many companies haven't been capturing this information in their systems, so their reporting data may have gaps that can lead to inaccuracy.

Pay structures for certain types of employees can also add to the complexity of reporting. Day rate pay may be used for certain employees, and that day rate must be captured and understood as part of ACA affordability requirements.

The Complexities of Hourly Tracking

Prior to the ACA, companies paid some employees based on their job. For example, truck drivers may have been paid by the mile, while other employees get paid by the shift, regardless of the number of actual hours worked. In the Oil industry, rig workers may work multiple 18-hour shifts, then not work for several days or even months. Making the shift to hourly tracking can be difficult for some organizations that have been managing with other systems for years. ACA requirements mean an additional burden for tracking every hour for these employees, in order to establish eligibility for benefits.

There may be additional complications across different departments, as well. Managing employee hours may be done via payroll or HRIS software, spreadsheet, or other systems, and gathering the data from all of those disparate systems is a laborious process.

ACA Compliance Across the Organization

If gathering the data needed from each department can be complicated, imagine tracking that data across a far-flung set of entities. Companies that have acquired other business upstream or downstream must struggle to match the data across even more systems, and match up measurement and stability periods across the entire organization. The more complicated the organization, the more complex the reporting challenges will be, and many of these companies haven't consolidated HR into a central system, relying instead on each entity to track their own information. Gathering the information needed can be a huge task, and when data such as FMLA information is missing, back tracking through the organization is an overwhelming task.

The Tango Compliance Solution

Companies in the oil and gas industry are struggling with the challenges of ACA compliance. Tango's experience with this industry's wide range of employee types and sprawling organizational structures has enabled us to develop a range of best practices for this complicated industry. Our technology provides in-depth understanding of the quality of client data, and Tango's implementation staff and ACA Concierge assist companies in the Oil and Gas industry as they tackle the challenges of hourly tracking. Tango has the technology to compile the accurate data needed for reporting, as well as a concierge staff that is fluent in the IRS regulations and requirements. We provide the expertise that HR, Benefits, and Compliance teams need, alleviating the need for additional staff or legal consultants.

About Tango

Tango is a Healthcare Benefits Optimization company with thousands of satisfied client companies across all industries. With innovative services and technology Tango optimizes healthcare benefits across the employee base, helping employees make the most effective decisions regarding benefits and creating hard dollar savings for employers. Our Healthcare Benefits Optimization suite includes online comparisons, employee education, live customer service experts, and a patented mobile platform to help employees make smart plan choices and keep them engaged year-round. Tango's Benefits Optimization Suite boosts employee confidence in smart healthcare choices and measurably bends the cost curve to keep employer benefits sustainable.