

CASE STUDY

Making the Grade with Compliance for Higher Education

When it comes to Affordable Care Act (ACA) compliance for health benefits, Higher Education faces a specific set of issues. With a wide range of worker types and inconsistent hourly tracking across departments or job types, getting a clear view of the data needed for reporting can be a challenge. HRIS, Payroll, and Benefit Administration systems often do not communicate with each other, and are not designed to capture the information needed for ACA reporting. Tango works with a range of universities and colleges, and is familiar with the challenges they face.

Assessing a Range of Employee Types

Aside from standard variable-hour employees working for the student union, at the university bookstore, or as administrative staff within departments or libraries, graduate students are often provided benefits with an assumption of 20-30 hours worked. Historically, institutions have just assumed a set number of hours and provided coverage, but the ACA requires tracking of hours worked and proof. Tango's higher education clients have had no tracking system in place for graduate student hours or no access to this information. Additionally, rules differ based on students working on projects with federal grant funding – yet the ACA requires tracking of their hours as well.

Adjunct Professors are also often provided benefits based on an assumption of a certain number of class hours, or class hours plus an allotment of hours for non-classroom activities. But professors never clock in or clock out when they are writing lesson plans or grading papers, so those hours aren't tracked. Employees in Athletics are similar

to Adjunct Professors and are typically paid on a stipend for a certain number of expected hours or duties. Just like professors, the coach isn't clocking in at the Track & Field house; however, the IRS will expect the university to have some method to track actual hours worked.

The Vital Importance of Tracking

Tracking hours for these employee types is much more complicated than for those who punch a clock. IRS guidelines suggest testing scenarios to determine an average number of hours, known as equivalency hours, for a given task or role. While this works just fine for producing the hourly data, additional problems lurk when reviewing rules during the measurement period.

When an employee takes unpaid leave such as FMLA or Military Leave, the length of their measurement period, typically twelve months, must be reduced by those hours or days. To make things more complicated, breaks in service such as winter break, summer break, and other periods (up to twenty-six

weeks) are considered protected. Each employee will have their own number of hours credited back to them solely for their measurement period and won't appear anywhere within university payroll systems.

These complicated rules are difficult to understand and follow, and can increase the institution's potential for an audit by the IRS.

Coordinating Compliance Across the Institution

Each department or division of the college or university may act independently, utilizing systems that don't capture consistent data or communicate with each other. Central HR offices may handle details about

Adjunct Professors or Coaches, and the Student Benefits Office may own the data for graduate students receiving health care benefits. But the university as a whole is responsible for providing consistent, accurate reporting for all employees, no matter their role. The IT department may also be an important partner in configuring systems or acquiring data buried in existing systems. For example, many payroll systems capture information on employee leave, but are not designed to provide that information readily for IRS reporting. HR or Benefits administrators may need to work with IT or may even be forced to manually review payroll records for data on employee leave.

The Tango Compliance Solution

Universities and colleges are becoming aware of the pitfalls that lie ahead for ACA compliance. Tango's experience with higher-education clients has helped us create a series of best practices. Our technology provides in-depth understanding of the quality of client data, and each client has an ACA Concierge who mentors our clients throughout the year to help institutions tackle the tracking challenges, such as:

- Identifying what hours and data to track and for whom
- Ensure data input consistency
- Coordinating disparate systems

With 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, Tango provides the expertise required by HR, Benefits, and Compliance teams, alleviating the need for additional staff or legal consultants. If your institution is struggling with how to comply with IRS 6055 and 6056 reporting, Tango can help.

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.