



CASE STUDY

Compliance Challenges for the Hospitality Industry

The very name of the industry — hospitality — implies a certain level of care that hotels, motels, resorts and other service vendors provide for their guests. In order to meet the needs of those they serve, the hospitality industry employs a wide range of employees, from full-time to part-time, seasonal to year-round, hourly and salaried. Due to the varied nature of their staff, Affordable Care Act (ACA) compliance can be a challenge for the hospitality industry, making it a struggle to accurately track hours, determine eligibility and affordability, and generate ACA reporting.

A Wide Range of Staff Types

The range of talent required in the hospitality industry spans from the executive staff to the seasonal pool lifeguard. Shift employees may staff all areas of the business such as janitorial and housekeeping, catering and banquets, or guest services, while sales, management, marketing or human resources teams are usually full-time employees. Theme parks may employ seasonal employees to work only during peak periods. Hotels and resorts may take on specific types of seasonal employees, such as tennis pros, ski instructors, or dive masters, and some of those employees may have come into the United States from another country, further complicating issues. And since many hospitality organizations have multiple locations or may be part of a larger organization, employees may work at more than one facility or location. Keeping track of all of the types of employees and their eligibility for coverage can be a challenge for the hospitality industry.

Making Sure the Hours are Tracked

One requirement for ACA reporting is tracking hours worked by employees to determine eligibility for health care benefits. This means that systems must be in place to document and track all hours worked by the range of employees, including leave taken. Organizations with more than one location face additional challenges — if staff work at multiple locations, the hourly tracking systems may differ from one location to the next, making it difficult to gather the information needed to determine eligibility. If an organization has acquired new properties or entities, it's likely the entities will have different hourly tracking systems, payroll systems, or HRIS or Benefit Administration systems. Trying to gather information from a range of systems makes it harder to match up data and verify that the organization has what is needed for compliance.

It's also important, in terms of larger organizations, to determine whether the parent company and its entities are going to report together or individually. According to ACA requirements, each applicable large employer (ALE) member within a controlled group has to report on their eligible employees separately (completing 1094-C and 1095-C forms for each member individually) but they can designate one entity to complete the reporting for everyone, completing separate forms for each member. Organizations with locations across multiple states may also have a range of poverty levels to contend with when calculating safe harbors for affordability. And different properties or entities may have different methods of determining benefits eligibility, or they may utilize different measurement and stability processes, standards or requirements.

Hospitality companies may employ international workers, or employees using a worker's visa. Employer mandate requirements apply to these employees but employers don't necessarily need to offer coverage. Tracking hours for these employees can be complicated due to delays in obtaining social security numbers or tax identification numbers.

Tying Data Together for Compliance

As organizations begin to gather the information required for ACA tracking and reporting, they're finding that it's vital to have hourly tracking systems in place for employee groups that may not have previously had them. It's also important that the data gathered in those systems meets the ACA requirements and that it can be shared across the organization to determine eligibility for employees. Depending on the size of the organization, or if it's grown through acquisitions or mergers, there may be a need to pull data in from multiple systems in order to view all employees' information, and the data from the disparate systems has to show a clear view of all hours worked, leave taken, and payroll information. Getting a holistic view of employee data is the first step to compliance—then that data must be reviewed monthly to determine eligibility. Payroll, HRIS, and Benefits Administrations systems were not designed with ACA compliance in mind, so obtaining all the data required for reporting may be a challenge for the hospitality industry.

The Tango Compliance Solution

The complexities of ACA reporting will be especially challenging for the hospitality industry, with its many types of employees, multiple locations, and mergers and acquisitions or divestitures. Tango's experience with clients in the hospitality industry has resulted in a series of best practices that help simplify and streamline ACA compliance. Our technology provides in-depth understanding of the quality of the organization's data, and Tango's implementation staff and ACA Concierge assist clients with hourly tracking challenges and eligibility and affordability determinations. 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.