

**CASE STUDY**

Doing the Math: ACA Compliance for K-12

Schools work hard to provide a safe and inspiring environment for kids to learn and grow, relying on a diverse team of teachers, coaches, administrators, bus drivers, cafeteria workers, and custodians to do so. But when it comes to the Affordable Care Act (ACA), that diversity makes compliance a lot more challenging. In addition, HRIS, Payroll, and Benefit Administration systems may not be designed to work together to capture all the data needed for reporting. Tango works with schools around the country to make sure their compliance efforts add up.

Employee Types in School Districts

To determine whether employees are full-time, and therefore eligible for health benefits, employers measure their hours over a look-back period (usually a year). If an employee works an average of 30 hours a week or more during that time, he or she is considered full-time and becomes eligible for benefits in the next stability period.

At first, this seems simple enough: certified staff and teachers are probably full-time, while hourly employees like bus drivers and cafeteria workers may be part-time. But consider substitute teachers, who are more likely to be variable-hour employees. These workers find hours where they can, often taking assignments in different schools or even different districts, resulting in inconsistent hours from week to week — all of which complicates tracking.

Here's another example: a bus driver might work for one school for daily drop-offs and pick-ups but head to another school across town to work after-school sports or weekend tournaments. She might also work for another school during the summer. Who's responsible for

tracking those hours? It depends on which organization is considered the parent entity for ACA reporting purposes. If reporting happens at the district level, then the ISD is only responsible for the hours the driver worked within its jurisdiction — but that may include several schools, and the ISD needs to make sure they're communicating to jointly track the driver's hours. Similarly, if the driver works in multiple districts that roll up to the County, then the County is on the hook to make sure each ISD is reporting the driver's hours to determine overall eligibility.

Finally, any of these employees may belong to unions and be covered under a Union-Sponsored Plan — but if they're the employers, districts are ultimately responsible for making sure full-time employees receive affordable coverage. And that means working proactively with unions to collect eligibility information and make sure plans satisfy all mandate requirements.

Tracking Hours throughout the Year

For school districts, there are other challenges to determining employee eligibility, particularly the

requirement to track actual hours worked, not just hours paid. ISDs must take care to factor in any after-school commitments or extra projects taken on by teachers, coaches or long-term substitutes. These obligations add unexpected hours — particularly if they weren't tracked before or were paid on a lump-sum basis.

Schools are also faced with the issue of breaks in service and leaves of absence. Under ACA rules, summer break qualifies as an “employment break period” and can't be added into a measurement period in a way that lowers an employee's work average below full-time. It also can't be used to designate them as seasonal employees.

Summer break can also make it more complicated to track paid leave such as family medical leave or maternity leave, and must be factored into termination and rehire dates for leaves of absence. Again, consider that many districts may not have tracked data like leave information before the passage of the ACA.

Communication across the District

Many schools operate under constant budget constraints, and may be getting by with older Payroll, HRIS and Benefits Administration systems. These may include paper records or in-house tools that don't collect data at

the level of detail needed for ACA compliance, creating unforeseen complications at reporting time.

For instance, if the Payroll system captures leave information but wasn't designed to provide it in the form required by ACA, then HR or Benefits administrators may find themselves manually comb through payroll records to find the right data.

To compound this issue, each school within the district may have its own unique set of such systems, which have likely not need to coordinate with one another – until now. In the case of the bus driver above, the district may have to resolve multiple versions of the person's name, conflicting addresses, and multiple EINs.

School districts also often have fewer IT resources than other industries, and those employees are likely to have more experience networking laptops than attempting to dig complex data out of in-house HR applications — just as their HR specialists will be new to the task of uploading reporting forms to the IRS. Many schools are finding the burdens of ACA compliance to be too much for already-taxed staff to take on, and are turning to outside vendors for help.

The Tango Compliance Solution

School districts are just starting to learn the pitfalls that lie ahead for ACA compliance. Tango's experience with K-12 clients helped us create a series of best practices specifically tailored to these institutions. Our expert staff can help districts identify what to track and for whom, how to input data consistently, and how to coordinate disparate systems. We have the technology to assess data quality, identify issues, and compile everything needed for reporting, as well as a concierge staff that's fluent in the IRS regulations and requirements. Tango provides 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.