



CASE STUDY

Obstacles to Compliance for the Manufacturing Industry

Each industry faces its own challenges around Affordable Care Act (ACA) compliance, and the manufacturing industry is confronting its share of obstacles in order to comply with IRS reporting requirements. From aviation to automotive and beyond, manufacturing businesses have relied on legacy practices that are confounding their efforts to gather the data needed for ACA compliance. A wide range of worker types, union-run benefits, and inconsistent or non-existent hourly tracking are just a few of the issues these organizations face.

A Range of Employee Types

The manufacturing industry is often affected by economic pressures that result in the need to add or reduce staff throughout the year. Companies may use contract employees, temporary workers or seasonal workers to fill the need for additional workers, and prior to the ACA there was no need to track these employees' hours for anything other than payroll purposes. With the new requirements, an employee may be employed for several periods over the course of a year, and hours worked, leave hours, hire date and rehire dates must all be tracked in order to determine that employee's eligibility for benefits over the course of the year. Hourly tracking is also important for shift employees — companies may have scheduled shifts, but may not have tracked the actual hours worked by employee.

Unions are also a big part of the manufacturing workforce, and in many cases the union offers health benefits to its members, but does not provide that information to the employer. According to the ACA requirements, the employer is responsible for reporting benefits information for that employee to the IRS, but without the data from the union, that reporting can be nearly impossible.

The Importance of Hourly Tracking

Hourly tracking is key to compliance with the ACA requirements, which means that companies that may have used other methods to calculate employee pay will need to update their systems and provide data on hours worked. For example, companies with truck drivers may have previously paid employees by the mile, but the IRS does not recognize this standard. Temporary

employees may be tracked by a staffing agency or by the employer, but it's important that everyone clearly understand what to track, and that the data is available.

Mergers or acquisitions may further complicate tracking, especially if the new company has different procedures than the parent company. Matching up measurement and stability periods or combining data from multiple payroll, HRIS and benefits administration systems can make hourly tracking even more challenging.

Gathering Compliance Data

Companies with multiple departments or facilities, or those that have grown via acquisition or merger often find themselves at a disadvantage when the time comes to gather data for ACA compliance. Payroll, HRIS and benefits administration platforms

were not designed with ACA compliance in mind, so they may not gather the data needed, or provide easy access to the data accumulated. FMLA data is especially challenging — tracking that information was not required prior to the Affordable Care Act, but the data is mandatory now for determining eligibility.

Organizations with multiple entities may also struggle with ownership of the reporting. Whether the entities or the parent company do the reporting, it's important to gather the necessary data from all systems in order to get an accurate view of each employee's history, and the data must be reviewed monthly to determine eligibility. Many companies in the manufacturing industry have found this too complex for their HR staff, and have turned to outside vendors for help gathering the data and completing the reporting.

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.