Affordable Care Act

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Affordable Care Act (ACA) Reporting

If you are an Applicable Large Employer (ALE) in the United States, you must comply with Affordable Care Act (ACA) reporting requirements. The ACA Reporting SuiteApp lets you set up and track the health coverage offered to full-time employees. Then, electronically file the required health care coverage forms (1094–C and 1095–C) to the Internal Revenue Service (IRS).

ACA reporting is required for ALEs, which are employers that have 50 or more full-time or full-time-equivalent employees. Employees are considered full-time if they work on average at least 30 hours per week, or 130 hours per month.

The SuiteApp lets you record and track employee health care information throughout the year as employees are hired, pass probation periods, and are offered coverage. At year end, you review and adjust the information as needed, before printing and distributing forms to employees and filing forms electronically with the IRS.

For more information about ACA reporting requirements, go to https://www.irs.gov/instructions/i109495c.

The 2021 version of the ACA SuiteApp introduces two additional offer of coverage plans: 1T and 1U. For more information, see Assigning an ACA Offer of Coverage Plan to an Employee. For more information about coverage codes, visit https://www.irs.gov/instructions/i109495c.

⚠️ **Important:** For the 2022 reporting year, the deadline for filing is January 26, 2023.

ACA Reporting SuiteApp Features

The ACA Reporting SuiteApp enables you to do the following:

- View average hours of employment by employees for the specified measurement periods to assist in determining full-time equivalent status.

- Specify health coverage plans offered to groups of full-time employees at once, or to individuals as they become eligible.

- Review the information to be submitted to the IRS on the 1094–C and 1095–C forms. Use individual previews for each form, and a detailed report.

- Transmit the ACA information to process the electronic IRS filing, and print and distribute the forms to employees.

The following topics provide details about the ACA filing process:

- Setting up the ACA Reporting SuiteApp
- ACA Pre-Filing
- ACA Filing
- Updating Employee Records for ACA
- Assigning an ACA Offer of Coverage Plan to an Employee
- Adding Covered Individuals to an Employee
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- State-Specific ACA Reporting (DC, NJ, CA, RI)

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- Viewing ACA Filing History

Setting up the ACA Reporting SuiteApp

This section includes the requirements and procedures for installing the ACA Reporting SuiteApp.

Prerequisites for Installing the ACA Reporting SuiteApp

> ⚠ **Important:** To use the ACA Reporting SuiteApp, SuitePeople U.S. Payroll must be actively used during the filing year.

Before installing the ACA Reporting SuiteApp, the following features must be enabled:

- Payroll — Setup > Company > Setup Tasks > Enable Features > Employees
- Custom Records — Setup > Company > Setup Tasks > Enable Features > SuiteCloud
- Client SuiteScript — Setup > Company > Setup Tasks > Enable Features > SuiteCloud
- Server SuiteScript — Setup > Company > Setup Tasks > Enable Features > SuiteCloud

Applicable Large Employer (ALE) Member Information

To use the ACA Reporting SuiteApp, you must enter the legal name as it should appear on tax forms. You must also enter an employer identification number (EIN) for at least one subsidiary. For more information, see the help topic Creating Subsidiary Records. If you have employees that you are setting to part-time, those employees' subsidiaries should have at least one payroll earning item type. For more information, see the help topic Creating Payroll Items.

> ⓘ **Note:** If you use NetSuite OneWorld and multiple subsidiaries have the same EIN, note the following. The subsidiaries have the same ALE record, and the employees for those subsidiaries are included in a single ACA file when filing. Any subsidiaries with different EINs have different ALE records and must file ACA information separately.

Install the ACA Reporting SuiteApp

Only users with the Administrator role can install the ACA Reporting SuiteApp. This is a managed bundle and is automatically updated whenever there are updates.

After installation, the Affordable Care Act (ACA) subtab appears on the employee record and access to the ACA landing page is available. For more information, see Updating Employee Records for ACA and View the ACA Landing Page.

The ACA Reporting SuiteApp can be disabled at any time. After it is disabled, billing stops and information for the current year is deleted. All filing data for prior years is retained for at least 7 years.

To install the ACA Reporting SuiteApp, go to Customization > SuiteBundler > Search & Install Bundles, and then click **Advanced**.

Use the following information to search for the SuiteApp:

- **Bundle Name -** Affordable Care Act (ACA) Reporting

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- **Bundle ID -** 147355

For more information about installing SuiteApps, see the help topic Installing a Bundle.

> **Note:** If the Install button is not available or if you cannot find this SuiteApp, this SuiteApp might not have been shared with your account. To get access to the SuiteApp, contact Customer Support.

After the ACA Reporting SuiteApp Is Installed

Before you use the ACA Reporting SuiteApp, you must complete the following:

- Specify the day of the month to use for determining the monthly employee count that will appear on the 1094–C form. For more information, see Setting Up Employer Information.
- Provide a default recipient for ACA-related email. For more information, see Setting up a Default Recipient for ACA Notifications.
- Set up roles and permissions. For more information, see Roles and Permissions.
- Ensure that each employee covered by ACA reporting requirements has a birth date defined on the Human Resources tab of their employee record. For more information, see the help topic Entering Human Resources Information for an Employee.

Roles and Permissions

Each role that requires access to the ACA Reporting SuiteApp must be specified on the ACA Grant Permissions page. To assign roles, go to Setup > Customization > ACA Grant Permission (Administrator).

Roles assigned to this permission can perform the following tasks:

- Assigning an ACA Offer of Coverage Plan to an Employee
- Adding Covered Individuals to an Employee
- Adding Safe Harbor Codes to an Employee
- Excluding an Employee from ACA Reporting
- Identifying Part-Time Employees
- Creating an ACA Offer of Coverage Plan
- Assigning an ACA Offer of Coverage Plan to Multiple Employees
- Setting Up Employer Information
- ACA Filing
- Viewing ACA Filing History

Setting up a Default Recipient for ACA Notifications

You should set up a default recipient for ACA notifications. The default recipient receives an email message whenever changes applied to multiple employees for ACA reporting purposes have completed. This includes when an ACA offer of coverage plan has been assigned to multiple employees, and when multiple employees have been identified as part-time.

To set up a default recipient for ACA notifications:

1. Go to Setup > Company > Preferences > General Preferences (Administrator).
2. Click the **Custom Preferences** subtab.
3. From the **Email Notification Recipient** list, select the default recipient. The recipient must be an employee.
4. Click **Save**.

View the ACA Landing Page

To access the ACA landing page, go to Transactions > Employees > Affordable Care Act (Administrator). You can also go to Payroll and HR > Payroll > Affordable Care Act (Payroll Manager). Here you will find the steps you need to complete for pre-filing and filing.

> ⓘ **Note:** If the ACA SuiteApp was recently updated, an error message may appear. The message indicates that the ACA landing page is not available due to a data migration failure. In this case, you cannot use the ACA SuiteApp. Please contact support.

For more information, see the following help topics:

- ACA Pre-Filing
- ACA Filing

ACA Pre-Filing

Before filing, there are a number of pre-filing tasks to perform. Pre-filing involves identifying part-time employees, setting up and assigning an offer of coverage to employees, and entering employer ACA information. The information entered during pre-filing is used to file the 1094–C and 1095–C forms that are required for ACA reporting at year-end.

The ACA landing page guides you through each of the required pre-filing steps. To make filing at year-end manageable, this information can be easily tracked and updated on a monthly basis.

For information about the 1094–C and 1095–C forms, go to https://www.irs.gov/instructions/i109495c. For information on filing, see ACA Filing.

ACA pre-filing includes:

- Identifying Part-Time Employees
- Creating an ACA Offer of Coverage Plan
- Assigning an ACA Offer of Coverage Plan to Multiple Employees
- Setting Up Employer Information

Identifying Part-Time Employees

The first step for ACA pre-filing is identifying part-time employees. These are employees that do not meet the minimum number of hours to be considered full-time for a specified period.

To identify part-time employees:

1. Go to Payroll and HR > Payroll > Affordable Care Act (Payroll Manager).

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2. If applicable, select the specific subsidiary from the **View** list.

3. Select the payroll items that are considered eligible hours of service. These are used for determining an employee's full-time status, as defined under Section 4980H. ACA-eligible payroll items include:

   - Earning: Wage

   - Earning: Salary

   - Earning: Vacation

   - Earning: Sick

   The payroll items are automatically selected, but the list can be modified, if necessary.

   > **Note:** If the ALE member has multiple subsidiaries, at least one subsidiary must have payroll items set up. If a subsidiary does not have payroll items defined, a warning message appears showing which subsidiaries do not have payroll items defined. If there are multiple subsidiaries, you can choose payroll items for subsidiaries that do have them defined.

   For more information about payroll items, see the help topic Payroll Items Setup. For more information about eligible hours of service, go to https://www.irs.gov/instructions/i109495c.

4. Click **Done** to save the changes and return to the ACA landing page.

5. To identify employees that do not meet the minimum number of hours to be considered full-time, click **Set Part-Time**.

6. To filter the list of employees, specify a **Start Date** and **End Date** for the employees' paychecks. These two dates must be at least three months apart.

7. By default, the **Show Employees Who Worked Less Than 130 hours per month** and **30 hours per week** boxes are checked. To show employees who fall outside of these parameters, clear the boxes.

8. By default, the **Show inactive and terminated employees in the current filing year** box is not checked. To show these employees, check this box.

9. Select one or more employees, and click **Set to Part-Time**.

10. Specify the date range during which the employee will be considered part-time.

    For example, an employee had an average of less than 30 hours per week, from January 1 to December 31, 2021. This employee may be set to part-time from January 1 to December 31, 2022 for the purposes of ACA. For more information, see https://www.irs.gov/instructions/i109495c.

11. Click **OK**.

12. Verify that the date range that the specified employees will be set to part-time status is correct in the 2020 Part Time Status column.

13. Click **OK**.

The contact set up as the default recipient for ACA notifications receives an email message after the changes have been applied. For more information, see Setting up a Default Recipient for ACA Notifications.

To make changes, click **Edit Hours** from the ACA landing page.

Creating an ACA Offer of Coverage Plan

An offer of coverage plan contains information about the health coverage for employees. Assign them to employees from the employee record, or to multiple employees from the pre-filing section of the ACA

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landing page. For more information, see Assigning an ACA Offer of Coverage Plan to an Employee and Assigning an ACA Offer of Coverage Plan to Multiple Employees.

To create an ACA offer of coverage plan:

1. Go to Payroll and HR > Payroll > Affordable Care Act (Payroll Manager).
2. If you have a NetSuite OneWorld account, select the subsidiary from the **View** list.
3. Click **Add Coverage**.
4. In the **Name** field, enter the name of the plan.
5. If a carrier provides coverage, enter the name in the **Carrier** field.
6. If the plan is self-insured, check the **Self Insured** box. If you check this box, then make sure to enter the covered individuals for a self-insured plan. For instructions, see Adding Covered Individuals to an Employee.

> **(i) Note:** If this offer of coverage plan is assigned to an employee, then you cannot change the self-insured status of the plan.

7. Select the offer of coverage code from the **Code** list. Codes specify the type of coverage available to the employee, their spouse, and dependents. For more information about coverage codes, visit https://www.irs.gov/instructions/i109495c.

   The list of coverage codes includes:

   - 1A - Qualifying Offer: Minimum essential coverage providing minimum value. It is offered to full-time employee with employee contribution for self-only coverage equal to or less than 9.5% mainland single federal poverty line. It is at least minimum essential coverage offered to spouse and dependent(s).
   - 1B - Minimum essential coverage providing minimum value offered to employee only.
   - 1C - Minimum essential coverage providing minimum value offered to employee and at least minimum essential coverage offered to dependent(s) (not spouse).
   - 1D - Minimum essential coverage providing minimum value offered to employee and at least minimum essential coverage offered to spouse [not dependent(s)].
   - 1E - Minimum essential coverage providing minimum value offered to employee and at least minimum essential coverage offered to dependent(s) and spouse.
   - 1F - Minimum essential coverage **not** providing minimum value. It is offered to the employee, employee and spouse or dependents, or employee, spouse and dependents.
   - 1G - Offer of coverage to employee who was not a full-time employee for any month of the calendar year. This may include one or more months in which the individual was not an employee. It may also include an employee who enrolled in self-insured coverage for one or more months of the calendar year.
   - 1H - No offer of coverage. The employee was not offered any health coverage, or the employee was offered coverage that is not minimum essential coverage. This may include one or more months in which the individual was not an employee.
   - 1J - Minimum essential coverage providing minimum value offered to the employee. It provides at least minimum essential coverage conditionally offered to spouse. It does not provide minimum essential coverage to dependents.
   - 1K - Minimum essential coverage providing minimum value offered to the employee. It provides at least minimum essential coverage offered to dependents, and at least minimum essential coverage conditionally offered to the spouse.
   - 1L - Individual coverage health reimbursement arrangement (HRA) offered to you only with affordability determined by using employee's primary residence location ZIP code.

- 1M - Individual coverage HRA offered to you and dependents (not spouse) with affordability determined by using employee's primary residence location ZIP code.

- 1N - Individual coverage HRA offered to you, spouse and dependents with affordability determined by using employee's primary residence location ZIP code.

- 1O - Individual coverage HRA offered to you only using the employee's primary employment site ZIP code affordability safe harbor.

- 1P - Individual coverage HRA offered to you and dependents (not spouse) using the employee's primary employment site ZIP code affordability safe harbor.

- 1Q - Individual coverage HRA offered to you, spouse and dependents using the employee's primary employment site ZIP code affordability safe harbor.

- 1R - Individual coverage HRA that is NOT affordable offered to you, employee and spouse or dependents, or employee, spouse, and dependents.

- 1S - Individual coverage HRA offered to an individual who was not a full-time employee.

- 1T - Individual coverage HRA offered to an employee and spouse (no dependents) with affordability determined using the employee's primary residence ZIP code.

- 1U - Individual coverage HRA offered to an employee and spouse (no dependents) using employee's primary employment site ZIP code affordability safe harbor.

8. If you select any coverage code in the 1B–1U range, note the following. Enter the employee's lowest monthly premium for self-only minimum essential coverage in the **Lowest Cost of Employee Coverage** field. Enter a **Start Month** and a **Start Year**.

9. If you select coverage codes 1O, 1P, 1Q, or 1U, you can enter a **Default ZIP Code** for the employee's primary employment site.

10. Click **Add**.

11. If the premium changed throughout the reporting year, add additional lines. Dates cannot overlap.

12. Click **Save**.

Making an ACA Offer of Coverage Plan Inactive

Make plans inactive to prevent them from appearing in lists. A plan is still assigned to an employee when it is inactive.

To make an ACA offer of coverage inactive:

1. Go to Payroll and HR > Payroll > Affordable Care Act (Payroll Manager).

2. Click the **Coverages** link beside **Set Up & Assign Coverage**.

3. Click **Edit** next to the plan to inactivate.

4. Check the **Offer of Coverage Inactive** box.

5. Click **Save**.

Deleting an ACA Offer of Coverage Plan

Delete a plan when it is unassigned and not needed.

To delete an ACA offer of coverage plan:

1. Go to Payroll and HR > Payroll > Affordable Care Act (Payroll Manager).

2. Click the **Coverages** link beside **Set Up & Assign Coverage**.

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3. Click **Edit** next to the plan to delete.

4. Select **Delete** from the **Actions** menu.

5. Click **OK**.

Assigning an ACA Offer of Coverage Plan to Multiple Employees

After an offer of coverage plan has been set up, it can be assigned to a group of employees from the ACA landing page. The information entered here is used to generate the 1095–C forms to be filed for each employee. For more information, go to https://www.irs.gov/instructions/i109495c.

To assign an ACA offer of coverage plan to multiple employees:

1. Go to Payroll and HR > Payroll > Affordable Care Act (Payroll Manager).

2. If you have a NetSuite OneWorld account, select the specific subsidiary from the **View** list.

3. Click **Assign Coverage**.

4. By default, employees who were not full-time or not employed for the entire reporting year are excluded. Also by default, employees who were inactive and terminated in the current filing year are excluded. You can use the filters to control which employees are shown in the list.

5. By default, the **Show inactive and terminated employees in the current filing year** box is not checked. To show these employees, check this box.

6. From the list, select the employees to assign this coverage to.

7. Click **Assign Coverage**.

8. Select the offer of coverage plan, from the **Plan** list.

9. Enter a start date when the coverage plan is offered to the selected employees.

10. To record that coverage was offered after the employee's limited non-assessment period, check the **Override start date with employees eligibility date** box. This is implemented only when the eligibility date is later than the specified start date.

11. Check the **Auto-assign Safe Harbor Code 2C** box if each employee that was offered health coverage was enrolled in the coverage offered.

12. Click **Assign**.

13. Make sure the information displayed in the Plan column, and the Coverage column are correct.

14. If you have multiple plans that are assigned to different groups of employees, repeat the above steps.

15. Click **Save**.

The contact set up as the default recipient for ACA notifications receives an email message after the changes have been applied. For more information, see Setting up a Default Recipient for ACA Notifications.

Setting Up Employer Information

You use the Employer Information page to enter information about the ALE member, which is used to file the 1094–C form at year end. ACA employer setup includes entering information for all ALE members of an aggregated group.

For example, company A is the parent of company B and company C. Combined, these companies have 100 full-time employees. Each separate employer in an ALE aggregated group is subject to the

employer shared responsibility provisions. In addition, each is subject to the associated information reporting requirements. Each separate employer must file its own 1094–C form, using its own Employer Identification Number (EIN).

To set up employer information:

1. Go to Payroll and HR > Payroll > Affordable Care Act (Payroll Manager).
2. If you have a NetSuite OneWorld account, select the specific subsidiary from the **View** list.
3. Click **Set Up Employer**.
4. NetSuite automatically inserts information from the company or subsidiary record. To make changes, you can edit the information here.
5. Enter the name and contact number of the person who is responsible for answering questions from the IRS regarding the filing.
6. If there is a parent company, each separate employer is subject to the employer shared responsibility provisions. Click the **Other ALE Members** subtab. Select the months that the company was a member of the same ALE group. Enter the company names, and unique EIN numbers of each affiliated ALE member.
7. Click **Add**.
8. If your employer is eligible for transition relief, select the certifications that apply from the **Certifications of Eligibility** subtab:
   - **Qualifying Offer Method** - A qualifying offer was offered to full-time employees for every month during the year that the employees were considered full-time.
   - **98% Offer Method** - Offer of affordable health coverage. It provides minimum value to at least 98% of your employees, and minimum essential coverage to those employees' dependents.
9. Click the **Preferences** subtab. From the **Employee Count Based On** list, select the day of the month for determining the monthly employee count on the 1094–C form.

   For example, you select **First Day of Each Month**. An employee leaves the company in the middle of the month. They are still included in the monthly count.
10. In the **Plan Start Month** list, select the month during which the health plan offering coverage begins. This Plan Start Month is reflected for the affected employees.
11. In the **Limited Non-Assessment Period Override** field, enter the number of days (0-90) for which the Limited Non-Assessment Period can be overridden. This number is added to the employee's hire date or date of exclusion from ACA to determine the Limited Non-Assessment Period End Date. This is true unless you have chosen to set this date manually.

    If you want to apply this new override value to all existing employees, then click **OK** in the confirmation popup that appears. To only apply this change to future employees, click **Cancel**.
12. Click **Save**.

ACA Filing

When the reporting year is complete, the required health coverage forms (1094–C and 1095–C) can be electronically filed to the IRS. When you file your company's ACA files, the data is examined by Ceridian, your payroll partner. If it passes validation, Ceridian forwards your files to the IRS.

To file for ACA:

1. Go to Payroll and HR > Payroll > Affordable Care Act (Payroll Manager).
2. Click **Generate** from the Ready to File section of the ACA landing page.

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3. To preview the 1094–C and 1095–C forms, click **Preview**. Alternatively, click the **View Audit Log** link to open a file that can be viewed in Microsoft Excel.

4. Review the details and included employees in the preview or the audit log. You can view error details in the audit log. Any errors must be corrected before you can transmit your ACA file.

> **(i) Note:** Employees who are both inactive and terminated, with termination dates in this filing year and with reportable coverages assigned, will be included for reporting.

5. When you are ready to transmit, click **File**. The File section shows the filings you have sent, with a filing number and date and time.

To check for ACA filing errors and refile:

1. Go to Payroll and HR > Payroll > Affordable Care Act (Payroll Manager).

2. On the ACA landing page, the Ready to File section shows the status of your filings. It also shows with the filing number and date and time of your transmission. If your filing did not pass the Ceridian validation, an **Errors** button appears beside the filing. Click **Errors** to view the errors returned by Ceridian. A popup window appears showing the errors that occurred.

3. Correct the errors as indicated in the popup window. For assistance resolving these errors, contact NetSuite Customer Support.

4. For any employees who had errors in the filing, edit the employee record and clear the errors.

5. When you have corrected the errors, return to the ACA landing page and click **Re-Generate**.

6. Click **Preview** and **View Audit Log** to confirm that your data is ready to be sent.

7. Click **Refile**.

Removing Ineligible Employees from ACA Reporting

After you have already transmitted your ACA filing to the IRS, you can remove employees from ACA reporting. For example, you would remove an employee from reporting if they become ineligible or if you added them in error. To do this, you void their 1095–C form on their employee record and then refile. If you have not filed your ACA information with the IRS and you must remove an employee from reporting before filing, you can exclude them. For more information, see Excluding an Employee from ACA Reporting.

To remove ineligible employees from ACA reporting:

1. Go to Payroll and HR > Lists > Employees (Payroll Manager).

2. On the Employees list, click **Edit** next to the employee you want to remove from reporting.

3. Click the **Affordable Care Act (ACA)** subtab.

4. Check the **Void 1095–C Form** box.

5. Click **Save**.

6. Refile your ACA data using the preceding **To check for ACA filing errors and refile** procedure.

Tracking Minimum Essential Coverage

Before making your ACA filing, you can see whether or not you are complying with ACA rules regarding minimum essential coverage. If you are not compliant, you may be subject to an employer shared responsibility payment. You can view the Minimum Essential Coverage Offer Indicator in two ways:

- From the ACA landing page, click Preview. The Preview 1094C page appears, showing the Minimum Essential Coverage Offer Indicator for the whole filing year and for each month. If you are compliant for a given period, then Yes is checked for that period.

- From the ACA landing page, click View Audit Log. Open the XML file that is downloaded in Microsoft Excel. Click the 1095–C Part III tab. Under Part III: ALE Member Information — Monthly. A Minimum Essential Coverage Indicator row appears for the entire year and for each month with a Yes or No in the Data column.

The ACA SuiteApp determines the minimum essential coverage offer indicator value in the following way:

- The value is Yes (you are compliant) if you have not offered coverage to five of your employees. Five employees is greater than five percent of your total full-time employees. For example, you have 120 employees and 115 have offers. You are compliant because 95 percent of your employees have coverage and five employees is less than 5 percent of your employees.

- The value is No (you are not compliant) when the number of employees offered coverage is not equal to five. Five employees is greater than five percent of your total employees. For example, you have 50 employees and 48 have an offer of coverage. You are not compliant because you have fewer than five employee not covered, and five employees is 10 percent of your employees.

> **ⓘ Note:** If an employee has a coverage code of 1H and a safe harbor code of 2E, they are considered covered regardless of the calculation.

For more information, go to https://www.irs.gov/affordable-care-act/employers/types-of-employer-payments-and-how-they-are-calculated.

Updating Employee Records for ACA

The ACA Reporting SuiteApp displays the Affordable Care Act (ACA) subtab on the employee record. You can assign an offer of coverage plan, add any covered individuals who are included in the plan, and apply a safe harbor code.

The following topics detail the ACA setup tasks you can complete on the employee record:

- Assigning an ACA Offer of Coverage Plan to an Employee
- Adding Covered Individuals to an Employee
- Adding Safe Harbor Codes to an Employee
- Excluding an Employee from ACA Reporting

Assigning an ACA Offer of Coverage Plan to an Employee

Before an ACA offer of coverage plan can be assigned, one must be created first.

To assign a plan to multiple employees at one time, go to the ACA landing page. For more information, see Assigning an ACA Offer of Coverage Plan to Multiple Employees.

The **Limited Non-Assessment Period End Date** is calculated as the end of the employee's third full calendar month of full-time employment. This date is based on the employee's hire date, or the end of their exclusion from ACA. It is used to report when the employee is considered full-time for the purpose of ACA reporting. You should use the calculated end date, but you can override it. For example, your employees are eligible for benefits after 30 days of employment. You could choose to set this date manually to 30 days after the hire date for each employee.

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To assign an ACA Offer of Coverage Plan to an employee:

1. Go to Payroll and HR > Lists > Employees (Payroll Manager).
2. On the Employees list, click **Edit** next to the employee who was offered coverage.
3. Click the **Affordable Care Act (ACA)** subtab.
4. Click the **Offer of Coverage** subtab.
5. From the **Plan** list, select the offer of coverage plan. If there is no offer of coverage plan shown, ensure one was created. For more information, see Creating an ACA Offer of Coverage Plan.
6. Enter the **Start Month** and **Start Year** for this offer of coverage plan. Only enter an **End Month** and **End Year** when the employee has left the company, or if they changed to another offer of coverage plan.
7. If you have selected coverage codes 1L, 1M, 1N, or 1T, enter the employee's residential ZIP code in the **ZIP Code** field. Enter the **Employee Required Contribution**.
8. If you have selected coverage codes 1O, 1P, 1Q, or 1U, enter the employee's employment ZIP code in the **ZIP Code** field. Enter the **Employee Required Contribution**.
9. Click **Add**.
10. Add additional lines if the employee was offered more than one coverage plan during the reporting year.
11. To set a different Limited Non-Assessment Period End Date, check the **Override Limited Non-Assessment Date** box and enter a different date.
12. Click **Save**.

Adding Covered Individuals to an Employee

On the Covered Individuals subtab, you add the employee after you have assigned an offer of coverage plan to the employee. The employee's name and date of birth (if included on the employee record) are sourced from the employee record automatically. You also add the employee's spouse, dependents, or both, who are covered under the offer of coverage plan. Covered individuals are only required when the offer of coverage plan is self-insured. When a coverage plan is self-insured, it indicates that the employer assumes the financial risk of providing health care benefits to its employees. The individuals entered on the Covered Individuals subtab should meet the criteria of the coverage that is set up on the plan.

For example, the coverage plan code is 1C. Only add dependents to the list, not the employee's spouse. For more information on the types of coverage, see Creating an ACA Offer of Coverage Plan.

To add covered individuals to an employee:

1. Go to Payroll and HR > Lists > Employees (Payroll Manager).
2. On the Employees list, click **Edit** next to the employee to add covered individuals to.
3. Click the **Affordable Care Act (ACA)** subtab.
4. Click the **Covered Individuals** subtab.

> ⓘ **Note:** You must list the employee first and then list the spouse, dependents, or both, as applicable.

5. If you have not added the employee to the covered individuals list, then click **Add Employee**. The employee's name and date of birth (if included on the employee record) are populated. Confirm or enter the employee's **Date of Birth** and the **Start Month** and **Start Year** for the coverage. Optionally, enter the **End Month** and **End Year**. Click **Add**.

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6. For each of the employee's spouse, dependents, or both, complete the following fields:

   - **First Name**
   - **Last Name**
   - **Date of Birth**
   - **Start Month**
   - **Start Year**

   Optionally, enter the **End Month** and **End Year**. Click **Add**.

7. Add additional lines for each individual that is covered under the plan.

8. Click **Save**.

Adding Safe Harbor Codes to an Employee

Safe harbor codes apply when an employee qualifies for an exemption from the assessable payment. Manual entry is not required for employees that were not full-time, terminated, excluded from ACA, or in a limited non-assessment period. Instead, the applicable safe harbor code is automatically added when generating the ACA filing. Manual entry is required when safe harbor codes 2E, 2F, 2G, or 2H are applicable or if an existing code must be overridden.

For more information about safe harbor codes, see https://www.irs.gov/instructions/i109495c and Automatically Applied Safe Harbor Codes.

Automatically Applied Safe Harbor Codes

The following are automatically applied safe harbor codes:

- 2A - Automatically added for any months that an employee was not employed on any day of the calendar month. This includes employees who were not yet hired, excluded from ACA, or terminated before the first day of the reporting month.

- 2B - Automatically added for any months that an employee was not considered full-time. This includes employees who were excluded from ACA or terminated during the reporting month.

- 2C - Can be applied automatically when assigning an ACA offer of coverage plan to multiple employees. For more information, see Assigning an ACA Offer of Coverage Plan to Multiple Employees.

- 2D - Automatically added for any months that an employee was in a limited non-assessment period.

To add safe harbor codes to an employee:

1. Go to Payroll and HR > Lists > Employees (Payroll Manager).

2. On the Employees list, click **Edit** next to the employee you want to add a safe harbor code to.

3. Click the **Affordable Care Act (ACA)** subtab.

4. Click the **Safe Harbor Codes** subtab.

5. From the **Code** list, select the safe harbor code.

   The safe harbor codes include:

   - 2A. Employee not employed during the month. This safe harbor code is automatically applied during filing.

   - 2B. Employee not full–time. This safe harbor code is automatically applied during filing.

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- 2C. Employee enrolled in coverage offered. Use this code for any month the employee enrolled for each day of the month in health coverage offered by the ALE member. This is true regardless of whether any other code in Code Series 2 might also apply.

  Do not use this code:

  - For any month in which the multi-employer interim rule relief applies. Instead, enter code 2E.

  - If code 1G is entered in the **Code** list on the ACA offer of coverage plan. For more information, see Creating an ACA Offer of Coverage Plan.

  - For any month that an employee is enrolled in COBRA continuation coverage or other post-employment coverage. Instead, enter code 2A.

  - For any month that the employee enrolled in coverage that was not minimum essential coverage.

- 2D. Employee in a Section 4980H (b) limited non-assessment period. This safe harbor code is automatically applied during filing.

- 2E. Multi-employer interim rule relief. Use this code for any month for which the multi-employer arrangement interim guidance applies for that employee. This is true regardless of whether any other code in Code Series 2 (including code 2C) might also apply.

- 2F. Section 4980H affordability from W-2 safe harbor. Use this code if the ALE member used Section 4980H Form W-2 safe harbor to determine affordability. This is for purposes of Section 4980H(b) for this employee for the year. If the member uses this safe harbor, it must be used for each month of the calendar year the employee is offered health coverage.

- 2G. Section 4980H affordability federal poverty line safe harbor. Use this code if the ALE member used Section 4980H federal poverty line safe harbor to determine affordability. This is for purposes of section 4980H(b) for this employee for any months.

- 2H. Section 4980H affordability rate of pay safe harbor. Use this code if the ALE member used Section 4980H rate of pay safe harbor to determine affordability. This is for purposes of Section 4980H(b) for this employee for any months.

6. Enter the **Start Month** and **Start Year** of the period when the exemption applied for the employee. Enter the **End Month** and **End Year** if this code applied for a short period of time. Note that this date cannot be before the employee's hire date.

7. Click **Add**.

8. Click **Save**.

Excluding an Employee from ACA Reporting

Unless otherwise specified, all employees are included in ACA reporting. They can be excluded for all or part of the reporting year, if they were not considered full-time, as defined under Section 4980H. Alternatively, they are not considered an employee for the purpose of ACA reporting. For example, a contractor, a sole proprietor, or a partner may not be an employee for the purposes of ACA reporting.

To exclude an employee from ACA reporting:

1. Go to Payroll and HR > Lists > Employees (Payroll Manager).

2. On the Employees list, click **Edit** next to the employee to exclude from ACA reporting.

3. Click the **Affordable Care Act (ACA)** subtab.

4. Click the **Exclude from ACA** subtab.

5. From the **Reason** list, select why the employee is excluded from ACA reporting.

6. Enter the **Start Month** and **Start Year** for the exclusion.

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7. Optionally, enter the **End Month** and **End Year** for the exclusion.
8. Click **Add**.
9. Click **Save**.

State-Specific ACA Reporting (DC, NJ, CA, RI)

For employees who reside in the District of Columbia (DC), or New Jersey (NJ), California (CA), or Rhode Island (RI), note the following. You have additional state-specific reporting requirements under the Affordable Care Act. You must report any employees who resided in any of these four jurisdictions during a particular reporting year. You must also report the specific months when those employees resided in any of those jurisdictions.

Before filing your ACA reporting with state-specific information, ensure that you have done the following:

- Define your workplaces for all jurisdictions where you have a tax ID and maintain paid employees. For more information, see the help topic Entering Workplace Records for Payroll.
- Confirm your tax information for each jurisdiction, specifically the State ID for each of the four mandated states. For more information, see the help topic Setting Preferences for Jurisdictions.
- Confirm your state IDs. If you attempt to generate the ACA file without valid state IDs, a warning message appears. To avoid this message, follow the procedure in Confirming Your State IDs.

Confirming Your State IDs

When filing state-specific reporting, the relevant state IDs are required. By default, the state IDs reported are defined in the jurisdiction settings.

To confirm your State IDs:

1. Go to Setup > Payroll > Setup Tasks > Set Up Payroll.
2. If you have a NetSuite OneWorld account, select the subsidiary from the **Subsidiary** list.
3. Click the **Jurisdictions** subtab.
4. Click the subtab for the four mandated states:
   a. For the District of Columbia, the State ID is sourced from the OTR Account Number.
   b. For New Jersey, the State ID is sourced from the Taxpayer Identification Number.
   c. For California, the State ID is sourced from the ALE Member's FEIN.
   d. For Rhode Island, the State ID is sourced from the ALE Member's FEIN.

> **Note:** If an employee earned income in DC in any month, they are considered a resident of DC for that month for ACA reporting purposes. This is true even if they resided in another state.

If you do not configure the states in the jurisdiction settings, NetSuite uses the Employer Identification Number (EIN) in the Company and Subsidiary settings.

Viewing and Editing an Employee's State History

The state history records an employee's residence in the four mandated states (DC, NJ, CA, and RI). If an employee moved into or out of a mandated state during a month, they are considered as residents of that state during that month.

When you install or update the ACA SuiteApp, the employees' state histories are generated from the system notes on the employee record. Subsequently, when you edit an employee's address on the employee record, their state history is updated.

To view or edit an employee's state history:

1. Go to Payroll and HR > Lists > Employees (Payroll Manager).
2. On the Employees list, click **Edit** next to the employee whose state history you want to view.
3. Click the **Affordable Care Act (ACA)** subtab.
4. Click the **State History** subtab.
5. If you need to correct information in the state history, click the row of the field you want to edit.
6. For each time period when the employee resided in a mandated state, enter the **State**, **Start Month**, **Start Year**, **End Month**, and **End Year**. To indicate that you manually edited the state history, check the **Is Manually Added** box.
7. Click **Save**.

Verifying Employee State History Information

When you are ready to file your ACA compliance, you can view the state history information in the audit log to confirm accuracy.

To verify employee state history:

1. Go to Payroll and HR > Payroll > Affordable Care Act (Payroll Manager).
2. Click **Generate** in the Ready to File section of the ACA landing page.
3. Click the **View Audit Log** link to open a file that can be viewed in Microsoft Excel.
4. Click the state-specific tabs to view the months of the year, the full-time employee count, and overall employee count for employees residing in those states. Each tab also shows the appropriate State ID.

Viewing ACA Filing History

If you used the ACA Reporting SuiteApp to report compliance for the previous year, you can view your filing history on the ACA landing page.

To view ACA filing history:

1. Go to Payroll and HR > Payroll > Affordable Care Act (Payroll Manager).
2. On the ACA landing page, in the Filing History section, click **View** to view the previous year's filing.

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