

ACA 1095 Reporting Software

Pre-Sales Information

Thank you for inquiring about our ACA 1095 Reporting software. This document will provide you with basic information about our company and ACA 1095 Reporting's capabilities and contains answers to many of the most common questions we receive regarding Affordable Care Act information reports and ACA 1095 Reporting. Should you have additional questions, we encourage you to email us at support@proware-cpa.com.

PRO-WARE, LLC

PRO-WARE is a privately owned company that has been designing, creating, and distributing accounting software to the professional accounting community since 1985. Our flagship product, Asset Keeper Pro, has been on the market for thirty-plus years and is currently used by thousands of professionals in public and private accounting.

What can ACA 1095 Reporting software do for you?

ACA 1095 Reporting software is a desktop application for maintaining data that will be submitted to employees, covered individuals and the Internal Revenue Service to meet the reporting requirements of the Affordable Care Act.

Our program is specifically designed to make this process as easy as possible with minimal data entry. By relying on our expertise as software developers, we include validation procedures to ensure that the data you submit will result in the fewest errors possible.

Employee information reports (1095-B and 1095-C) and employer transmittal forms (1094-B and 1094-C) can be printed on plain paper, saved as PDF files, and electronically filed with the IRS using the optional e-file XML generation process.

What ACA 1095 Reporting software will not do for you?

While ACA 1095 Reporting software will do almost everything you need to meet the reporting requirements dictated by the Affordable Care Act, however, it will not do the following:

- It will not determine if you need to file information returns mandated by the Affordable Care Act. You will need to determine this by calculating the number of full-time equivalent employees you have and if there are 50 or more, then you will need to file the requisite forms.
- It will not determine which employees need to be included in the information reports. You will need to determine this based on their full-time status.

- All data must be imported or entered, and updated, by the end-user.
- If you need to distribute forms to employees, you will need to print and mail the forms since our company does not provide distribution services for the generated forms.

Why shouldn't I just outsource this?

You may feel that the information reports, coverage codes, and filing requirements are just too much for you to handle and perhaps outsourcing is the best option for your company. **But you'd be wrong!** Here are a few reasons why you should NOT consider outsourcing.

- No one knows your employees and the health coverage you provide better than you do. Relying on a 3rd party to get this information entered and submitted correctly may be more difficult than you think.
- The cost estimates that we have heard from our users to outsource this process are exponentially more expensive than the cost of ACA 1095 Reporting.
- The IRS may not get around to asking questions about your submitted forms for a year or more. There's no guarantee that the company outsourcing will be around to answer those questions.
- ACA information reports contain identity information for your employees and must be protected securely. Outsourcing may expose an employee's identity information and make you liable for any resulting consequences.
- Relying on an outsourcing company to submit the forms timely may result in exposure to penalties if they are filed late or are incomplete, or the outsourcing vendor can't e-file because they can't meet the stringent requirements of the IRS's AIR e-file system. Many vendors were unable to e-file after soliciting users who were required to e-file their data.

ACA 1095 Software versions

ACA 1095 Reporting software comes in two versions.

Single-company - The single-company version is for employers who only need to submit information reports for one company (one EIN – employer identification number). The cost for this version is \$499 and annual upgrades will be \$299. The single-company version is referred to as ACA 1095 Reporting.

Multi-company - If you need to manage and report information for more than one company (more than one EIN) or are reporting health coverage for multiple

employers, then you will need to purchase our multi-client version. It allows you to maintain information and generate reports for an unlimited number of companies. The cost for the multi-client version is \$999 and annual upgrades will be \$499. The multi-client version is referred to as ACA 1095 Reporting Multi-Client.

You must purchase the annual update in order to continue using ACA 1095 Reporting, since it is distributed under a subscription licensing agreement. (See the Annual Renewals section below for more information.)

Both the single-company and multi-client versions offer the same importing, data entry, and reporting options; however, the multi-client version contains a File Manager that makes managing multiple companies much easier. Additionally, multiple employers can be entered in the multi-client version for reporting multi-employer group plans.

If you are considering the multi-client version so that you can maintain data for your clients, such as a broker-client relationship, we recommend that your clients purchase the single-company version and maintain their own data. The broker would purchase the multi-client version. Periodically, or prior to filing the reports, the user of the single-company version can use the included option to convert their data file to the multi-client format and send it to their broker for review, modifications, and report generation or e-filing. The broker can then convert the file back to the single-company format using the same transfer option and send the file back to the client for continued maintenance. We believe that this will result in more accurate information and ensure that all employees, including those that the broker may be unaware of, such as those on Medicare and Cobra, are entered into ACA 1095 Reporting properly.

Getting data into ACA 1095 Reporting

Getting your data into ACA 1095 Reporting is clearly one of the most time-consuming processes. ACA 1095 Reporting includes a sophisticated, yet easy-to-use, importing option so that you can avoid entering employee or dependent data that may already be available in your human resources or payroll software, or from your insurance broker. Your employee, or dependent, data must be in an Excel file format before it can be imported. If you would like more information on importing data, you can read our informative "How-To" guide on importing data by clicking [here](#). The last few pages of the How-To guide contain instructions on how to make changes to coverage information for multiple employees at one time without having to edit each one.

Intuitive and flexible data entry

Maintaining the coverage information for your employees and dependents can be a very complicated process; however, we have spent a great deal of time designing our data entry process to not just reduce the time it takes to enter the information, but provide helpful information when entering your health coverage information. By providing an

intuitive design with built-in validation and error-checking, you will spend much less time entering and reviewing your data to ensure consistency and accuracy.

Paper and PDF forms

Companies that have less than 250 forms have the option of filing paper forms and can print these on plain paper using ACA 1095 Reporting. The forms can be printed with customizable address pages that can be formatted to fit in standard window envelopes to facilitate distribution to employees. You can also save file copies to single or multiple PDF files for archival purposes.

E-filing option

If you need to file 250 or more employee forms, you must e-file your information reports to the Internal Revenue Service. The e-filing process for the Affordable Care Act is a completely new system compared to the one that has been used for years to e-file income tax returns, W-2's, and other information reports. The new e-file system is called AIR and requires a registration and a separate testing process that is very complicated. Accordingly, we are charging an additional \$ 199 (per company) if your data needs to be e-filed with the IRS.

Before a software developer can be authorized to e-file information reports, they must submit test data and receive certification from the Internal Revenue Service. PRO-WARE, LLC has completed the mandatory testing process.

The e-file option allows a user to submit their information reports to the IRS by using PRO-WARE, LLC as their transmitter. The IRS refers to this as the A2A method of transmission and it is by far the easier option.

Alternatively, if your company is precluded from using a third party as the transmitter, you can generate the necessary XML files through our software and use the IRS's web portal to upload the required files. This option is referred to as the UI method and requires you to obtain a transmitter control code from the IRS before you can submit your information reports. More information can be found on the IRS's website regarding how to obtain a transmitter control code for the purpose of submitting ACA information reports.

Before submitting XML data to the IRS, whether you use PRO-WARE, LLC as your transmitter or you transmit via their portal, you will need to establish a communication test with the IRS's servers. ACA 1095 Reporting includes an option to perform this test.

The additional charge for e-filing is required whether you use PRO-WARE, LLC as your transmitter (A2A method) or if you obtain your own transmitter control code and submit using the IRS's web portal (UI method).

HIPAA Compliance for PHI (protected health information)

The IRS has not issued any guidance on whether HIPAA applies to information reporting requirements for ACA. Our position is that every safeguard possible should be taken to protect the information included in ACA 1095 Reporting since it does contain PHI (protected health information); specifically, names, addresses, and SSN's. The sensitivity of this information should be carefully safeguarded whether HIPAA applies or not, and we have implemented our procedures with this in mind.

Our position with regards to performing the "transmitter" function for our users who choose to e-file their ACA data is that we will protect their data as if the HIPAA privacy rules apply to this data. However, we do not feel this requires a business associates agreement with our users.

ACA 1095 Reporting will contain options to perform the "transmitter" function for those who want to use PRO-WARE, LLC to perform this function for them as opposed to submitting their own data. ACA 1095 Reporting will encrypt the data and send the encrypted data to our AWS ([Amazon Web Services](#)) HIPAA secure web server via an encrypted SSL connection. The data is then processed on our secure web server and transmitted to the IRS via a secure connection. Communications from the IRS regarding the transmitted data files will be handled in ACA 1095 Reporting via secure transmissions.

Enhancements and modifications

As with all our software, our goal is to ensure that ACA 1095 Reporting software meets the needs of our users now and in the future. As those needs change, we will add new enhancements and modify existing options to ensure that ACA 1095 Reporting remains a fast and flexible tool for maintaining the information required by the Affordable Care Act. Our policy is to issue updates as frequently as necessary to ensure that all users can take advantage of the changes we make.

All users of ACA 1095 Reporting software can easily download the latest update at any time using the "Update" option on the Home screen's toolbar.

Licensing

The single-company and multi-client versions are distributed with a "site" license that allows you to install it on an unlimited number of computers at ONE address location. If you have multiple office locations, you will need to purchase a separate licensed copy for EACH location. If you intend to access data files remotely, such as with terminal server, then each remote location needs to have their own licensed copy.

For clarification, the multi-client version does not mean that you can provide copies to any other person who is not located at your street address. It is intended for users who need to manage data for more than one company/client.

Using the single-company or multi-company version does allow you to locate your data files on a local drive or a shared network drive that is also located at the same address location as the workstations that access those files.

Support after the sale

Our philosophy is that support after the sale is paramount in making sure that you are taking full advantage of all the features included in our software. Accordingly, you are entitled to unlimited technical support for installation and operation of the software. There is no additional cost for support.

We recommend that support questions be submitted in writing, if possible, so that we can review these questions periodically to determine whether changes need to be made to improve the efficiency of our software. We include a Feedback option in ACA 1095 Reporting for just this purpose and we make every attempt to be available to assist you during and after normal business hours.

If research is necessary to answer your question or resolve the problem, our support department can respond in writing and provide a written reference should you need to forward the answer to other users of the software or refer to it at a later time.

Annual Renewals

ACA 1095 Reporting is subscription-based software. What that means is that as long as your subscription is maintained, you will be able to use the software to maintain your data. If your subscription expires, you will no longer be able to run the ACA 1095 Reporting software; however, your data will not be lost or affected by the lapse of your subscription. Once your subscription is renewed, you will be able to run the program and access your data.

The subscription renewal date will be one year from the date you purchased the software. We will notify you in advance that your software renewal is approaching so you can avoid any lapse of service. In addition, the program will always alert you as to how many days are left before your subscription expires.

Where to go from here

If you want to learn more about ACA 1095 Reporting to determine if it will assist you in meeting the information reporting requirements of the Affordable Care Act, you should consider the following items.

- **ACA 1095 Reporting Overview Video** - We created a brief (less than 6 minutes) introductory “overview” video that highlights some of the main features of ACA 1095 Reporting that we would encourage you to watch.

[ACA 1095 Reporting Overview Video](#)

- **Download the demo** – You can download a live demo of ACA 1095 Reporting from our website and enter data and print reports. The demo contains all features included in the full program including, importing, data entry, and report generation. Any data entered while using the demo will remain should you decide to purchase a license and activate the software.

[ACA 1095 Reporting webpage with links to demos](#)

When you are ready to purchase, you may do so online by clicking the SHOP NOW button on our website or you can call PRO-WARE, LLC at 402.861.8800 during our normal business hours 8:30 a.m. – 5:00 p.m. CST.

Pricing subject to change

All prices quoted in this document are subject to change at a later date. Current pricing can be found in our online store or by calling PRO-WARE, LLC at 402.861.8800.

Other Questions and Answers

Listed below are some of the most common questions we get on an almost daily basis.

Q. Do I need any preprinted forms to print the 1095's?

No. All forms generation in ACA 1095 Reporting are printed on plain paper.

Q. When do information reports need to be filed?

March 2, 2017 is the date that employee copies must be delivered to employees.

February 28, 2017 is the date for paper copies of IRS forms to be submitted for employers with less than 250 forms.

March 31, 2017 is the date to e-file data to the IRS for employers with 250 or more forms to be filed. Note: any user can elect to e-file even if they have less than 250 forms.

Q. When will we be able to e-file an employer's data?

Generally, data can be e-filed on the first day following the end of a calendar year. However, this is subject to the IRS acknowledging that they are ready to accept e-filed data.

Q. Why can't I see the covered individuals (dependents) in the employee screen?

Unless you have the check box labeled “Employer provided self-insured coverage”

checked, the dependents are not visible. That check box is located on the bottom right of the screen.

Q. Is there any way to see the dependents on the employee screen if I don't have the check box referred to in the previous question checked?

Yes. In the Preferences screen under Employee List, there is a check box labeled "Always show covered individuals" that can be used to show dependents even when the "self-insured" check box is not checked.

Q. Why aren't my covered individuals printing on the 1095-C, Part III, Covered Individuals?

Unless you have the check box labeled "Employer provided self-insured coverage" checked for an employee, the covered individuals are not printed on the 1095-C, Part III, per the instructions for this form.

Q. Why do I get an error if I do not enter "offer of coverage" for all 12 months?

The offer of coverage is printed on 1095-C, Part III, line 14. If an employee is a full-time employee for one month during the year or if you made an offer of coverage for one month during the year, then you must enter an offer of coverage for all 12 months. While this is not clear by reading the instructions for the 1095-C, it has been emphasized multiple times in the webinars that the IRS has provided for software developers. It is also enforced in the schema files provided to us by the IRS that are used to validate data being submitted via e-file.

Q. Where can I get the employee counts to complete 1094-C, Part II, column (b) Full-time Employee Count, and column (c) Total Employee Count?

These amounts cannot be accurately determined in ACA 1095 Reporting, however, we do attempt to provide you with some preliminary numbers. You can calculate the preliminary numbers by going to the Client Information Screen, 1095-C ALE Member Information section, then click the Edit Monthly Details, and then Click the Calculate button.

Keep in mind that these are preliminary calculations only and may need to be corrected based on the actual full-time employees and total number of employees.

Q. How do I print reports for selected employees?

Go to the Employee screen and do the following:

1. Sort the employee listing that will make it easiest to highlight all the employees that you want to include on a report.
2. Highlight the employees that you want to include on a report.
3. Click one of the buttons on the right labeled "Print List", "Print Details", "Print Form", or e-File.

Q. How do I change information entered for more than one employee?

Go to the Employee screen and do the following:

1. Sort the employee listing that will make it easiest to highlight all the employees that you want to include on a report.
2. Highlight the employees that you want to include on a report.
3. Click the Edit Selected button on the right. You can also change the months of coverage by clicking the “Months of Coverage” button.

Q. What is the “User-Defined” column on the Excel templates that we provide for importing data used for?

The values entered in this field are imported into the “user-defined” field in ACA 1095 Reporting. Because this is a user-defined field, they can be used for any purpose that you wish. For example, some users enter codes to group certain classes of employees or to use for distributing the employee copies of the forms that are printed. Some users enter a code to identify the employer in the case of a multi-employer health plan.

Q. What should be entered in the plan start month?

The plan start month should be a value of 01 - 12 and represents the month that your health plan starts each year. If there is no health plan under which coverage is offered to the employee, enter 00.

The plan start month is an optional field and does not need to be included in reports submitted to the IRS.

Q. Does the hired date and termination date need to be entered?

No. These are for the convenience of tracking this information for each employee.

Q. Can I e-file more than one company with the “single-company” version of ACA 1095 Reporting?

No. You will need to purchase an e-file activation code in order to e-file an employer’s data, and you will only be able to purchase ONE e-file for each single-company version that you have licensed.

PRO-WARE, LLC

Customer and Technical Support Teams