

STATE CONTROLLER'S OFFICE
PERSONNEL AND PAYROLL SERVICES DIVISION
P.O. BOX 942850
SACRAMENTO, CA 94250-5878

DATE: November 30, 2016

PERSONNEL LETTER #16-019

TO: All Agencies/Campuses in the Uniform State Payroll System

FROM: Debra Spellman, Chief
Personnel and Payroll Services Division (PPSD)

RE: AFFORDABLE CARE ACT SYSTEM (ACAS) YEAR END INFORMATION

This letter provides year end information and reminders for the Affordable Care Act System (ACAS). Beginning as early as spring of 2017, the Internal Revenue Service (IRS) will begin assessing penalties for inaccurate reporting of Affordable Care Act (ACA) related information. In order to avoid potential penalty assessment, each agency/campus is responsible for completing the below tasks prior to December 31, 2016.

- Review and correct errors on all ACA Compliance Reports.
- Review and correct errors on all ACA Correction Reports per instructions in [Personnel Letter #16-015](#)
- Key data timely in Employment History for all transactions effective prior to January 1, 2017.
- Ensure that all 2016 COBRA offers are keyed in ACAS.

This letter is also to inform you that the IRS has extended the time that employers have to issue Form 1095-C, Employer-Provided Health Insurance Offer and Coverage, to employees from January 31, 2017, to March 2, 2017. Based on the extended due date, the State Controller's Office (SCO) will distribute all Form 1095-Cs to employees prior to March 2, 2017.

COMPLIANCE

Departments, campuses, CalHR, and the SCO must work together to ensure compliance with the ACA. It is critical that all compliance reports are complete (no employees listed) and kept current from this point forward.

All compliance reports are available on ViewDirect. For additional information, see SCO Personnel Letters [#15-009](#) and [#15-013](#).

CORRECTION REPORTS

Correct all errors listed on each of the four correction reports. These corrections are critical to reporting accurate information to the IRS which will reduce agency/campus risk of penalty assessment. See SCO Personnel Letter [#16-015](#) for additional information.

COBRA OFFERS

As of January 1, 2016, departments/campuses are required to capture offers of COBRA coverage for active (not permanently separated) employees. See SCO Personnel Letter [#16-005](#) for additional information.

COST PER FORM

Per SCO Payroll Letter #[16-010](#):

The SCO will mail all 1095-Cs to the employee's current mailing address.

1. The SCO will pre-print the SCO address as the return address for all 1095-Cs.
 - a. The SCO will send undeliverable 1095-Cs to the agency or campus for distribution to the employees.
2. The SCO will issue a Payroll Letter in December 2016 informing agencies and campuses of the date the 1095-Cs will be mailed, and the date the agencies or campuses can access employee address listings on View Direct.
 - a. Agencies and campuses will incur a service fee of \$0.62 for each 1095-C mailed to offset SCO's postage/handling costs. Your agency or campus will receive an invoice from SCO for these services by April 2017.

ACA SUPPORT

The following resources are available to assist departments/campuses with data entry/corrections in ACAS:

- [ACAS: A Scenario Specific Job Aid](#)
- [ACAS User Guide](#)

For questions regarding compliance reports, correction reports, COBRA offers, 1095-C printing/mailling costs, or any other inquiries related to the ACAS, contact the ACA online application support group by phone at (916) 322-3770 or by emailing acasupport@sco.ca.gov.

For inquiries specific to ACA policy contact, CalHR at aca.policy@calhr.ca.gov.

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