

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

DATE: April 11, 2017

PERSONNEL LETTER #17-010  
(CSU ONLY)

TO: All Campuses in the Uniform State Payroll System

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

**RE: AFFORDABLE CARE ACT ADVANCED PREMIUM TAX CREDIT NOTIFICATION AND  
APPEAL PROCESS**

Under the Employer Shared Responsibility provisions of the Affordable Care Act (ACA), the State of California may be subject to penalties for each full-time employee\* who receives an advanced premium tax credit (APTC) toward the purchase of their health coverage through Covered California, the state's health marketplace, or the U.S. Department of Health and Human Services (HHS), the federal health marketplace.

Covered California or HHS will send letters to employers with information about their employees who received an APTC toward the purchase of their health coverage through one of the health marketplaces. The notices are sent to employers if at the time of enrollment their employee attested that he/she was neither enrolled in, nor offered affordable employer-sponsored health coverage. When a notice is sent, it provides an opportunity for employers to appeal an employees' APTC eligibility if the employee was actually offered an opportunity to enroll in employer-sponsored health coverage that met the ACA's affordability and minimum value standards. Appealing an employee's eligibility for an APTC could reduce the state's exposure to a penalty assessment from the Internal Revenue Service.

To facilitate the appeals process, the State Controller's Office (SCO) has developed the [ACA Tax Credit Notification Intake Form](#). The California State University (CSU) human resources or benefits offices must complete this form each time a notice from Covered California or HHS is received. The information that is provided on the form will help SCO to determine whether an appeal is necessary. SCO has 90 days from the date of the notice to file an appeal if necessary.

\*Full-time employees are defined as those employees who average 130 or more hours of service during an applicable 12-month measurement period.

When a notice is received, the Chancellor's Office and campuses must gather the following information:

- Copy of notice from Covered California or HHS
- Completed [ACA Tax Credit Notification Intake Form](#)
- PERS-HBD-12 (if the employee elected benefits)
- PERS-HBD-12A (if the employee declined benefits)
- Any other supporting documentation

**Within 10 days of receipt of the notice**, campuses must provide the above listed items to the Chancellor's Office at the address listed below.

ATTN: HRM Benefits  
California State University, Office of the Chancellor  
401 Golden Shore  
Long Beach, CA 90802

The Chancellor's Office will work with SCO to determine an employee's eligibility for the APTC. SCO will file an appeal if the employee was offered an opportunity to enroll in employer-sponsored health coverage that met the ACA's affordability and minimum value standards.

If you have additional questions related to ACA reporting or the ACA Tax Credit Notification Intake Form, please contact ACA Online Support at (916) 322-3770 or by email at [acasupport@sco.ca.gov](mailto:acasupport@sco.ca.gov).

DS: SH: KR: ACA