

ACA Reporting Proposal

Franklin Lakes Board of Education

IRC 6055 & 6056 Reporting

10/5/2015

About HR Workplace Services

HR Workplace Services (HRWS) was founded in 2009 and helps companies and public entities of all sizes navigate the complex nature of today's business challenges.

Many organizations throughout the country do not have full-time HR staff, are short-handed or lack sufficient experience and training which creates exposure and vulnerability to costly liabilities. Those that do have a full-time HR staff may not have expertise in multiple areas. While many of them face similar HR challenges, including compliance, EEOC complaints, and employee issues, they are also facing difficulties with operating efficiencies, changing workforce, and effective growth strategies. Using a consultative, proactive approach, HRWS provides comprehensive services designed to protect businesses.

The HRWS management and advisory team consists of highly educated, skilled, and devoted professionals. We have extensive knowledge of HR complexities and take the time to provide customized solutions for the unique needs and situations of our clients.

With disciplines including contract law, compensation, training/development, compliance, recruitment/retention, and employee relations, clients receive a comprehensive strategy to address all their business challenges.

HRWS has helped thousands of companies and public agencies in all 50 states and over 20 countries with everything from the most routine personnel issues and assistance with basic forms to the most complex business challenges.

The HRWS Reporting Solution

- Works with any Payroll Provider to Collect Necessary Data
- Secure Data Storage and Transfer
- Track Variable Hour Employees
- Populate Forms 1094-C and 1095-C (or 1094-B and 1095-B)
 - ♦ Including Offer of Coverage and Safe Harbor Codes
- Produces IRS Ready to File Forms 1094-B/C 1095-B/C
- Prepares Form 1095-C for Employee Distribution
- Dedicated Support Team

About IRS Code 6055 & 6066

Beginning in 2015, employers with fully insured health plans that average 50 or more full-time employees (including full-time equivalents) must track and record the terms and conditions of health coverage offered to their full-time employees. Additionally, employers of any size who have self-insured medical plans must also track and record the terms and conditions of the health coverage offered to their employees.

This data must be tracked monthly on a calendar year basis and is reported annually to both employees (January 31st) and to the IRS (February 28th, March 31st if filing electronically). The purpose of this reporting is to help the IRS administer the 'employer shared responsibility' mandate created under ACA.

Under the '**employer shared responsibility**' mandate, employers must offer affordable health coverage providing minimum essential coverage and minimum value to its full-time workforce (30 hours per week or 130 hours per month) or be subject to penalties imposed by the IRS.

Information for Completion of Forms 1094-C/1095-C

Reporting for Applicable Large Employers (employers with 50 or more full-time, including equivalent employees) consists of two forms: **1094-C** and **1095-C**.

Required Employer Information

- Employer Name
- Employer Tax I.D.
- Employer Address
- Employer Contact Person
 - Contact's Phone Number
- Other ALE members if an Aggregated Group
 - Name of Employers and EIN
- Minimum Essential Coverage Offer
- Full-time Employee Count
- Total Employee Count

Information To Be Tracked & Collected Monthly

Employee Information

- Employee Name
- SSN
- Employee Address
- Date of Hire (D.O.H.)

Employee Information to be collected

- Deduction for health coverage
- Wage Rate/ Monthly Salary
- Hours (for variable hour employees)

Self-Insured Plans - Additional Requirements

Self-Insured Plans must provide information on covered individuals

- Covered Individual Name
- Covered Individual SSN (DOB if SSN is not available)
- Months of Coverage

PRICING

Entity	Monthly Amount	Quantity W-2's Issued 2014
Franklin Lakes Board of Education	\$150.00	425
Yearly Total	\$ 1,800.00	

- Pricing is set in blocks of 500 Records (500/1000/1500/2000 etc.) If the total numbers of records increase due to employer growth, merger or acquisition, the price will be adjusted \$100.00 monthly for each additional block.
- Pricing is valid for a period of 30 days following receipt of the proposal
- The accuracy of the reporting is incumbent on the information provided to HRWS
- Employer may select from two billing Options: Quarterly and Annually

6055 & 6056 Services Assistance Agreement

This Agreement for Services is made effective as of _____ 2015, by and between **HR Workplace Services, Inc. ("HRWS")**, located at **16679 North 90th Street, Suite 100, Scottsdale, AZ 85250** and **Franklin Lakes Board of Education** ("Client") located at **490 Pulis Avenue, Franklin Lakes, NJ 07417**.

Beginning on _____ 2015, HRWS will provide the following services to the Client in accordance with IRS Code Sections 6055 and 6056 and Client and HRWS agree as follows:

HRWS, by way of this Agreement, shall:

- Maintain and secure Clients required data
- Convert and configure data into IRS required format
- Deliver to Client, forms necessary to complete required IRS reporting
- Maintain a secure link through which Client shall upload data to HRWS on a monthly basis.

Fees:

- **\$150.00 Base Monthly Fee** up to the first 500 employees, based on prior year W-2's, adjusted quarterly.
- An **Additional Fee** of **\$100.00** shall apply to groups at **each increment of 500 employees**.
- Payment for the year of 2015 is due on submission of the executed agreement.
- The Rate is valid for a 30 day period from the date of receipt of this Agreement
- Service Charge may apply if Client requires assistance with data gathering and formatting.
- HRWS shall provide a service fee schedule should additional assistance be required beyond the scope of this Agreement.
- HRWS reserves the right to suspend services at any time should Client's payments be delayed beyond 10 days of date(s) due.
- HRWS shall deliver documents electronically to Client. Documents delivered physically will incur an additional charge.
- **Annual Services Agreement Price: \$ 1,800.00 (Due Upon Executed Agreement)**

Payment Terms:

- Payment for services can be made either quarterly or annually, in advance of services.
- Service fees for reporting months starting January 1 to Effective Date of the Agreement shall be paid to HRWS upon execution of the Agreement.

Data Delivery & Reliability:

- It is Client's responsibility to transmit Employer, Employee, Former Employee other Covered Individual and Dependent information to HRWS on a monthly basis. Per Section XII: *Person Responsible for Section 6056 Reporting*, Paragraph C of IRS 6056 Final Regulations, Such contractual arrangements would not transfer the potential liability of the ALE member for failure to report and furnish under section 6056 and the regulations, or the ALE member's potential liability under section 4980H.
- HRWS takes no responsibility concerning the accuracy of data submitted to HRWS by Client under the terms of this Agreement.

Agreement Term:

- This Agreement shall begin on the date of execution and shall remain in full force and effect for two (2) years (the "Term").
- This Agreement shall automatically renew for subsequent periods of one (1) year, unless terminated in writing.
- Following the two-year Term, either party may terminate this agreement by providing 60-day written notice of intention to terminate to the other Party.

Assignment:

- Neither Party shall assign or transfer voluntarily or involuntarily any of its rights, duties, or obligations under this Agreement without the express written consent of the other Party in each instance except to an individual or entity that succeeds to majority operating control of the assigning party.

Indemnification:

- To the fullest extent permitted under law and without limitation, the Client shall indemnify, defend and hold harmless HRWS, and its directors, officers, employees and agents from and against all liability (including, without limitation, all claims, damages, penalties, fines, and judgments, associated investigation and administrative expenses, and defense costs, including but not limited to reasonable attorney's fees, court costs and costs of alternative dispute resolution) resulting from any claim arising from this Agreement Client may have now or in the future against HRWS.

Laws and Venue:

- This Agreement and disputes arising out of or relating to the Agreement or the parties' relationship are governed by the laws of the State of Arizona. Any action or proceeding arising out of or relating to the Agreement or the parties' relationship shall be brought exclusively in a state or federal court situated in the County of Maricopa, State of Arizona.

General Liability for Compliance:

- Per IRS regulations, Client assumes all responsibility for the accuracy of the information submitted on its Tax forms and the timeliness of such filings to the IRS. Under the terms of this Agreement, HRWS provides a business services tool, on a best efforts basis, that allows for the collection of data to prepare such Tax forms for filing to the IRS but makes no warranties, implied or otherwise, as to the accuracy or timeliness of such forms. Any penalties assessed by the IRS against the Client for failing to comply with 6055 and/or 6056 rules shall be the sole responsibility of the Client. Client recognizes and agrees that HRWS shall not provide auditing or accounting services to Client. HRWS, when applicable, shall facilitate the filing with the IRS on behalf of the Client. Client shall remain solely responsible to timely make any IRS or other governmental agency filings as required by law or administrative order.

General Terms:

- I. HRWS and the Client shall comply with all federal, state, and local laws and regulations that may be applicable to the Client as an employer during the term of this agreement. The Client and HRWS each agree to use their reasonable best efforts to comply with all applicable laws including executive orders, relating to equal opportunity and non-discrimination in employment. Each party agrees to indemnify the other for any loss or damage resulting from a breach by the other party of its obligations under this paragraph.
- II. Any document provided to the Client by HRWS and designated in writing as containing confidential, proprietary or privileged information will not be disclosed to any third party, unless required by law, court order, or relevant regulation. HRWS shall not be responsible for the loss or destruction of any materials provided by the Client, or the inadvertent disclosure of confidential information, unless such loss, destruction, or disclosure is caused by HRWS's negligence. In such an event, HRWS shall not be responsible for an amount in excess of the aggregate amount of all fees paid to HRWS for services performed pursuant to this Agreement.
- III. This Agreement shall supersede any prior 6055 & 6056 Agreements between the parties, whether oral or written, and shall constitute the only 6055 & 6056 Agreement between the parties. Any amendments or modifications to this Agreement shall be invalid unless made in writing and executed by the parties to this Agreement or authorized representatives thereof.

ACCEPTED FOR Franklin Lakes Board of Education

Name: _____

Title: _____

Signed: _____

Date: _____

ACCEPTED FOR HR WORKPLACE SERVICES, INC

Name: John Dale

Title: President/CEO

Signed: _____

Date: _____