

**State of Maryland – Department of Budget and Management (DBM)  
Employee Benefits Division (EBD) – 2016 Agency ACA Reporting FAQ’s (v5-Last Updated 8/16/16)**

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We are entering our second year of ACA reporting for all employees. Due to time and resource constraints for the 2015 reporting process, we were limited in how we were able to obtain and analyze data. We have made significant improvements for the 2016 reporting process; we are now receiving data from CPB each pay period (instead of quarterly as in 2015). We are now able to calculate hours when actually worked versus when paid as in 2015. We have also made significant improvements with our programming internally and have worked countless hours with Central Payroll Bureau to improve programming and reporting. All of this positions us to work with agencies throughout 2016 to obtain information rather than wait until the end of the year as we had to in 2015.

DBM EBD is responsible for reporting for over 350 agencies, and we are required to follow strict IRS requirements for the ACA reporting. DBM EBD has worked with our consultants and legal counsel to ensure we are adhering to all of the requirements established by the IRS for all 350 agencies and each unique employee/employment situation.

The following FAQ is intended to provide some additional information.

QUESTION	RESPONSE
<p><b>1) What are the IRS reporting deadlines for 2016?</b></p>	<p>The 1095 forms are required for each of your employees to prepare and file their Federal Individual Tax Returns. For 2016, 1095 forms must be post-marked by January 31, 2017 so employees receive them with their other year-end tax forms. No extensions for delivery of the 1095 forms or reporting to the IRS (due March 31, 2017) will be granted for the 2016 calendar year reporting requirements.</p> <p>DBM EBD uses a third party vendor to print and distribute the 1095 forms to the employees. In order for the vendor to have time to print and distribute the forms by the deadline DBM EBD must provide the print files to the third party vendor <b>by January 4<sup>th</sup> 2017</b>. This means we must adhere to the strict deadlines stated in this document in order to meet the IRS reporting requirements.</p>
<p><b>2) What will affected agencies need to do this year?</b></p>	<p>DBM EBD will generate reports/Excel files (based on the schedule identified in question #8) that identify employees with gaps or missing data. Your agency will be required to complete the missing information in the reports/Excel files and return the updated files to DBM EBD by the deadline indicated.</p> <p><u>The data we will provide on the report is:</u> Agency Code, Check Distribution Code, Employee Name, SSN, Employee Address, Hire Date, Term Date, Contract Start Date, Contract End Date, Employee Type, Employee Sub-Type, Status, Month, Regular Hours, and Employee Offered Coverage.</p>

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	<p>We will identify for you what data we need for you to complete or review/update.</p> <p>The data elements you will be asked to complete or update are: Employee Address, EOD, Hire Date, Term Date, Contract Start Date, Contract End Date, Employee Type, Employee Sub-Type, Status, Employee Offered Coverage.</p> <p>While most of the fields you will need to complete are either employee address or dates, there are four fields (<b>Employee Status, Employee Type, Employee Sub-Type and EE Offered Coverage?</b>) that are not dates and will require you to enter a specific value for each field.</p> <table border="1" data-bbox="680 672 1906 1425"> <thead> <tr> <th data-bbox="680 672 1253 711">Data Element:</th> <th data-bbox="1253 672 1906 711">Valid Values:</th> </tr> </thead> <tbody> <tr> <td data-bbox="680 711 1253 1425">Employee Status</td> <td data-bbox="1253 711 1906 1425"> <p><b>ACTIVE</b></p> <ul style="list-style-type: none"> <li>Use this value if the employee was Active for at least one day of the month; even if the Actual Work Hours = 0</li> </ul> <p><b>TERMINATED</b></p> <ul style="list-style-type: none"> <li>Use this value if the employee was Terminated for the <b>entire</b> month. If the employee was terminated during the month, report them as ACTIVE for the month of Termination, and report them as TERMINATED for each month thereafter.</li> </ul> <p><b>ON LEAVE OF ABSENCE</b></p> <ul style="list-style-type: none"> <li>Use this value if the employee was on a Leave of Absence for the entire month.</li> </ul> </td> </tr> </tbody> </table>	Data Element:	Valid Values:	Employee Status	<p><b>ACTIVE</b></p> <ul style="list-style-type: none"> <li>Use this value if the employee was Active for at least one day of the month; even if the Actual Work Hours = 0</li> </ul> <p><b>TERMINATED</b></p> <ul style="list-style-type: none"> <li>Use this value if the employee was Terminated for the <b>entire</b> month. If the employee was terminated during the month, report them as ACTIVE for the month of Termination, and report them as TERMINATED for each month thereafter.</li> </ul> <p><b>ON LEAVE OF ABSENCE</b></p> <ul style="list-style-type: none"> <li>Use this value if the employee was on a Leave of Absence for the entire month.</li> </ul>
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QUESTION	RESPONSE	
	Employee Type	REGULAR CONTRACTUAL TEMPORARY SEASONAL
	Employee Sub-Type	GRADUATE ASSISTANT FACULTY – 12 MONTH FACULTY – 10 MONTH ADJUNCT FACULTY LECTURER STUDENT EMPLOYEE PRISON WORKER PATIENT WORKER
	Was the Employee Offered Health Coverage?	<p><b>OFFERED SUBSIDIZED COVERAGE</b></p> <ul style="list-style-type: none"> <li>● Use this value if the employee was offered health coverage and received a State subsidy to cover a portion of the coverage cost.</li> <li>● Use this value if the employee was offered health coverage with a State subsidy to cover a portion of the coverage cost.</li> </ul> <p><b>OFFERED NON-SUBSIDIZED COVERAGE</b></p> <ul style="list-style-type: none"> <li>● Use this value if the employee was offered health coverage and DID NOT receive any State subsidy to cover a portion of the coverage cost. In this scenario, the employee pays the full cost of the health coverage out of pocket.</li> <li>● Use this value if the employee was offered health coverage and NO State subsidy to cover a portion of the coverage cost.</li> </ul>

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	<p><b>NO COVERAGE OFFERED</b></p> <ul style="list-style-type: none"> <li>Choose this value if the employee was not offered any health coverage. With this value, the employee did not receive a State subsidy <u>and</u> was not given the option to purchase health coverage at full cost.</li> </ul>
<p><b>3) What about November &amp; December 2016 data?</b></p>	<p>In order to meet the strict IRS reporting deadlines, the 1095 forms must be post-marked by January 31<sup>st</sup> 2017. DBM EBD must provide print files to the 3<sup>rd</sup> party print vendor by January 4<sup>th</sup> 2017. In order to meet this deadline, we will replicate your October 2016 work hours, employee status and Offer of Coverage values for November and December 2016.</p> <p>This is because we do not have November payroll information until mid to late December and December information will not be available until after the file is required to go for printing of the 2016 1095 forms.</p> <p><u>NOTE:</u> We will obtain November &amp; December new hire information from Central Payroll and may contact your agency if we have questions.</p>
<p><b>4) What is the difference between <i>hours based on the day worked</i> vs. <i>hours based on when paid</i>?</b></p>	<p>In 2015, DBM EBD was not in a position to identify employee work hours for each day in a calendar month. And, instead could only identify hours worked for a specific pay quarter; for example Quarter 1 was a total for January, February and March. We spread these work hours equally across the days the employee was active in the quarter.</p> <p>Due to improvements in our process for 2016, we are now receiving pay period data from CPB. With the pay period data, we will spread the work hours across the calendar days in the pay period.</p> <p><b>Example:</b> Assume a 2 week pay period where the first 40-hour week falls in January and the second 40-hour week falls in February.</p> <ul style="list-style-type: none"> <li>For 2016 reporting, we will count 40 hours towards January and 40 hours towards February.</li> <li>Last year, we would have received from CPB one file that contained total hours <b>paid</b> in January, February and March. We would have equally spread the hours across the total work days in</li> </ul>

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	<p>each month, whereas the employee may have in reality worked more hours in February and March and less hours in January.</p> <p><b>Note:</b> If your payroll does not send Regular or Accident Hours to CPB, and only provides CPB with a Regular or Accident pay dollars, we will calculate hours by dividing the pay dollar by the employee’s pay rate and pay frequency values.</p>												
<p><b>5) How will my agency provide the data to DBM EBD?</b></p>	<p>We will send your data in an Excel file and there will be cells designated in the file for you to enter data updates.</p> <p>It is important that the structure of the Excel file, meaning all the columns, column order and column formatting and values REMAIN EXACTLY as we give them to you. If you change the file structure, we cannot load your data via our programs. We will send the files back to you to get into the template format.</p> <p>After you enter updates/corrections into the Excel file, you will send the file back to Lisa Liedtke (lisa.liedtke@maryland.gov).</p>												
<p><b>6) Will the Excel worksheet be password protected?</b></p>	<p>Yes, since the file contains SSN and other private information, this file will be password protected.</p> <p>For this year, we have left the password identical to last year... <b>V@lld@te</b></p>												
<p><b>7) What will be the timeline for providing data to DBM EBD?</b></p>	<p>To alleviate your workload and our workload, we have developed a schedule for sending you reports with the individuals that we have questions on, and when they are due back to us. The schedule will be:</p> <table border="1" data-bbox="667 1175 1911 1427"> <thead> <tr> <th data-bbox="667 1175 1047 1211">TASK</th> <th data-bbox="1047 1175 1476 1211">DATE TO AGENCY</th> <th data-bbox="1476 1175 1911 1211">BY/DUE DATE TO DBM EBD</th> </tr> </thead> <tbody> <tr> <td data-bbox="667 1211 1047 1284">January – June 2016 Data</td> <td data-bbox="1047 1211 1476 1284">Email from Lisa by Wednesday, August 3, 2016</td> <td data-bbox="1476 1211 1911 1284">Email back to Lisa by Tuesday, August 23, 2016</td> </tr> <tr> <td data-bbox="667 1284 1047 1357">July – September 2016 Data</td> <td data-bbox="1047 1284 1476 1357">Email from Lisa by Wednesday, October 26, 2016</td> <td data-bbox="1476 1284 1911 1357">Email back to Lisa by Wednesday, November 2, 2016</td> </tr> <tr> <td data-bbox="667 1357 1047 1427">October 2016 Data</td> <td data-bbox="1047 1357 1476 1427">Email from Lisa by Wednesday, November 30, 2016</td> <td data-bbox="1476 1357 1911 1427">Email back to Lisa by Friday, December 2, 2016</td> </tr> </tbody> </table>	TASK	DATE TO AGENCY	BY/DUE DATE TO DBM EBD	January – June 2016 Data	Email from Lisa by Wednesday, August 3, 2016	Email back to Lisa by Tuesday, August 23, 2016	July – September 2016 Data	Email from Lisa by Wednesday, October 26, 2016	Email back to Lisa by Wednesday, November 2, 2016	October 2016 Data	Email from Lisa by Wednesday, November 30, 2016	Email back to Lisa by Friday, December 2, 2016
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	November 2016 and December 2016 Data	Refer to question #4 for November and December information.																		
<p><b>8) What are the responsibilities of my Agency for ACA?</b></p>	<p>Below is a list ACA of duties along with whether DBM EBD or your Agency is responsible for completing the duty.</p> <table border="1" data-bbox="663 570 1871 972"> <thead> <tr> <th data-bbox="663 570 1560 605">DUTY</th> <th data-bbox="1560 570 1871 605">WHO IS RESPONSIBLE?</th> </tr> </thead> <tbody> <tr> <td data-bbox="663 605 1560 641">Submit agency primary contact information to EBD</td> <td data-bbox="1560 605 1871 641">Your Agency</td> </tr> <tr> <td data-bbox="663 641 1560 677">Submit requested employee data to EBD</td> <td data-bbox="1560 641 1871 677">Your Agency</td> </tr> <tr> <td data-bbox="663 677 1560 712">Ensure adherence to IRS ACA reporting regulations</td> <td data-bbox="1560 677 1871 712">DBM EBD</td> </tr> <tr> <td data-bbox="663 712 1560 748">Generate and distribute 1095 Forms to Employees</td> <td data-bbox="1560 712 1871 748">DBM EBD</td> </tr> <tr> <td data-bbox="663 748 1560 784">Support employee questions on 1095 form(s)</td> <td data-bbox="1560 748 1871 784">Your Agency/DBM EBD</td> </tr> <tr> <td data-bbox="663 784 1560 859">Generate and distribute 1095 form corrections to employees, as necessary</td> <td data-bbox="1560 784 1871 859">DBM EBD</td> </tr> <tr> <td data-bbox="663 859 1560 933">Generate and distribute 1095 form reissuances to employees, as necessary</td> <td data-bbox="1560 859 1871 933">DBM EBD</td> </tr> <tr> <td data-bbox="663 933 1560 972">Generate 1094 form and submit ACA data to the IRS</td> <td data-bbox="1560 933 1871 972">DBM EBD</td> </tr> </tbody> </table>		DUTY	WHO IS RESPONSIBLE?	Submit agency primary contact information to EBD	Your Agency	Submit requested employee data to EBD	Your Agency	Ensure adherence to IRS ACA reporting regulations	DBM EBD	Generate and distribute 1095 Forms to Employees	DBM EBD	Support employee questions on 1095 form(s)	Your Agency/DBM EBD	Generate and distribute 1095 form corrections to employees, as necessary	DBM EBD	Generate and distribute 1095 form reissuances to employees, as necessary	DBM EBD	Generate 1094 form and submit ACA data to the IRS	DBM EBD
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Generate 1094 form and submit ACA data to the IRS	DBM EBD																			
<p><b>9) What about Measurement Period Reporting?</b></p>	<p>The term “Standard <b>Measurement Period</b>” refers to the 12-month period during which an employee is evaluated to determine his/her eligibility for subsidized health coverage according to the ACA definition of full-time. During this time the employee’s hours worked must be counted on a monthly basis. Our measurement period runs from October 15 to October 14 of the following year.</p> <p><b>For example:</b> The State’s Standard Measurement Period for this year runs from October 15, 2015 to October 14, 2016.</p> <p>DBM EBD will produce a Standard Measurement Period Report for your agency in the late October/early November timeframe so you know who you need to offer subsidized health benefits coverage to for January 1, 2017.</p>																			

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QUESTION	RESPONSE
	A Special Limited Enrollment period will take place in mid-November for the individuals on your agencies Measurement Period Report. Materials will be mailed directly to affected employees' homes in early November.