

Paychex Insurance ESR Template

Overview

The ESR Template spreadsheet is a tool that can be used to provide us your data to prepare Forms 1094-C and 1095-C on your behalf. There are certain data elements we can't derive or that you must verify from information we have on file. In addition, this gives you an opportunity to update any necessary information. The template is available to upload for the current calendar year **through December 15**. You may update and upload the spreadsheet as frequently as needed until this time. If you need to make any changes or additions to the information for the current calendar year after December 15, please contact the ESR Services team.

You should use the **Paychex Insurance ESR Template** and instructions for any portion of the calendar year in which your group's medical insurance **was** retained through Paychex Insurance Agency or Paychex PEO. There is a separate template (**Non-Paychex Insurance ESR Template**) and instructions to use for any portion of the calendar year in which your group's medical insurance **was not** retained through Paychex Insurance Agency or Paychex PEO. If you retained your insurance through Paychex for only a part of the year, you'll need to upload both the Paychex Insurance ESR Template and the Non-Paychex Insurance ESR Template. The templates are based on a calendar year only, in line with ESR reporting on Forms 1094-C and 1095-C. If you have a non-calendar year health plan, you may be reporting information that spans medical plan years.

Refer to your **Full Time Employee Analysis and Monitoring** reports (found in the **Documents and Reports** section of the ESR web portal) for information. The Full Time Employee Analysis and Monitoring report is based on data you provided to Paychex.

Instructions

Use the following instructions to enter data and upload the Paychex Insurance ESR Template spreadsheet.

- When you upload an updated spreadsheet, our system will detect any changes or additions you've made. You do not need to highlight the changes or additions. If your data changes multiple times, you may see discrepancies on an error report at end of year.
- The template will reflect only changes you enter. To maintain accuracy, you will need to record any changes made outside of the template on the template. If you have multiple users responsible for reporting data on the template, we suggest that you maintain a single file to prevent inadvertently submitting a new template that overwrites previously submitted data.
- Keep a copy of your spreadsheet after it's uploaded for your records.
- Refer to the [ESR Template Alert Messages Troubleshooting Chart](#) if you receive any alert messages after uploading your spreadsheet.
- Refer to the [ESR Template Key Terms](#) for definitions of terms.

To download the template

1. Log into the Employer Shared Responsibility (ESR) web portal.
2. Navigate to the **ESR Resource Center**.
3. From the Templates section, click **Paychex Insurance ESR Template**.
4. **Paychex_Insurance_Filing_Template.CSV** opens in Microsoft Excel.
5. Save the file locally and rename if desired.

Important: The spreadsheet **must** remain in .CSV format.

To complete the template

IMPORTANT: Do **not** change the headings or the order of any columns or you will receive an error message when uploading the file.

1. Open your company's most recently saved Paychex Insurance ESR Template spreadsheet.
 2. **IF FULLY INSURED:** Enter the following information for all of your **employees who were full-time for at least one month in the calendar year**. Use your most recent **Full Time Employee Analysis and Monitoring** report for any employee listed in a current stability period to determine who fulfills this requirement. (See [Measured Status](#) for more information.) You can run an on-demand report to create an initial list.
IF SELF INSURED: Enter the following information for all of your **employees who were full-time for at least one month in the calendar year or were part-time for the entire year but enrolled in your group's health insurance plan**. Use your most recent **Full Time Employee Analysis and Monitoring** report for any employee listed in a current stability period to determine who fulfills this requirement. (See [Measured Status](#) for more information.) You can run an on-demand report to create an initial list.
- **Last Name:** Enter the last name.
 - **First Name:** Enter the first name.
 - **SSN:** Enter the social security number.
 - **Month or ALL:** Indicate whether the employee data is for a particular month or for every month of the 2015 calendar year. **Enter one line per employee per month** unless the values are the same for all fields for the entire calendar year. If all values are the same for the entire year, enter **ALL** on one line.
 - If you enter a month, type in the first three letters of the month – e.g., enter **Jan** or **JAN** for January.
 - **Measured Status:**
 - Enter **FT** for full-time or **PT** for part-time for employees listed on the **Full Time Employee Analysis and Monitoring** report for each month.
 - Your measurement period (a look-back measurement used to determine part- or full-time status for purposes of ESR) is displayed at the top of your Full Time Employee Analysis report. Note that unless otherwise indicated, the default measurement period is a calendar year. If you have a non- calendar year health plan, you may want to consult with your CPA and consider revising your measurement period. If you want to revise your measurement period, contact your dedicated Account Manager if you are a current Paychex Insurance Agency client or the ESR Services team if you are not a current Paychex Insurance Agency client.
 - You can run an on-demand Full Time Employee Analysis report to generate a list of full-time employees to give you information to enter into the Measured Status field.
 - Review the employee status for accuracy and correct or update as needed. Full-time and part-time status is based on the number of hours worked in your designated measurement period. (For more information, refer to [Measurement Periods](#) in the **Key Terms**.)
 - Enter **PT** for part-time to update or correct the status for any part-time employees who display as full-time in our records.
 - Enter **FT** to update or correct the status of any full-time employees who display as part-time in our records.
 - You **must** calculate hours separately and update the FT or PT status of the employee in the Measured Status field in the following scenarios because the **Full Time Employee Analysis and Monitoring** cannot accurately calculate these hours:
 - Employees of educational institutions who are on a regular break during a school year

- Employees on special unpaid leave due to the Family and Medical Leave Act of 1993 (FMLA), the Uniformed Services Employment and Reemployment Act of 1994 (USERRA)
 - Employees on unpaid leave for jury duty.
 - Employees whose hours of service are not reported to Paychex.
- For newly hired full-time employees, you have the option to use a monthly measurement method to determine full-time status until their first ongoing stability period. The **Full Time Employee Analysis and Monitoring** treats new full-time employees as full-time until measured in an ongoing measurement period. If you want to use the monthly measurement method instead, you'll need to do these calculations yourself and update the measured status of the employee where applicable in the template.
- **Safe Harbor Option:** Select the safe harbor option for affordability testing for each employee if applicable.
 - Enter **W** for W-2 safe harbor. You can select this option only if using for the entire calendar year.
 - Enter **F** for Federal Poverty Level safe harbor.
 - Enter **R** for Rate of Pay safe harbor. If the monthly salary for a salaried employee is reduced, an employer cannot use the Rate of Pay safe harbor.
 - Leave blank if no safe harbor affordability test is being used.
 - **Note:** The safe harbor methods are used as a test to determine affordability; using a safe harbor method does not guarantee that the coverage will be deemed affordable. Any affordability safe harbor method must be used consistently across a class of employees. Certain limitations apply to each of these methods. See [Affordability Safe Harbor Methods](#) in the **Key Terms** for more information.)
- **Non Calendar Year Transition Relief:** If your health plan runs on a non-calendar year basis (e.g. a fiscal year), enter **Y** for yes or **N** for no to state if you qualify for non-calendar year transition relief in 2015. (See [Non Calendar Year Transition Relief](#) in the **Key Terms** for more information.)
- **LNAP:** Enter **Y** for yes or **N** for no to indicate if the employee is in a limited non-assessment period (LNAP) where you would not be subject to ESR penalties for failing to offer this full-time employee health coverage that meets MEC and MAV. See [Limited Non-Assessment Period](#) in the **Key Terms** for more information.)

To upload a completed template

1. Log into the ESR web portal.
2. Navigate to **ESR Resource Center** site.
3. From the **Templates** section, click **Browse** in the **Upload Finished Template** area to locate your completed Paychex Insurance ESR Template spreadsheet. Make sure the file is in .CSV format. Note: If a "Template Type" drop-down is available, select **Paychex Insurance**.
4. Click **Upload**. Large files may take time to process; please be patient and **do not** click the **Upload** button more than once.
5. Click the **Upload Status** tab to confirm that your spreadsheet was successfully uploaded or if there are issues you must resolve. You may need to refresh the page to see the most updated status. You will receive one of the following status messages:
 - **Running** – Your file is being processed.
 - **Pending** – Your file has been received.
 - **Complete** – The file processed successfully.
 - **Error** – The file could not be processed due to formatting issues. Check your file for the following situations, make any necessary corrections, and re-upload your file:
 - If you saved your file in a format different from .CSV
 - If you added, removed, or reordered any columns

➤ If you changed the title headings or any columns

- **Alert** – The file processed, but has issues that need to be corrected. To resolve alert messages, see the **ESR Alerts: Troubleshooting Chart** below.

ESR Template Alert Messages Troubleshooting Chart

ALERT TYPE	ALERT REASON	RESOLUTION
GENERAL	This row will not be imported due to errors on other rows for this employee.	<ul style="list-style-type: none"> No revisions are necessary on this row, but there are other rows associated with this social security number (SSN) that have errors. Please correct any errors identified on other rows and re-upload all rows related to this SSN.
SSN	Employee is not in a stability period or has no employment history for filing year.	<ul style="list-style-type: none"> Verify that the employee was employed during the month reported. If yes, verify that employee appears on Full Time Employee Analysis report with a start date assigned to the Current Stability Period. If the employee is not showing on the report in error, contact the ESR Services team.
SSN	SSN exists on multiple employees.	<ul style="list-style-type: none"> Verify the accuracy of the SSN for each affected employee. If the SSN is incorrect, update the number in payroll in the payroll software directly or contact your payroll specialist to update. Re-upload the corrected template after your next payroll is processed.
Month/All	Multiple entries submitted for the same month on this Employee	<ul style="list-style-type: none"> Review entries to be sure that a month is not repeated on rows with the same SSN.
Month/All	Employee was not employed this month	<ul style="list-style-type: none"> Remove any rows for which the employee was not employed at least one (1) day of that month
Month/All	Incorrect template used for this month.	<ul style="list-style-type: none"> Review to be sure you are using the correct template. <ul style="list-style-type: none"> If you are submitting for months that medical insurance was retained through the Paychex PEO or Paychex Insurance Agency, use Paychex Insurance ESR Template. If you are submitting for months that your medical insurance was retained outside of Paychex PEO or Paychex Insurance Agency, use the Non-Paychex Insurance ESR Template.
Month/All	<p>Missing data for [<i>insert month(s) that has not been provided by the client*</i>]</p> <p>*can be one month or multiple months</p>	<ul style="list-style-type: none"> Enter missing data and re-upload for the months indicated.

Measured Status	Measured Status required for this month	<ul style="list-style-type: none"> • Enter a status of FT (full-time) or PT (part-time) for the employee for the month indicated. • If you're unsure of the status, please contact the ESR Services team.
Safe Harbor Option	W2 Safe Harbor must be applied to all months if used for any month of the filing year or not at all	<ul style="list-style-type: none"> • You cannot use the Federal Poverty Line (F) or the Rate of Pay (R) safe harbor if you use the W-2 (W) safe harbor in at least one month. Revise safe harbor selection where appropriate.

ESR Template Key Terms

Affordability Safe Harbor Methods

For coverage to be deemed affordable, an employee's required contribution for self-only coverage to the lowest cost plan that offers Minimum Essential Coverage and meet MAV cannot exceed 9.5 percent of one of the following affordability safe harbor methods:

- **Form W-2 Safe Harbor:** Use employee's Form W-2 wages shown in Box 1.
- **Rate of Pay Safe Harbor:** Multiply an employee's lowest hourly rate paid in the month by 130 to determine monthly wages or use a salaried employee's monthly pay.
 - Employers **can** apply the Rate of Pay safe harbor to an **hourly** employee even if the employee's rate of pay is reduced during the year. In this situation, the rate of pay is applied separately to each calendar month, rather than to the entire year. The employee's required contribution may be treated as affordable if it is affordable based on the lowest rate of pay for the calendar month multiplied by 130 hours. The rate of pay used for the month must be the lowest rate paid during that month (times 130) in the case of a reduction in rate of pay.
 - An employer **cannot** use the Rate of Pay safe harbor for a **salaried (non-hourly)** employee whose monthly salary is reduced during the year.
- **Federal Poverty Line Safe Harbor:** Use the federal poverty line (FPL) for a single individual. Employers can use the FPL published poverty guidelines in effect six months prior to the beginning of the plan year.

Employers may use any of the three safe harbor methods to determine affordability, but they must use them consistently across like classes of employees. Employers who do not offer affordable coverage may be subject to a potential annualized penalty of \$3,000 (as adjusted for inflation) per affected employee.

Applicable Large Employer (ALE)

In general, a business entity that employs 50 or more full-time employees and full-time equivalent employees (FTEs), on business days during the preceding year. All member entities within Controlled and Affiliated Service Groups are taken into account when determining if an employer is an ALE. An employer's status as an ALE is determined by taking the sum of the employees designated full-time employees and the sum of all FTEs (including seasonal workers) for each calendar month in the preceding calendar year and dividing by 12. The result, if not a whole number, is rounded down to the next lowest whole number. If the calculation is 50 or more, the employer is an ALE for the current calendar year, unless the seasonal worker exception applies. A new employer (an employer who didn't exist in the previous calendar year) will be considered an ALE if the business reasonably expects to employ and does employ an average of 50 or more full-time employees, including FTEs, in the current calendar year.

Controlled and Affiliated Service Groups

Entities that are treated as a single employer under IRS Code section 414(b), (c), (m), or (o). All member entities within Controlled and Affiliated Service Groups (Controlled Group) are taken into account when determining the number of full-time employees of an ALE. All employee hours across the Controlled Group are aggregated when determining full-time status. However, the potential penalty for not offering adequate or affordable health insurance to full-time employees is allocated pro-rata to each individual member entity based on the hours worked for and the insurance offered by each entity.

Employee Designations

Full-Time Employee: An employee who is employed an average of at least 30 hours of service per week or 130 hours per month with an employer.

Note: Employees Transitioning from Full-Time to Part-Time

If an employee transitions from full-time to part-time status during a measurement period, this does not mean that this employee immediately becomes a part-time employee. In general, the employee would maintain his full-time status through the current stability period and would be measured again during the next ongoing measurement period to determine the subsequent stability period status. Some exceptions apply.

New Hire Employee: The term “new hire employee” means an employee who has been employed by an Applicable Large Employer for less than one complete standard measurement period. If a New Employee is reasonably expected to be a full-time employee, the Applicable Large Employer must treat him as a full-time employee. For variable-hour and seasonal employees, an Applicable Large Employer may use an initial measurement period to determine whether the new employee is a full-time employee.

Ongoing Employee: The term “ongoing employee” means an employee who has been employed by an Applicable Large Employer for at least one complete standard measurement period.

Variable-Hour Employee: The term “variable-hour employee” means an employee for whom the employer cannot determine whether the employee is reasonably expected to be employed an average of at least 30 hours of service per week during the initial measurement period because the employee’s hours are variable or uncertain. This includes part-time, seasonal, or anyone you don’t reasonably expect to work 30 hours a week or 130 per month. The employer may not take into account the likelihood that the employee may terminate employment before the end of the initial measurement period.

Federal Poverty Line (FPL)

An annual income level set each year by the Department of Health and Human Services to determine eligibility of individuals and families for certain government services. For the ESR provisions, the FPL is one standard that can be used to determine if employer-sponsored health care coverage is considered affordable for an employee. (See **Affordability Safe Harbor Methods** definition.)

Limited Non-Assessment Period (LNAP)

A Limited Non-Assessment Period generally refers to a period during which an ALE will not be subject to potential penalties for not offering a full-time employee coverage with MEC or MAV. There are 6 distinct periods that determine if an employee falls into an LNAP. Refer to the LNAP definition on page 10 of the IRS [Instructions for Forms 1094-C and 1095-C](#). Consult your CPA or tax advisor if you need help determining if an LNAP applies to any of your employees.

Measurement Periods

Initial Measurement Period: The term “initial measurement period” means a time period selected by the employer of at least 3 but not more than 12 consecutive calendar months used to determine if new variable-hour and new seasonal employees are full-time employees under the look-back measurement period. The employer may begin the initial measurement period on any date between the employee’s start date and the first day of first calendar month following the employees start date. For example, for an employee hired on January 10, the employer must commence the start of the initial measurement period by February 1. The employer should note that there are limits on the combined length of the initial measurement period and optional administrative period. Specifically, the two combined cannot extend beyond the last day of first calendar month following the one year anniversary of the employee’s hire date.

Look-Back Measurement Period: For ongoing employees, an employer using a look-back measurement period determines each ongoing employee’s full-time status by looking back at the standard measurement period.

Monthly Measurement Period: ALEs have the option to use a monthly measurement period method for newly hired employees. The following outlines this method:

Determination of full-time employee status using weekly rule under the monthly measurement method: Under the optional weekly rule set, full-time employee status for calendar months is based on hours of service over four weekly periods or five weekly periods, depending on how many full weeks fall in the month. With respect to a month with four weekly periods, an employee with at least 120 hours of service is a full-time employee, and with respect to a month with five weekly periods, an employee with at least 150 hours of service is a full-time employee. For the purposes of this rule, the seven continuous calendar days that constitute a week (for example Sunday through Saturday) must be consistently applied for all calendar months of the calendar year.

To apply the monthly measurement method, the employer must consistently use one of the following:

- 1) Begin on the first day of the week that includes the first day of the calendar month, provided that the period over which hours of service are measured does not include the week in which falls the last day of the calendar month (unless that week ends with the last day of the calendar month, in which case it is included); or
- 2) Begin on the first day of the week immediately subsequent to the week that includes the first day of the calendar month (unless the week begins on the first day of the calendar month, in which case it is included), provided the period over which hours of service are measured includes the week in which falls the last day of the calendar month.

Note: Paychex does not use the monthly measurement period method to determine full-time status of employees in the Full Time Employee Analysis and Monitoring reports.

Standard Measurement Period: The term “standard measurement period” means a time period of at least 3 but not more than 12 consecutive months, which the employer selects and uses in determining whether an ongoing employee is a full-time employee under the look-back measurement period. The employer determines the beginning and ending of the standard measurement period, but must apply the standards on a uniform and consistent basis for all employees in the same category. For example, if the employer selects a standard measurement period of one calendar year, Paychex will determine which ongoing employees are full-time by looking back at the hours of service for each ongoing employee during the entire prior calendar year.

Minimum Actuarial Value

The minimum actuarial value (MAV) refers to the percent of medical costs that a health plan must share with the participating employees. To meet ESR requirements, health plans must cover at least 60 percent of the total allowed costs of plan benefits. The Department of Health and Human Services has provided a spreadsheet with a Minimum Value Calculator to assist employers with determining minimum value for their plans, which can be accessed at:

<http://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/>

Minimum Essential Coverage

Health insurance coverage that meets the minimum benefits standard of the small- or large-group market within the state. This includes most broad-based medical coverage typically provided by employers. It would not include certain specific coverage, such as accident or disability income, stand-alone dental or visions coverage.

Non-Calendar Year Transition Relief

ALEs with plans that do not follow the calendar year and who have not modified their plan year as of December 27, 2012, to begin at a later date may be eligible for non-calendar year transition relief if at least one of the following scenarios is true:

- The employer must have offered coverage to one third or more of all employees at the plan year start date prior to February 10, 2014.
- At least one quarter of all employees had to be enrolled any day in the 12 months prior to February 10, 2014.
- The employer must have offered coverage to at least one half of all full-time employees at the plan year start date prior to February 10, 2014.
- At least one third of all full-time employees had to be enrolled any day in the 12 months prior to February 10, 2014.

In general, affordable health coverage that meets MEC and MAV requirements must be offered to the full-time employees and their dependents at the start of the 2015 plan year, in order to qualify for relief from both penalties. Certain conditions are required to be met. Refer to the **Transition Relief for Employers with Non-Calendar Year Plans** section beginning on page 12 of the [IRS Instructions for Forms 1094-C and 1095-C](#). Consult your CPA or tax advisor if you need help to determining if you are eligible for non-calendar year transition relief.

Penalties for Not Filing or Late Filing of Forms 1094-C and 1095-C

Applicable Large Employers who fail to file Forms 1094-C and 1095-C and/or provide 1095-C informational returns to employees will be subject to penalties for failure to file correct information returns and/or failure to furnish correct statements, similar to the penalties for not filing Forms W-2.

- If you file more than 30 days late, but file by August 1 of the year in which the returns are due, the penalty is \$100 per return, with a maximum of \$1,500,000. If your business has gross receipts of \$5,000,000 or less, the maximum penalty is \$500,000.

- If you file within 30 days of the due date, the penalty is \$50 per return, with a maximum penalty of \$500,000. If your business has gross receipts of \$5,000,000 or less, the maximum penalty is \$175,000; or
- If you file after August 1 or do not file, the penalty is \$250 per return, with a maximum penalty of \$3,000,000 per calendar year. If your business has annual gross receipts of \$5,000,000 or less for the three most recent taxable years, the maximum penalty is \$1,000,000;

Penalties are not assessed when the failure to file is for a reasonable cause, with no willful neglect. Other conditions may apply. Visit the [IRS Affordable Care Act Tax Provisions website](#) for more information.

Stability Period

The term “stability period” means a time period selected by the employer that follows a standard or initial measurement period. If an employee is determined to be full-time in the preceding measurement period, the stability period must be at least six calendar months and no shorter than the associated measurement period. During the stability period, a full-time employee must be treated as a full-time employee for the entire stability period and may not be treated as a part-time employee, even if the full-time employee no longer works 30 hours per week. For employees determined not to be full-time during the preceding measurement period, the stability period can be no longer than the measurement period. If a three month measurement period is used, the stability period for employees who are determined to be full-time must be six months. For newly hired variable-hour employees, the stability period can exceed the measurement period by one month for employers using an 11 month Measurement Period. The stability period associated with the initial measurement period must be the same length as the stability period associated with the ongoing measurement period.

This information is not legal or accounting advice and it should not substitute for legal, accounting, and other professional advice. You should verify that all employees who are required to be included have been included on the template and have been properly designated. Consult your advisor to determine if you are an Applicable Large Employer who is subject to the provisions of the Employer Shared Responsibility provisions. The information supplied in the ESR Services reports is based on data you provided in your payroll information and assumptions about missing data contained in the ESR Analysis and Monitoring Report Instructions, Key Terms, and Other Important Information.