Service Request 100508
IRS Employer Reporting Requirements under the Affordable Care Act (ACA), Phase I

Technical Specification

November 7, 2014
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Information Technology Services
Office of the President
University of California
Version History

<table>
<thead>
<tr>
<th>Version #</th>
<th>Date</th>
<th>Revised By</th>
<th>Reason for Change</th>
</tr>
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<tbody>
<tr>
<td>1.0</td>
<td>10/17/14</td>
<td>Alex Tayag</td>
<td>Initial Draft</td>
</tr>
<tr>
<td>2.0</td>
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<td>Alex Tayag</td>
<td>Clean-up document</td>
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1 Introduction

The Affordable Care Act added section 6056 to the Internal Revenue Code, which requires applicable large employers to file information returns with the IRS and provide statements to their full-time employees about the health insurance coverage the employer offered. ALE members that sponsor self-insured group health plans also are required to report information under section 6055 about the health coverage they provide. Those ALE members that sponsor self-insured group health plans file with the IRS and furnish to employees the information required under sections 6055 and 6056 on a single form.

1.1.1 Service Request 100508
SR100508 requests for modifications needed to capture information needed to satisfy reporting requirements for IRS section 6056 (Form 1094-C and Form 1095-C).

2 Background

New EDB table(s) and process(es) will be created to store information extracted on a monthly basis. This information will be used by processes (to be created next year) that will produce the new forms (Form 1094-C and Form 1095-C).

3 Overview of System Modifications

3.1.1 EDB Maintenance Process
The key change and delete process will be modified to handle key changes for the new EDB table(s). A new utility routine will be created for the new EDB table(s). The key change and delete process will invoke the new utility routine.

3.1.2 Tax Processing and Reporting
A new monthly process will be created to extract information that will be used for Form 1094-C and Form 1095-C reporting processes.

4 Testing Considerations
Scope of testing will include the following:
- ACA monthly extract process
- Key change/delete process (batch and online)

5 Mainframe Design

5.1 EDB Maintenance Process

5.1.1 Database Changes

5.1.1.1 PPPACA (new)
PPPACA is a new table for storing information needed for Form 1094-C and Form 1095-C reporting processes.
5.1.1.1 DDL Members

5.1.1.1.1 TSACA00C (new)
TSACA00C contains DDL to create the tablespace for the PPPACA table.

5.1.1.1.2 TBACA00C (new)
TBACA00C contains DDL to create the PPPACA table.

5.1.1.1.3 IXACA00C (new)
IXACA00C contains DDL to create an index on the PPPACA table.

5.1.1.1.4 PPPVACA1 (new)
PPPVACA1 contains DDL to create the view, PPPVACA1_ACA, on the PPPACA table.

5.1.1.1.5 PPPVZACA (new)
PPPVZACA contains DDL to create the view, PPPVZACA_ACA, on the PPPACA table.

5.1.1.2 Include Members

5.1.1.2.1 PPPVACA1
PPPVACA1 is the record layout for PPPVACA1_ACA, a view of the PPPACA table.

5.1.1.2.2 PPPVZACA
PPPVZACA is the record layout for PPPVZACA_ACA, a view of the PPPACA table.

5.1.2 Cobol Programs

5.1.2.1 PPACAUT2 (new)
PPACAUT2 is the utility routine for the PPPACA table. It handles key changes for the PPPACA table.
Clone PPNERUTL and modify to use table PPPACA instead of PPPNER.
Modify the program to only handle key change functions (PPACAUT2-FUNCTION = ‘K’).
Modify the program to handle key changes for multiple PPPACA rows. Copy the existing rows via an INSERT ... SELECT statement using the new employee ID as part of the key. Then, delete the existing rows for the old employee ID.

5.1.2.2 PPKEYCHD
PPKEYCHD handles EDB key changes and deletions. The program will be modified to handle the key changes for the new PPPACA table by calling the utility routine, PPACAUT2.
Modify the program to call PPACAUT2. Make similar changes done in release 1186 where code was added to handle key changes for PPPNER.

5.1.3 Copy Members

5.1.3.1 CPLKGACA (new)
CPLKGACA defines a linkage area for PPACAUT2.
5.1.3.2  CPWSRACA (new)
CPWSRACA defines a row of the PPPACA EDB table.

5.1.4  Control Table Updates

5.1.4.1  CTL Database
UPAY forms are included with the requirements document and will contain detailed CTL update transactions. These will be keyed by the programmer and applied to the CTL database by running program PPP004.

5.1.4.1.1  PPPMSG System Messages Table
Add the following message to the table:

<table>
<thead>
<tr>
<th>Message Number</th>
<th>Message Text</th>
</tr>
</thead>
<tbody>
<tr>
<td>KD013</td>
<td>PPACAUT2 MODULE ABNORNAL TERMINATION</td>
</tr>
</tbody>
</table>

5.2  Tax Processing and Reporting

5.2.1  Cobol Programs

5.2.1.1  PPP781 (new)
PPP781 extracts information that will be used for the ACA Employer Reporting process.

Inputs and Outputs

- Input
  - EDB (PPPPER, PPPBEL, PPPSCR)
  - CTL (TCT tables)
- Output
  - EDB (PPPACA)

PROCEDURE DIVISION

Initialization.

- Get SCR_CURRENT_DATE from PPPSCR
- Set-up a cursor to process employees by joining PPPPER and PPPBEL. The following columns will be needed:
  - From PPPPER,
    - EMPLOYEE_ID
    - HIRE_DATE
    - SEPARATE_DATE
    - PRIMARY>Title
  - From PPPBEL
    - BELI_IND
    - BELI_CHANGEDATE
    - BELI_EFF_DATE
- SEC_STAT_QUAL_CODE
- SEC_STAT_QUAL_DATE

Processing.

- Process each employee in the cursor
  - Get the CTO-OSC associated with the PRIMARY_TITLE by calling PPTCTUTL
  - Insert a row into the PPPACA table with information from the cursor, CTO-OSC from PPTCTUTL,
    SCR_CURRENT_DATE from PPPSCR (to EXTRACT_DATE).
  - Increment count of employees processed.
- Write report file
  - Report count of employees processed.

5.2.2 Control Table Updates

5.2.2.1 CTL Database

UPAY forms are included with the requirements document and will contain detailed CTL update transactions. These will be keyed by the programmer and applied to the CTL database by running program PPP004.

5.2.2.1.1 PPPMSG System Messages Table

Add the following messages to the table:

<table>
<thead>
<tr>
<th>Message Number</th>
<th>Message Text</th>
</tr>
</thead>
<tbody>
<tr>
<td>78101</td>
<td>ERROR GETTING SCR CURRENT DATE</td>
</tr>
<tr>
<td>78102</td>
<td>ERROR IN PPTCTUTL CALL</td>
</tr>
</tbody>
</table>

6 Unit Testing Requirements

6.1 EDB Maintenance Process

6.1.1 Key Change/Delete

- Process a key change using the online transaction, EKEY. Verify that the existing PPPACA rows were updated with the new employee ID.
- Process a key change using the batch process (PPP040). Verify that the existing PPPACA rows were updated with the new employee ID.

6.2 Tax Processing and Reporting

6.2.1 ACA Monthly Extract

- Run the new ACA monthly extract process. Verify that the information extracted and saved in the PPPACA table is correct.