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Ernst & Young – ACA COMPASS

www.EY.com

EY developed a breakthrough technology, ACA COMPASS, to address complex tax and health care benefit issues inherent in a company's Affordable Care Act (ACA) compliance and reporting strategy. Its proprietary code, state-of-the-art design, and innovative application offer a unique ACA software that allows tax leaders to be more analytical and proactive, while protecting their bottom line by mitigating potential costs and excise taxes.

ACA is not a one-size-fits-all issue. Even with outside benefits providers supporting an organization, the ACA is too complex for traditional systems, creating significant exposure to penalties and risk without the necessary technology and infrastructure in place. The ACA COMPASS end-to-end solution assists companies with all aspects of ACA compliance, including employee determinations, exchange management, IRS statutory reporting, and workforce analytics.

A cutting-edge platform, it significantly mitigates exposure to four key employer risks:

- Misclassified workers expose employers to excise taxes that could equate to \$2,000/full-time employee. For example, Employers with 10,000 full-time employees that miscalculate by 3,000 employees in 2015 risk a \$20M excise tax. The regulatory threshold drops to 5% (500 employees in this example) in 2016.
- ACA requires appropriate documentation and internal controls to support contingent liabilities, tax accruals and financial statement positions. Mistakes and weaknesses lead to significant financial risk. ACA COMPASS supports the

appropriate controls by providing comprehensive, accurate reports based on the

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- (also, understanding between employers with the same or similar names).
- Penalties also stem from lack of timeliness and accuracy when filing IRS statutory forms: \$100 per late form and \$100 per inaccurate return, up to \$1,500,000 per entity.

ACA COMPASS reporting capabilities bring together the data and analysis to mitigate these penalties. With ACA COMPASS, organizations do not have to build the internal processes necessary to mitigate their potential tax risk. It provides internal teams with on-demand data to monitor their compliance and reporting needs, generating graphical reports and an interactive dashboard to proactively uncover trends and pinpointing potential issues. Other technologies only offer cursory abilities to break down and analyze data, precluding organizations from leveraging and balancing the full scope of tax and workforce options. ACA COMPASS applies every nuance of the regulations and allows employers to use compliance as a strategic advantage, reduce costs, and mitigate tax liabilities.

Unlike other systems, ACA COMPASS's flexible design can provide a la carte services while remaining collaborative – supported by EY professionals for analysis and strategic recommendations. Its versatility can help U.S. organizations of all industries, geographies and sizes remain ACA compliant.

Click here to see all of the [other nominees for the 2015 Innovation Awards](#).

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