



Office of the County Executive

Monroe County, New York

Adam J. Bello
County Executive

November 22, 2022

OFFICIAL FILE COPY	
No.	<u>220429</u>
Not to be removed from the Office of the Legislature of Monroe County	
Committee Assignment	
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To The Honorable
Monroe County Legislature
407 County Office Building
Rochester, New York 14614

Subject: Authorize a Contract with Paragon Compliance, LLC for Providing the Yearly Affordable Care Act (ACA) Employer Reporting and Preparation of Annual 1095-C Statements to Employees and Retirees

Honorable Legislators:

I recommend that Your Honorable Body authorize a contract with Paragon Compliance, LLC in an amount not to exceed \$270,000 for providing the yearly Affordable Care Act ("ACA") employer reporting and preparation of annual 1095-C statements to employees and retirees for the period of January 1, 2023 through December 31, 2025, with the option to renew for two (2) additional one-year terms in an amount not to exceed \$90,000 per year.

Paragon Compliance, LLC will provide all the ACA required reporting requirements for a large self-insured employer, including regular reporting and identifying of part time employees who exceed a hours worked threshold and may become eligible for benefits, as determined by the legislation. Further, Paragon Compliance, LLC will generate all 1095-C forms which must be provided to County employees and/or retirees by the federal deadline. Additionally, Paragon Compliance, LLC will submit the data electronically to the IRS on an annual basis. The IRS penalties for filing incorrect data or failing to offer coverage to an ACA defined benefits eligible employee are significant (ranging from \$3.2 M-\$15 M for a group of our size). The County believes it is prudent to engage Paragon Compliance, LLC IRS filing and reporting requirement based on their considerable expertise in this matter.

A request for proposals was issued for this contract with Paragon Compliance, LLC selected as the most qualified to provide these services.

The specific legislative action required is to authorize the County Executive, or his designee, to execute a contract, and any amendments thereto, with Paragon Compliance, LLC 1000 Pittsford Victor Road, Pittsford, New York 14534 for providing yearly Affordable Care Act ("ACA") employer reporting and preparation of annual 1095-C statements to employees and retirees in an amount not to exceed \$270,000 for the period of January 1, 2023 through December 31, 2025, with the option to renew for two (2) additional one-year terms in an amount not to exceed \$90,000 per year.

This is a Type II Action pursuant to 6 NYCRR §617.5(c)(26) ("routine or continuing agency administration and management, not including new programs or major reordering of priorities that may affect the environment") and is not subject to further review under the State Environmental Quality Review Act.

Funding for the first year of this contract is included in the proposed 2023 operating budget of the Monroe County Department of Human Resources, general fund 9001, funds center 1703010000, Employment Support Services and will be requested in future years budgets. No additional net County support is required in the current Monroe County budget.

The records in the Office of the Monroe County Treasury have indicated that neither Paragon Compliance, LLC, nor Brian Hedges, Chief Executive Officer, owe any delinquent Monroe County property taxes.

I recommend that this matter be referred to the appropriate committee(s) for favorable action by Your Honorable Body.

Sincerely,


Adam J. Bello
Monroe County Executive