

CASE STUDY

ArcBest

ArcBest's success using the Sovos ACA solution demonstrates the benefits of automating compliance.

Background



ArcBest is a multibillion dollar company that offers solutions for a variety of transportation logistics, including freight, shipping, supply chain, and maintenance and repair. The company has about 13,000 workers, many of whom are contracted union employees and are covered by multi-employer plans. However, roughly 4,000 workers are directly employed by ArcBest, meaning the company is responsible for administering benefits to a large number of employees. ArcBest is self-insured, managing its own health plan and internally completing all of the tasks a third-party solution might provide.

The Challenge

When ACA came into effect, ArcBest initially planned to handle compliance within the organization. The company had experience handling Massachusetts' state-run insurance program, but the benefits team didn't realize that the ACA forms were far more complex and intricate than the Massachusetts versions.

ArcBest prints and distributes its W2 forms on-site, but the form was not finalized until late in the process. Overall, IT spent 400 hours preparing



"I would recommend Sovos because they are experts in their field in submitting tax forms and information and provide excellent customer service."

- Laura Wallace
Senior Director of Benefits

systems for the printing and mailing of employee 1095 forms and preparing for a compliant transmittal. In the end ArcBest could not get the IRS to accept their transmittal and sought help from an outside party at the 11th hour to avoid a potentially massive financial penalty.

Solution

ArcBest selected Sovos as its ACA solutions provider because it offered an accurate transmittal of information and removed the burden from the internal IT department. ArcBest's primary criteria for provider selection included confidence that the provider could complete a transmittal effectively, experience working with the IRS on this kind of reporting, and the willingness to be responsive and answer questions when needed. Sovos met each of these requirements. In addition, ArcBest's senior director was familiar with Sovos information reporting capabilities having worked with Sovos in the past on 1099 transmittals to the IRS.

The Results

Because of Sovos' involvement in the ACA reporting process, ArcBest was able to avoid penalties associated with noncompliance. The benefits team thought it could handle the new reporting standards because of its past experience working with Massachusetts regulations, but ACA turned out to be beyond the scope of in-house capabilities. ArcBest's IT department had spent over 400 hours on the printing and file submission process, an arduous task that has been alleviated by Sovos' involvement. Now the IT team can allocate this valuable time to more productive internal projects while remaining fully compliant with new regulations.



BUSINESS CHALLENGES

- › Implementation of new ACA requirements was too complex
- › IT staff was overwhelmed by increased workload
- › Process was time-consuming and hindered team efficiency
- › Faced severe financial penalties if it failed to meet deadlines

SOLUTION

- › Selected Sovos ACA Reporting solution to:
 - › Complete transmittal on time and off site
 - › Collaborate with and assist HR/benefits staff
 - › Partner with an experienced compliance provider

BENEFITS

- › Experience fulfilling IRS requirements
- › Ability to meet deadlines and prevent penalties
- › Responsiveness and willingness to answer questions