

# AFFORDABLE CARE ACT (ACA)

HR ADMINISTRATIVE PROCESS TRAINING – NOVEMBER 2015

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# **POLICY: The Law**

## **COVERAGE OFFER**

For employees not normally eligible for healthcare coverage (adjunct faculty, contract, temps, student employees), the Employer Shared Responsibility of the ACA states that healthcare coverage must be offered if:

- They are expected to work full-time
  - During a period of time their service hours is measured to have been full-time, regardless of actual hours worked during coverage period (as long as employed)
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# **POLICY: Terms & Definitions**

## **HOURS OF SERVICE**

Each hour for which employee is:

- Paid/entitled to payment for performing a duty
  - Not performing a duty due to reasons such as vacation, holiday, illness, incapacity (including disability), layoff, jury or military duty, leave of absence
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# **POLICY: Terms & Definitions**

## **Employee: FULL-TIME vs PART-TIME**

ACA definition of full-time: employee is expected to have service hours of 30 hours or more per week

- At time of hire (based on facts & circumstance at time of hire)
- Subject to measurement (average hours of service after period of time)

# POLICY: Terms & Definitions

## Employee: EVERGREEN vs VARIABLE-HOUR

- Evergreen: employee who is employed in a health-benefit eligible employee class and will not have hours of service measured for ACA purposes
  
  - Variable-Hour: employee whose hours are expected to fluctuate during employment, including all non-evergreen employees (all subject to hours measurement)
    - ✓ Selected hourly
    - ✓ Temporary
    - ✓ Contract
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# **POLICY: Terms & Definitions**

## **Employee: NEW/REHIRE vs ONGOING/CONTINUING**

- New/Rehire: employee that is either new to the employer or an employee who resumes work after a pre-determined minimum break of 4 to less than 26 weeks, or a break of 26 weeks or more
  - Ongoing/Continuing: employee that has been employed for at least one complete measurement period without a qualifying break in service
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# **POLICY: Terms & Definitions**

## **EMPLOYMENT BREAK PERIOD**

A period of at least four consecutive weeks, during which an employee has no hours of service.

- Qualifying break: break which qualifies an employee to be considered a rehire, initiating a new IMP (see below)
  - Non-qualifying break: break which does not qualify them to be considered a rehire (classification remains ongoing/continuing)
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# POLICY: ACA Periods

## MEASUREMENT/LOOK BACK PERIOD

Period of time during which a variable-hour employee's hours are measured to determine potential future eligibility for access to ACA healthcare coverage (must not have a qualifying break in service of 4 to less than 26 weeks during this time period)

- Initial Measurement Period (IMP): For new employees, the initial 12-month measurement period will begin on the first of the month after the employee's hire date
- Standard Measurement Period (SMP): For ongoing employees, this is a 12-month period beginning at the same time of year for all variable-hour employees

✓ **AU SMP: November 1 – October 31**

# **POLICY: ACA Periods**

## **ADMINISTRATIVE PERIOD**

Period of time allowed for employers to take administrative steps to evaluate eligibility and to complete the benefit enrollment process

- Initial Administrative Period (IAP): For new employees, the initial measurement period and the administrative period combined cannot exceed 13 months from the beginning of the employee's IMP
- Standard Administrative Period (SAP): For ongoing employees, this is the period immediately following the end of the standard measurement period and ending immediately before the start of the associated stability period

✓ **AU SAP: November 1 – December 31**

# POLICY: ACA Periods

## STABILITY PERIOD

Period of time (equal to length of Measurement Period) following the Administrative Period where, if the variable hour employee was determined to be “ACA Full-time”, the employee is eligible for ACA healthcare coverage, regardless of hours worked during this period (as long as employed)

- Initial Stability Period (ISP): For new employees, this is the 12-month period beginning at the end of the IAP
- Standard Stability Period (SSP): For ongoing employees, this is a 12-month period beginning at the same time of year for all variable-hour employees deemed eligible for coverage

✓ **AU SSP: January 1 – December 31**

# **POLICY: Employment & Eligibility**

## **Affected ECLS: VARIABLE-HOUR EMPLOYEES**

- Will highlight procedures for types of earnings typical for each employment class
  - Measurement takes into account hours worked across all university jobs
  - It is between the employee and the department to ensure that all job types are taken into account in determining weekly service hours
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# **POLICY: Employment & Eligibility**

## **ECLS: HU, HH (Part-time Regular Employees)**

Regular hourly under half-time and half-time employees will be measured to ensure that they are under ACA full-time for all positions on campus

- *Reporting procedure: All service hours must be reported through the time clock system*

# **POLICY: Employment & Eligibility**

## **ECLS: TP, TS (Temp Non-Student Employees)**

Temporary assignment(s) that is for five months or less. Initial eligibility and measurement rules will apply

- *Reporting procedure: All service hours must be reported through the time clock system*

# POLICY: Employment & Eligibility

## ECLS: TP, TS (Temp Non-Student Employees)

- Full-time: An employee who is reasonably expected to be employed for 30 hours or more per week; **an administrative decision was reached to no longer hire full-time temporary employees** (*see the only exempting provision below in “Seasonal employees”*)
  - Part-time: An employee who is reasonably expected to be employed less than 30 hours per week
  - Seasonal employee: An employee who is reasonably expected to be employed for 30 hours or more per week in a position for which the usual annual employment is 5 months or less and that period should begin each calendar year in approximately the same part of the year (academic year employees of educational organizations cannot be treated as seasonal employees)
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# POLICY: Employment & Eligibility

## ECLS: FC, ZC (Adjunct Faculty)

- Employees who are contracted to teach courses, including student employees who are the teacher of record
  - ACA allows the university to calculate service hours based on credit hours
    - ✓ AU uses a formula that applies a 3:1 ratio of service hours (per week) to credit hours taught (*exceptions may apply*)
    - ✓ The 3.0 hours includes 2.25 hours for class/prep/grading time plus 0.75 hours for time outside of the classroom, e.g. office hours/faculty meeting time.
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# POLICY: Employment & Eligibility

## ECLS: FC, ZC (Adjunct Faculty)

- Campus teaching load must be less than 10 credit hours per semester—exceptions may be allowed with the understanding that they may trigger eligibility
- *Reporting procedure: Submit a completed faculty contract form (**MUST use NEW FORM, old forms will NOT be accepted**), indicating number of credits and total hours of service based on the 3:1 formula*
- **IN DISCUSSION:** Hourly staff and teaching contracts

# POLICY: Employment & Eligibility

## ECLS: ZR (Student Employees)

- In order to appropriately track hours for ACA and meet the guidelines and requirements of the Department of Labor (exempt/non-exempt status) and Federal Labor Standards Act (overtime, minimum wage), all student employment will be classified on an hourly basis—no more contract/fixed-pay (including graduate assistants; **NEW FORM**)
  - Limited exceptions: student adjunct faculty (use formula) and resident assistants/student deans (special law provision; still based on a recorded standardized expectation of hours and duties)
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# POLICY: Employment & Eligibility

## ECLS: ZR (Student Employees)

- Student employees are considered variable-hour employees with the intent that they will work an average of less than 30 hours per week and will have their hours measured during the corresponding measurement period (IMP/SMP)
- Regular semester hours are still limited to 20 hours per week, with the ability to work up to full-time (*caution if exceeding 40 hours per week*) during the breaks, including summer breaks

# POLICY: Employment & Eligibility

## ECLS: ZR (Student Employees)

- New student employees cannot be expected to work 30 or more hours per week during their IMP; otherwise would be immediately eligible
  - Other than work-study hours, all student hours will be counted towards hours of service for the measurement period
  - *Reporting procedure: All service hours must be reported through the time clock system for hourly positions (exceptions of non-hourly student positions will require appropriate documentation indicating hours of service per week) **NEW FORM***
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# POLICY: Employment & Eligibility

## ECLS: SC (Non-Student, Non-Teaching Contract)

A non-student employee may be contracted to complete a specific project

- The tasks and duties must qualify as exempt (non-hourly) type of work and meet the salary minimum test of \$455 per week
  - Department must indicate how many expected service hours per week will be worked
  - *Reporting procedure: Submit a completed staff contract form (MUST use NEW FORM, old forms will not be accepted), indicating expected number of hours of service per week; will be treated as salaried employee*
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# POLICY: Employment & Eligibility

## One-Time Pay (OTP) Requests

- For payment of service time not already accounted for through other earnings, OTP requests require hours of service information for all employees (including salaried) for payment to be processed
  - Payment must meet minimum wage requirement and may cause overtime expenses to be incurred for hourly employees
  - *Reporting procedure: Submit the **NEW OTP FORM** indicating service hours by week of (beginning date of the week) for the work period being paid (e.g. 18 hours for the week of 10/04/15), must be reported in the pay period worked*
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# **POLICY: Employment & Eligibility**

## **Eligibility: IMMEDIATE**

A variable-hour employee will become immediately eligible to enroll for healthcare coverage

- If expected at the time of being newly hired or appointed

Or

- If the employee at any point within the IMP, due to a change in assignment or status

Will be employed an average of 30 hours per week or more

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# **POLICY: Employment & Eligibility**

## **Eligibility: SUBJECT TO MEASUREMENT**

- Variable-hour employees who do not qualify for immediate eligibility are subject to a measurement period
  - If during the administrative period it is determined that they incurred service hours of 30 hours or more per week during the measurement period, they will be eligible for coverage beginning with the corresponding stability period
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# **POLICY: Employment & Eligibility**

## **Eligibility: BUDGET**

- Exceptions to hiring a variable-hour employee that would receive immediate eligibility will need to go through the finance/budget office due to the additional expenses
    - ✓ Healthcare coverage costs
    - ✓ Opt-out payment
  
  - If a variable-hour employee receives eligibility through hours measurement, the department(s) where those hours were incurred will be contacted by the finance/budget office regarding appropriate actions to be taken to account for the additional expenses to the budget, regardless of where the employee is currently working
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# POLICY: Employment & Eligibility

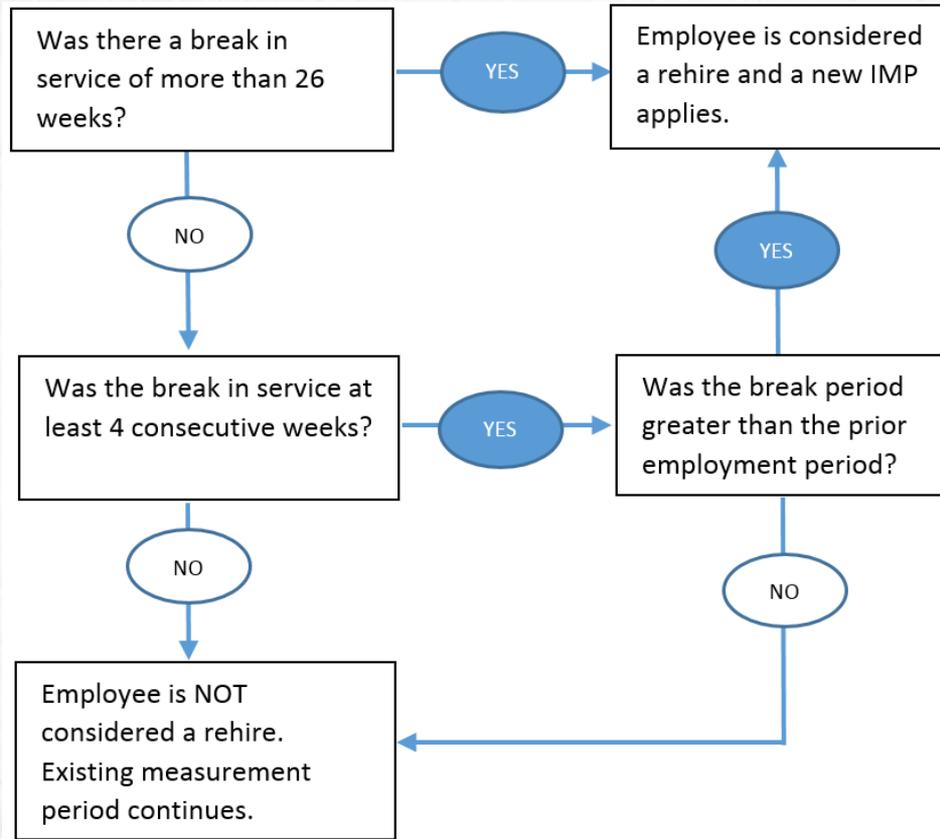
## Change in Employment Class/Status

- If during their **initial measurement period** a new variable-hour employee experiences a change in employment status that indicates they are reasonably expected to be full-time, healthcare coverage must be offered
  - If an ongoing variable-hour employee experiences a change in employment status before the end of a stability period, the change will not affect the ACA healthcare eligibility status for the remainder of that stability period
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# POLICY: Breaks in Service

LENGTH OF BREAK IN SERVICE	IMPACT ON MEASUREMENT/STABILITY PERIOD
Less than 4 consecutive weeks	Continue existing measurement & stability periods; zero hours will be considered during break to determine average hours
Break is at least 4 but less than 26 consecutive weeks and is LESS than or EQUAL to prior employment	Continue existing measurement & stability periods, but break is not counted against employee. Break period will be excluded in averaging hours.
Break is at least 4 but less than 26 consecutive weeks and is GREATER than prior employment	Consider as rehire; restart and begin new measurement period
26 or more consecutive weeks	Consider as rehire; restart and begin new measurement period
<p>Active employees who are in the types of leave status below should not have the time counted against them during the measurement period; instances where these leaves apply will have the break periods excluded when calculating average hours:</p> <ul style="list-style-type: none"> <li>• FMLA eligible leave</li> <li>• Military leave</li> <li>• Educational breaks when not scheduled to work (e.g. summer months for 9-mth term employee)</li> </ul>	

# POLICY: Breaks in Service



# HOW CAN I KNOW EMPLOYEE'S STATUS?

## NIDA

- If employed:
    - ✓ Will indicate whether employee is currently in their initial measurement period (IMP) or ongoing
    - ✓ If in their IMP, may not be employed for 30 hours or more
  - If not employed:
    - ✓ Status will indicate if there is employment history:
      - If no history, will be a new employee if hired
      - If there is history, it will indicate whether they will be considered new or ongoing if hired
  - ***NOTE: be sure to submit timely employee job termination!!***
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# WHEN IS THIS EFFECTIVE?

## Timeline

- Immediate eligibility rules will apply to new hire/rehires effective January 1, 2016
  - Any employee newly hired after November 1, 2014 is currently in their initial measurement period and will be offered coverage as appropriate from January 1, 2016 forward
  - All other employees will be considered continuing employees subject to hours measurement for the standard measurement period 11/1/14-10/31/15 and will be offered coverage as appropriate to be effective January 1, 2016
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## **ACA QUESTIONS & INFO**

**[HRACA@andrews.edu](mailto:HRACA@andrews.edu)**

**THANK YOU  
FOR COMING!**