

# AFFORDABLE CARE ACT (ACA)



## 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)

# 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

# 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

# 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

# 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)

# 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

## 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)

# 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*)

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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 ba 0 cm /l2u0 Tdxd(—)T

# 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*



# 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*

# 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

# 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

# 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



# 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

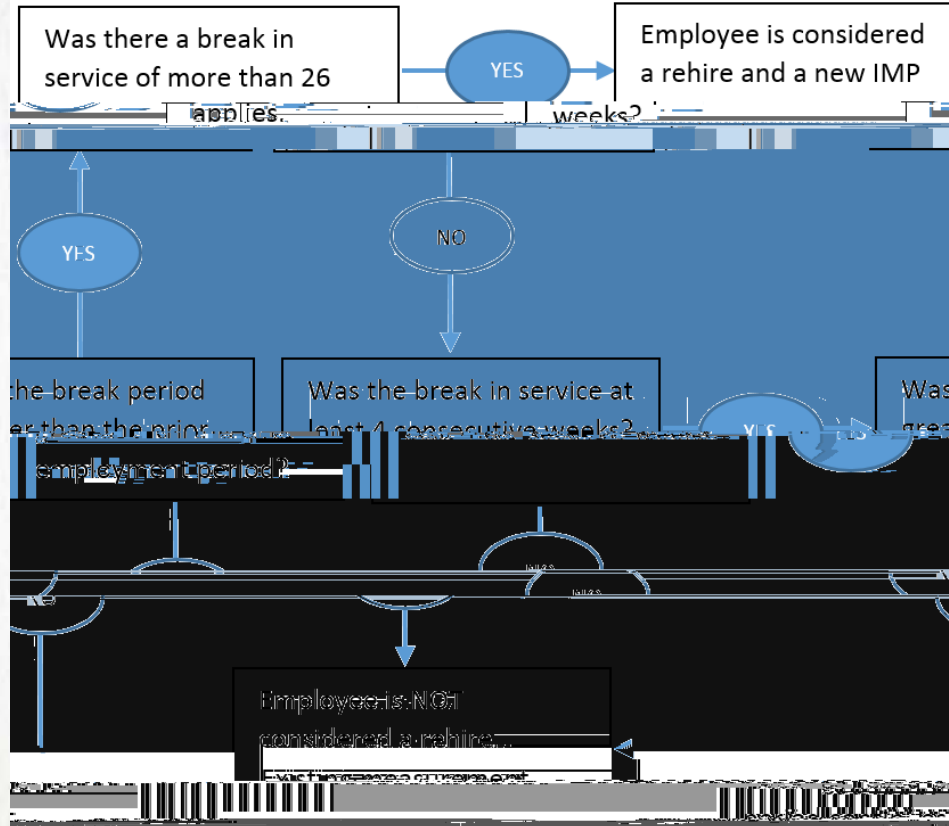
# POLICY Breaks in Service

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

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:

- FMLA eligible leave
- Military leave
- Educational breaks when not scheduled to work (e.g. summer months for 9-mth term employee)

# 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!!***

# 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

# ACA QUESTIONS & INFO

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

THANK YOU  
FOR COMING!