

Affordable Care Act (ACA)

FAQ's

1. **Q.** A full-time benefited employee resigns position and is re-employed to a part-time temporary (under 30 hours) to assist in a transition period, when does his/her measurement period start?

A. If the employee is considered a continuing employee, rather than terminated and rehired with a break in employment, the same measurement period applies upon the employee's resumption of service. All hours worked for the same employer are counted for the measurement period, regardless of the type of position the employee works. The initial measurement period begins January 1, 2014 – October 31, 2014. The measurement period will then move forward on an ongoing basis month by month. (Ex. February 2014 – November 2014, March 2014 – December 2014, etc.)

To trigger a new measurement period, a break in service must be at least 26 weeks long or at least 4 weeks long if the period of employment was less than 4 weeks.

2. **Q.** A full-time (FT) benefited employee receives a status change to a part-time (PT) temporary (under 30 hours), when does their measurement period start?

A. The employee's position change from full-time benefited to part-time temporary doesn't change the measurement period. At the time of the status change, the hours the employee works need to be monitored retroactively for possible continued eligibility. If the employee is eligible for insurance based on the hours worked for the last 10 months, including as a FT Regular employee, the initial 10 month stability period will apply. If the employee reduces his/her hours during the stability period, thereby not continuing to meet the eligibility criteria for the measurement period following the stability period, the employee will no longer be eligible for the insurance after the stability period ends.

3. **Q.** When does HR/Payroll start running the report? Do they run it every month after that?

A. The ACA eligibility report should be ran at least monthly after each payroll is calculated. You may want to run it more frequently to track hours worked and send notifications to supervisors to assist them in managing their resources.

4. **Q.** What are Benefits Administration's procedures for Edison (i.e. what hire date to use)?

A. Enter the employee as full time in Edison with the eligibility date as the hire date. If the employee is a variable hour employee without a set salary, multiply the wage X 30 hours per week X 52 weeks per year to annualize the rate.

5. **Q.** If hiring part-time faculty/adjuncts one semester at a time, can the semester breaks be used as a break in service; therefore restarting the measurement period in the next semester?

- A. No, a break in service must be at least 26 weeks or at least 4 weeks if the period of employment was less than 4 weeks.**
- a. Example- If an employee works 3 weeks, the position ends, and the employee comes back to work after being gone from the institution for 5 weeks, the employee would start a new measurement period.**
6. **Q. Where do we stand with the “waiver of coverage form” from Benefits Administration so that we don’t have to continue to offer coverage to an eligible employee (who declined the original offer) each month?**
- A. The newly hired/eligible employee will submit an enrollment form with the “Refuse” box checked if they are waiving coverage. Beginning 12/1/14, Benefits Administration will be requiring enrollment forms for all eligible members even those who decline coverage. If they are eligible due to PPACA, Benefits Administration will identify them in Edison so they can report on them. Benefits Administration will have to enter this designation, not the agencies (it’s similar to the 25/1450 hour eligibility).**
7. **Q. Please address the “affordability” issue during the stability period. What if an employee’s hours decrease to a point below the affordability guideline?**
- A. If an employee’s share of the premium for employer-provided coverage would cost the employee more than 9.5% of that employee’s annual household income for employee-only coverage, the coverage is not considered affordable for that employee. The affordability test applies to the lowest-cost option available to the employee. Because employers generally will not know their employees’ household incomes, employers can take advantage of one of the three affordability safe harbors set forth in the IRS regulations.**
- Safe Harbors or Options for measuring affordability:**
- **9.5% of the wages the employer pays the employee that year, as reported in Box 1 of Form W-2,**
 - Or**
 - **Rate of pay – hourly wages X130 or monthly salary as of the beginning of the year (if pay is decreased during the year, the employer has to analyze on a monthly basis)**
 - Or**
 - **Federal Poverty limit for single coverage**
8. **Q. Please address the collection of premiums during non-pay months for employees in their stability period. This may not be an issue, because we don’t think our part time faculty/adjuncts**

will qualify based on current institutional credit hour limits; however, these types of employees only receive a paycheck 3 times a semester.

A. Depending on the safe harbor used for measuring affordability, (see #7 above) you may want to change your payment frequency for those employees paid a lump sum payment. For example, the rate of pay safe harbor looks at monthly salary to determine affordability.

If it is a period of unpaid leave, such as Family Medical Leave or Worker's Comp, verify with your legal counsel the appropriate course of action.

9. **Q. Once the stability period is met will we be re-evaluating every month thereafter to monitor continued eligibility or once the individual becomes eligible will they remain eligible until separation of service?**

A. After the stability period is met, you will re-evaluate every month to monitor continued eligibility. The subsequent measurement period will run concurrent with the stability period. If the employee did not work enough hours during the stability period to meet the eligibility criteria, the insurance will end. The insurance will also end when the employee separates service even if the stability period has not completed.

10. **Q. Please clarify "Seasonal Employees" in the sense that, must we put an end date on their assignment so that we can prove they were hired for 6 months or less? If an individual is hired for 6 months or less, are they automatically considered "Seasonal" and what if they are rehired within 26 weeks of the 6 month contract?**

A. Through the end of 2014, an employer is permitted to use a reasonable, good faith interpretation of the term seasonal employee. It is not a good faith interpretation of the term seasonal employee to treat an employee who works during the active portions of the academic year as a seasonal employee. Further guidance regarding the definition of seasonal employees is expected by the Department of Labor. In the meantime, an institution may want to consider treating seasonal employees like other variable hour employees, subject to the measurement period criteria.

11. **Q. Please clarify if retirees being hired into non-benefited positions under the 120-day rule are to be measured.**

A. Returning retirees should be included in the calculation to determine eligibility. However, based on the restrictions under TCRS, it is unlikely they will be eligible.

12. **Q.** Does TBR want new E-Classes created for these individuals to enable tracking and future reporting?
- A.** TBR is not requiring new E-Classes for employees. All employees have to be tracked for potential eligibility, based on the hours they work.
13. **Q.** Do employees who meet eligibility during the measurement period get offered all benefits (excluding retirement) or just health insurance?
- A.** Employees meeting the eligibility criteria should be offered all benefits, except TCRS and ORP. They are eligible for the 401k (without a match) and 403b retirement plans.
14. **Q.** If they are on retiree insurance, would we have to offer active insurance if they return immediately on temporary or adjunct status?
- A.** If an employee/member retires in the measurement period and is hired as a 120 day retiree, they would be eligible for retiree insurance, not active. Once the measurement period is over and it is determined that this 120 day retiree is eligible for Active insurance effective 1/1/2015, we will need to offer active health insurance only. They will not be eligible for life insurance. During the next measurement period, the 120 day retiree should not meet the 'working on average 30 hours a week' test and will not be eligible for active insurance. This will be a special qualifying event to return to retiree insurance.
15. **Q.** Can TBR provide a step-by-step guide of when and what we need to do for ACA?
- A.** A guide is available on the TBR- Human Resource website.
TBR-Human Resources Webpage - http://tbr.edu/about/human_resources.aspx?id=7763