



		Policy Section:	Institutional Support
Policy Number:	5521-22	Policy Title:	Affordable Care Act
Original Effective Date:	8/15/16	Department:	Human Resources
Date Last Revised:	New		

1.0 Background Information

1.1 Affordable Care Act

Cairn University complies with the Patient Protection and Affordable Care Act. The Affordable Care Act (ACA) regulations, which took effect in 2015, set forth established methods for recording and measuring employee hours for the purpose of determining eligibility for employer-sponsored medical insurance. The ACA also directs employers to issue annual reports of this information to employees and to the Department of Labor; these reports are used to determine whether the employer meets coverage requirements, and to validate individuals' eligibility for coverage in a government-sponsored exchange, should such individuals apply for such coverage.

1.2 Definitions

Hour of Service – an hour during which an employee is entitled to payment. This includes compensation for paid-time-off and University funded short- and long-term disability payments.

Full-time Employees – Employed individuals who are reasonably expected to work a regular schedule of 30 hours per week or more. This includes faculty members who are offered an ongoing (year-to-year) agreement and are expected to teach and/or administer at least 18 credits per academic year.

Ongoing Employees – Individual who has been employed through one Stability Period.

Variable Hour Employees – Employed individuals for whom, at time of hire, it is not known how many hours per week they will work. Variable hour employees include:

- **Part-time Employees** – Employed individuals who are expected to work a regular schedule of less than 30 hours per week.
- **Seasonal, Casual, or Temporary Employees** – Employed individuals whose employment period is semester- or summer-based, or otherwise irregular or as-needed. Adjuncts, part-time coaches, summer temporary and some student workers are examples of employees included in this category.

Administrative Period – A 2-month period during which a variable hour employee who, based on his/her average weekly hours during the Measurement Period (defined below) is deemed eligible for coverage, is provided with an opportunity to enroll.

- The Administrative Period which concludes an Initial Measurement Period (defined below) is the final two months of that Measurement Period.
- For ongoing employees, Cairn identifies its Standard Administrative (defined below) period as November (beginning pay period 24) and December (through pay period 1).

Measurement Period – an established period of time during which variable hour employees are evaluated for the purpose of determining eligibility for coverage.

- **Initial Measurement Period** – A period of 11 months beginning on the first day of the month (based on the correlating pay period) following an employee's first day of employment.

- **Standard Measurement Period** – The standard measurement period applies to ongoing variable hour employees who have completed a Standard Stability Period (defined below). Cairn identifies its Standard Measurement Period as the 12-month period of November of year-one (beginning pay period 24) through October of year-two (through pay period 23). During this time, ongoing employees are evaluated for determining eligibility for coverage during the upcoming annual plan year of January through December.

Stability Period – an 11- or 12-month period immediately following a Measurement Period.

- A new variable hour employee must be evaluated through one full Initial Measurement Period followed by one Initial Stability Period. A new variable hour employee’s Initial Stability Period is 11 months.
- At the point during which the employee’s Initial Stability Period overlaps with the Standard Measurement Period, the employee will be evaluated according to both periods. In subsequent years, the employee will be considered ongoing, and evaluation will be done according to the Standard Stability Period which is 12-months.
- Variable hour employees who became eligible for coverage during a measurement period immediately preceding a stability period must be offered coverage through the entire stability period.
- Variable hour employees who were determined to be ineligible for coverage during a measurement period immediately preceding the stability period remain ineligible for coverage during the entire stability period.

2.0 Implementation Overview

Full-Time Employees

Full-time employees, and employees who change status from variable hour to full-time, are offered medical insurance coverage effective the first day of the month following the beginning of full-time employment.

Ongoing Employees

Beginning 2016, Cairn University will have used a “look-back” method to track hours of variable hour employees for the purpose of determining eligibility for medical insurance coverage. Because a month-to-month tracking system was used in 2015, employees hired prior to January 1, 2016 are considered to be in their first Standard Stability Period beginning January (pay period 2) 2016.

New Variable Hour Employees

Variable hour employees hired in 2016 will have their hours tracked and evaluated as follows (note that dates are based on the pay periods which correspond to months). See chart on Addendum, p.5.

Initial Measurement Period – 11 months beginning the first of the month following date of hire.

Initial Administrative Period – the final 2 months of the Initial Measurement Period

Initial Stability Period – the 12 months immediately following the Initial Measurement Period

Administrative Period – the final 2 months of the Initial Stability Period

Standard Measurement Period – the months of January through December which overlap the employee’s initial Stability Period. The employee’s eligibility will be measured based on both time periods.

Standard Administrative Period – the final 2 months of the Standard Measurement Period (November and December).

Standard Stability Period – the months of January through December following completion of the employee’s first Standard Measurement Period.

3.0 Implementation Procedures

3.1 Full-Time Employees hours will be tracked based on their FLSA status.

3.1.1 Exempt employees' hours (including full-time and benefitted part-time faculty) will be noted as 30 to 40 for any partial or full week of work (based on their normal work schedule or teaching load).

3.1.2 Non-exempt employees' hours will be tracked as reported for payroll purposes.

3.2 Ongoing and New Variable Hour Employees

3.2.1 Instructional: Those employed to provide instruction on a variable hour basis are not non-exempt employees and therefore do not report actual hours of work. These employees' hours will be tracked according to a formula of expected hours based on their job duties.

3.1.3.1 Adjunct Faculty – 1 hour of instruction + 2 hours of out-of-classroom duties for each course credit. Example: an assignment to teach a 3-credit course will equate to 3 hours of instruction + 6 hours of out-of-classroom duties (total 9 per week) during the weeks which the course runs.

3.1.3.2 CCAA Instructors – Hours worked equal the total time lessons are given on a weekly basis. Lesson times are established as 30, 45, or 60 minutes. A report of hours worked is provided by the CCAA Director.

3.1.3.3 Part-time Coaches – Expected hours are established on a week-to-week basis depending on the duration of the competition season, the number of pre-season practices, time spent in recruiting activities during off-season, and distribution of duties among other team coaches.

3.2.2 Hourly, Non-exempt: Other variable hour employees are hourly paid and their hours are tracked as reported for payroll purposes.

3.3 Compilation, Review, and Reporting of Data

An ACA tracking spreadsheet has been created to compile hours-of-work information throughout the calendar year. Data is populated to the spreadsheet as follows:

3.3.1 The Vice President of Human Resources records tracking information for exempt personnel including:

3.3.1.1 Full-time (benefit-eligible) faculty and staff;

3.3.1.2 Regular, part-time faculty

3.3.1.3 Part-time coaches

3.3.2 The Director of the Cairn Community Arts Academy reports instruction hours for CCAA personnel to the Vice President of Human Resources;

3.3.3 The Office of the Provost maintains tracking information for adjunct faculty and reports the information to the Vice President of Human Resources at the conclusion of each semester.

3.3.4 The Assistant Director of Business Services compiles information directly from payroll records for all non-exempt personnel.

3.4 Assessment of Eligibility

Tracking reports are reviewed on a monthly basis to identify variable hour employees who have worked more than 130 hours in that month.

4.0 Time Which Constitutes Work Time for ACA Purposes

Full-time employees may be eligible for the following. If provided, this time is counted as work time for ACA purposes.

4.1 Paid-time off - including vacation, sick/personal, holiday, jury duty, bereavement time.

4.2 Paid- and unpaid time off for approved FMLA and/or military leave

4.3 Period of eligibility to elect COBRA, or continuation on elected COBRA

5.0 Breaks in Service

If employees terminate employment and are later rehired, breaks of services will have the following effect:

5.1 If break is less than 13 weeks:

When an employee has a break with no hours of service and that break in service is less than 13 weeks, the employee must be treated as an ongoing employee when they resume work. The employee is not credited with any hours of service during the break, but they are placed back in to the applicable measurement and stability period as though they never left.

5.1.1 Offering of Coverage:

If the employee had health coverage before the break in service, or would have had an opportunity to elect coverage during the break in service, such as due to open enrollment, then the employee must be given the opportunity to enroll in coverage no later than the first day of the calendar month following their date of re-employment.

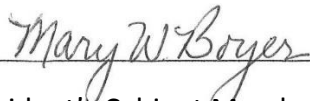
5.2 If break is more than 13 weeks:

If an employee returns to work following a break in service that is 13 weeks or longer, then the employee may be treated as a new hire.

5.2.1 Offering of Coverage:

5.2.1.1 If the employee had health coverage before the break in service, or would have had an opportunity to elect coverage during the break in service, such as due to open enrollment, then the employee must be given the opportunity to enroll in coverage no later than the first day of the calendar month following their date of re-employment.

5.2.1.2 If the employee is a variable hour employee, s/he will be tracked based on a new Initial Measurement Period.



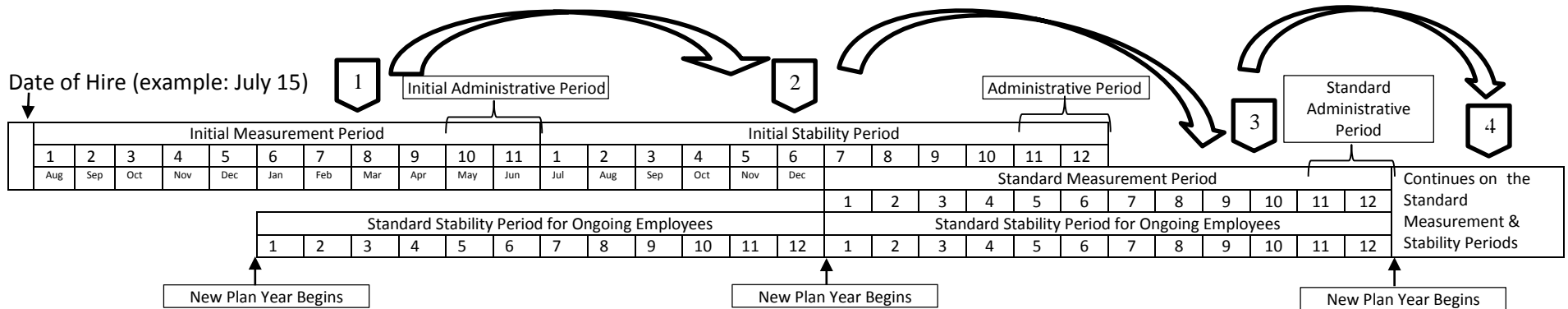
President's Cabinet Member

August 15, 2016

Date

Addendum One:

NEW VARIABLE EMPLOYEE – Measurement, Administrative, and Stability Periods



- Assessment of eligibility is made at each Administrative Period
- During the Administrative Period, the employee will be offered (or not offered) coverage based on the hours worked per month during the preceding Measurement Period.
- Based on the above determination, the employee will remain eligible (or ineligible) for coverage during the following Stability Period, even if s/he has a status change during that period. However, it is the University’s practice to offer coverage on the first day of the month following the employee’s change to a position known to be benefit-eligible (full-time or benefited part-time).
- Assessment of eligibility will transition to the Standard Measurement Period following completion of the employee’s Initial Stability Period.

► M E M O

TO: Managers
FROM: Mary Boyer, V.P.H.R.
SUBJECT: Tracking Hours for ACA Compliance - 2016
DATE: May 2016

**TRACKING HOURS FOR VARIABLE HOUR (STUDENT WORKERS AND SEASONAL) EMPLOYEES
R U L E S**

- 1) Employees who work 30 hours or more per week are on-track to become eligible for medical insurance under the Affordable Care Act. Rule #1 is a general rule: student workers and variable hour (such as seasonal) employees should be scheduled to work **less than 30** hrs/wk whenever possible (maximum of 28 is safe).
- 2) An “ongoing measurement period” of a full calendar year applies to *ongoing* employees. This means that an *ongoing* employee (hired prior to 2016) must *average less than 30 hours per week from January through October 2016*. If they do not, they will need to be counted as benefit eligible which will create the potential for fines and penalties. NOTE: In the summer of 2015, we used a 90-day “initial measurement period.” This change in measurement periods is the essential change from last year to this year.
- 3) Before scheduling an ongoing employee for more than 28 hours per week, please obtain approval from Human Resources. It must be confirmed that the employee did not average 30 or more hours per week earlier in the year thereby necessitating a limited schedule during some or all of the summer (and/or fall). Hours are tracked from payroll data and eyeballed at the end of each pay period. We will be able to see which ongoing employees already have a high number of weekly hours so far this year.
- 4) New employees, such as temporary employees hired just for summer work, will be measured using an “initial measurement period.” This means that they *may* work more than 30 hours per week so long as they do not reach 130 hours per month in any 3-consecutive-calendar month period. Please note how we align our pay periods to monthly tracking – p.2.
- 5) Please be mindful that, especially through the academic year, a number of students work for multiple departments. Communications must flow regularly between supervisors and students to make sure the student’s total work hours are kept within the limits. Multi-department employment creates concerns for both the Affordable Care Act and unbudgeted overtime costs.