

Affordable Care Act

Terms and Definitions

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HUMAN RESOURCES

Terms & Definitions

- **Measurement Period** –period of time used to calculate eligibility for variable hour employees. The hours paid over this period will be averaged to determine if employees work 30+ hours per week. (This includes part-time employees, students, adjuncts/lecturers, and temporary employees.) The UH measurement period is 12 months.
- **Administrative Period** –the period of time when the eligibility calculation occurs and employees are notified. For existing employees, this period includes Open Enrollment. Federal guidelines restrict this period to 90 days.
- **Stability Period** –the length of time insurance coverage must be in place, if employee continues to be employed at any University of Houston component. This period follows the fiscal year, 9/01 – 8/31.
- **Initial Measurement Period** – period after hire date that is used to determine benefits eligibility. The period starts the first day of the month following the hire (if not hired on the first). The initial measurement period is 11 months.

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ACA Eligibility Statuses:

- **Always Eligible** – Associated to *Job Codes* that are always full-time benefits eligible. For example, a salaried full-time employee.
- **Excluded** – Associated to *Job Codes* that are always ineligible for ACA benefits. This is limited to **Federal** and **State Work Study** programs only. Other student worker job codes are classified as *To Be Determined*.
- **To Be Determined** – Associated to *Job Codes* for variable hour employees, such as temporary workers, adjuncts, student workers, and part-time staff. These employees will have their hours calculated and reviewed during the Administration Period.
- **Eligible** – This status applies to employees that were in *To Be Determined* status and have met the threshold of working 30+ hours in the previous Measurement Period.
- **Ineligible** - This status applies to employees that were in *To Be Determined* status and **did not** meet the threshold of working 30+ hours in the previous Measurement Period.

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- Eligibility for variable (TBD) employees is determined by averaging the hours paid during the measurement period. All paid hours will be combined and divided by the weeks worked to determine the average. This includes vacation, holiday, jury duty, and other paid leaves. There are special calculations for unpaid leave. See subsequent slides.
 - Measurement period for existing employees is 12 months, June 3rd – June 2nd. First calculation will be done for period 06/03/2014 – 06/02/2015.
- Existing employees deemed ACA eligible will be offered benefits during the Administration Period. If employee elects coverage, the benefits are active until the end of the Stability Period (08/31) regardless of changes in employee hours or status. For example, if an employee transfers or reduces their standard hours during the Stability Period, coverage cannot be taken away.
 - If employees are deemed ACA ineligible, they will not be offered benefits during the Admin Period. Eligibility is recalculated each year. If an ineligible employee transfers to a full-time benefits position, University of Houston will continue the policy of offering coverage based on ERS 60 day rule.

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- Hours worked under **Federal** or **State Work Study** programs are excluded from the eligibility calculation.
 - If Work Study student has additional non-work study position assignments, the non-work study hours will be counted for eligibility.
- Employees working in multiple jobs, across multiple campuses, may become eligible based on their combined average calculated during the measurement period (all jobs are calculated together)
- Rehires within 26 weeks of the previous termination date are not considered new hires. If employee was previously determined ACA eligible for the current Stability Period, the employee must be offered benefits at rehire.
- Employees must be evaluated every 12 months (including new hires)

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- Breaks In Service (unpaid leave)
 - Less than 4 consecutive weeks – when calculating averages, these weeks will count as 0 hours per week.
 - 4-26 consecutive weeks – when calculating averages, these weeks will not count against the employee. These weeks will be removed from the calculation.
 - 26+ weeks – If an employee has more than 26 weeks of unpaid leave, the employee will be considered a new hire upon return.
 - FML, Military Leave, and Short Work Break do not count against the employee. These weeks will be removed from the calculation.
- Retroactive pay or leave changes need to be processed in a timely manner. Leave for bi-weekly employees will impact eligibility. Imperative that payroll data is correct by the start of the Administrative Period (June 3rd).

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Adjuncts and Lecturers

- Non-benefits, or part-time, Adjuncts and Lecturers will be included in the eligibility calculation. The system will combine all hours worked, across all campuses, to determine average.
 - Currently at UHM, the minimum value for one semester credit hour is 2.7 Standard Hours per week. (Federal guidelines indicate the minimum should be at least 2.25 hours per week, per credit hour.)
 - Summer months the Standard Hours go up per semester credit hour. (Varies from 2.7 – 6.7 per credit hour.)
 - Short Work Break will be excluded from the calculation and will not detriment the employee's average.
 - If deemed ACA eligible, benefits must be offered and cannot be revoked during the Stability Period, regardless of the number of courses taught.
- It is important that Standard Hours reflect the true faculty course load. If faculty drops or adds a class, Standard Hours must be adjusted accordingly.

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- New hires (that fall into TBD job codes) will be evaluated after 11 months of employment. If hired after the 1st day of the month, the calendar starts the following month.
 - If deemed eligible during Admin Period, coverage must begin within 90 days. The Stability Period for new hires is 12 months.
- New hire full-time employees that are expected to work 30+ hours a week, benefits must begin within 90 days of hire.
- New hire measurement and stability periods will vary. Benefits may begin (and end) during various months within the year. Once an employee has been with the institution for 12 months, they will be included in next full standard measurement period.

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What is offered?

- Full-time benefits package for the appropriate employee type
 - Full-time Medical
 - **Departmental cost** - \$535.44 per month for 12 month employee
 - Optional elections, such as Dental, AD&D, Dependent Life, Supplemental Life and more
 - Optional elections are paid by employee
 - TRS/ORP
 - TRS – **Employer 6.8%** and Employee 6.7%
 - ORP – **Employer 6.4%** and Employee 6.65%
 - Leave plans, where appropriate (follows the faculty, students, staff guidelines)

Note: Employees deemed ACA eligible will be contacted by Benefits. They will default in ERS as waived, so employee must take action to receive coverage.

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ACA continued...

- **Funding** - If an employee works in multiple departments, each funding source associated to the positions will pay a portion of the fringes. (Split according to payroll earnings percentages.)
 - If an employee terminates one position, they will continue to receive coverage through the end of the Stability Period. The fringe will be split among any remaining active funding sources.
- **Audit Risks** –
 - If eligible, coverage must begin within 90 days. **ePAR's must be executed prior to start date.** Monitoring of late ePAR's is necessary.
 - **Standard Hours** for monthly, part-time employees must be accurate (adjuncts/lecturers)
 - At least 95% of full-time employees must be offered coverage.
 - The federal government will impose fines if the institution is found out of compliance. If 95% of population is not offered benefits, fines would be at a minimum \$14,000,000.00. (\$2,200 per full time employee)
 - Information in PeopleSoft must be accurate, including Timesheets. Averages are based on Payroll information.

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Questions or Comments?

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