

ACA – Affordable Care Act

Effective January 1, 2015, the Patient Protection and Affordable Care Act (ACA) requires large employers (50 or more employees) such as Wellesley College to offer health insurance benefits to any employee averaging 30 work hours or more per week. This requirement is often referred to as the “employer mandate” of the ACA. Most Wellesley College employees working 30 hours per week are already offered health insurance benefits. Therefore, Wellesley College meets this requirement with its benefits-eligible population.

To comply with the ACA and ensure that all Wellesley College faculty, staff and students who average 30 or more work hours per week are offered health insurance benefits, it is imperative that departments managers monitor the employment of, and hours worked, by non-benefits-eligible employees.

For Non-Benefits-Eligible Employees at Wellesley College

Non-benefits-eligible employees do not receive health benefits from Wellesley College, and most represent a population of short-term employees who do not work 30 hours or more per week.

ACA guidelines consider these employees "variable hour" employees. At Wellesley College, variable hour employees include:

- Casual Wage Employees

- Student Workers

- Part-time less than 17.5 hours

- Adjunct Faculty

How to Determine Eligibility for Health Insurance for Variable Hour Employees

The ACA provides the following method to determine if a variable hour employee has reached the 30-hour-per-week threshold and should be offered health insurance:

For existing variable hour employees (active as of the start of the measurement period):

Wellesley College will “look back” at a 12-month measurement period to determine whether an employee AVERAGED 30 work hours per week.

The measurement period will begin on the first day of the pay period that includes October 15 each year.

If an employee works an average of 30 hours or more per week during the measurement period, he/she must be offered employer-sponsored benefits for a period of time in the future known as the stability

period. The employee continues to receive employer-sponsored benefits regardless of hours worked during the stability period.

The stability period will be January 1 - December 31 each year.

The first stability period began on January 1, 2015.

There is an administrative period between the measurement and stability periods. This is when Human Resources will determine and notify employees who have become eligible for health benefits and when these eligible employees will enroll for a January 1 effective date.

The administrative period will begin at the conclusion of the measurement period and continues until December 31 each year.

The first administrative period began on January 1, 2015.

Measurement Periods:

October 14, 2013 - October 12, 2014

Employees who average 30 or more work hours per week during this time are eligible for benefits effective January 1, 2015.

October 13, 2014 - October 11, 2015

Employees who average 30 or more work hours per week during this time are eligible for benefits effective January 1, 2016.

For new variable hour employees (hired after the start of a measurement period):

Each new employee will have an individual 12-month measurement period that begins on the first day of the month following the date of hire. This "new hire" measurement period will also have a short measurement period of 89 days to see if they have worked an average of 30 hours. The following October, the new employee will be included in a measurement period for existing employees, as described above.

A casual wage employee cannot work 30 hours per week or more longer than 89 days, if they do they are eligible for health benefits.

Wellesley College's responsibilities

To prevent penalties from being imposed, Wellesley College must be at 70% compliance with offering healthcare insurance benefits to eligible variable hour employees who are averaging 30 work hours or more per week during a standard measurement period by 2015 and at least 95% compliant by 2016 and thereafter.

To ensure ACA compliance, Wellesley College must:

- Provide marketplace notices to existing and new employees [found here](#)
- Ensure that the benefit coverage for all existing benefit-eligible employees meet the ACA requirements of affordable coverage and benefit value.
- Establish a standard measurement period of 12-months 'look back' to measure the variable hour employees' average weekly work hours and determine who is eligible for benefits.
- Offer healthcare insurance benefits to any and all eligible variable hour employees who averages 30 work hours or more per week during the standard measurement period.
- Monitor the initiation of initial stability period for newly benefit-eligible employees.
- Ensure the work rule that variable hour employees only average 28 work hours or less per week during a standard measurement period.
- Establish a calculation of hours for part-time faculty *attached*
- Provide information about breaks in service.
- Create and implement tools to help departments and employees manage average weekly hours worked.
- Provide guidance to departments and employees as needed.

Department Managers' Responsibilities

It is important for departments to monitor any and all variable hour employees to ensure ACA compliance. If a variable hour employees average 30 work hours or more per week in a measurement period, Wellesley College has to offer healthcare insurance benefit to the newly eligible employees.

Non-benefit eligible employees (variable hour employees) consist of student workers, casual wage employees, and part time faculty.

To ensure compliance, department managers must:

Monitor all variable hour employees average work hours per week over a measurement period.

- Work with departments across colleges/campuses to coordinate work schedules for variable hour employees if they hold two or more positions .
- Ensure that variable hour employees are compensated for every hour they work (part time faculty are paid based on the number of credit hours taught).
- Understand the calculation of hours for part-time faculty.
- Understand the 'break in service' rules for part-time employees.

Employees' Responsibilities

Variable hour employees can monitor their average weekly hours in order to continue to maintain their variable hour status.

To ensure compliance, employees must:

- Communicate with supervisors about all employment at Wellesley College.
- Report all hour worked.
- Read the marketplace notices.

**ACA BREAK-IN-SERVICE RULES
CALCULATING AVERAGE HOURS WORKED
WHEN THERE IS A BREAK PERIOD WITH UNPAID TIME**

BACKGROUND

Effective January 1, 2015, the Patient Protection and Affordable Care Act (ACA) requires large employers such as Wellesley College to offer health insurance benefits to any employee averaging 30 work hours or more per week. Most Wellesley College employees working 30 or more hours per week are already offered benefits. Several types of employees are however not currently benefits-eligible, including casual wage, adjunct faculty, and student workers. It is very important to monitor the hours all non-benefits-eligible employees work per week, to ensure that they do not reach the 30-hour per week threshold.

Under ACA regulations, if an employee averages 30 hours per week during a 12-month “look back” measurement period, he or she is eligible for health insurance.

CALCULATING THE AVERAGE

Whenever an employee is receiving pay and hours are being reported, those hours must be included in the average calculation. This includes not only work hours but any paid leave time, such as vacation leave, sick leave, paid administrative leave (e.g., jury duty), parental leave

If an employee is working continuously during the measurement period, calculating the average hours worked per week is straightforward: total all the hours worked in the 12-month measurement period and divide it by the total number of weeks worked (52 weeks), treating any paid time off as hours worked.

However, this procedure only applies if there are no break periods. A “break period” is any time during the measurement period when an employee does not receive pay. The employee may have zero work hours, be on a short work break, or be terminated.

The break period may directly influence the average hours worked per week calculation.

Type of Break

Unpaid time lasting less than four consecutive weeks

Unpaid time lasting from 4 to 26 consecutive weeks

Impact on Calculating Average Hours Worked

The weeks with zero hours reported are included in the average calculation.

The weeks with zero hours reported are not included in the average calculation.

Therefore, the average will be calculated using fewer than 52 weeks. The employee continues in the same measurement period he/she was in when the break

started.

Unpaid time lasting more than 26 consecutive weeks

On returning to work, the employee can be treated as a new hire with a new 12-month measurement period that begins the first day of the month following the rehire date.

Unpaid Family and Medical Leave (FML) and unpaid USERRA (military) leave

These weeks are not included in the average calculation. Therefore, the average will be calculated using fewer than 52 weeks.

EXAMPLES

Employee worked and reported hours for 16 weeks, had 2 consecutive weeks without paid time, worked for 23 weeks and then had 1 week without paid time

Because the employee did not have four consecutive weeks of unpaid time, all weeks are included when calculating the average hours worked during the measurement period.

Average hours worked: Total hours / 52 weeks

Employee worked for 16 weeks, terminated employment for 12 weeks, was rehired, then worked another 24 weeks

Because the break period is greater than 4 consecutive weeks but less than 26 weeks, the 12-week break period cannot be included when calculating the average hours worked during the measurement period.

Average hours worked: Total hours / 40 weeks

Employee worked for 20 weeks, terminated employment for 28 weeks, then was rehired

Because the break period is greater than 26 weeks, the employee is treated as a new hire for measurement purposes and begins a new 12-month measurement period starting from the first day of the month following the rehire. The weeks worked prior to the termination are not considered.

No calculation for this measurement period

Employee worked for 15 weeks, was on unpaid Family and Medical Leave for 3 weeks, then worked for 34 weeks

Family and Medical Leave is considered a special type of unpaid leave. Therefore, the calculation is based only on the weeks the employee actually worked.

Average hours worked: Total hours / 49 weeks

This document is for information purposes only and does not constitute legal advice or a guarantee regarding outcomes for eligibility for coverage. It may be revised at any time.

Faculty ACA Policy

- Adjunct faculty (“Visiting Lecturers”) who teach either one or two courses per year are considered FP (either .2 FTE or .4 FTE).
 - Faculty who teach one course spend 5-7 hours working.
 - Faculty who teach two courses spend 11-14 hours per week working.
 - Therefore, FP faculty should not need an offer of benefits.

- CF faculty are not active for more than one month at a time, and are not teaching/working more than the equivalent of 1-2 courses during that time period. Therefore, we should not need to offer benefits to these individuals.

- PERA coaches and instructors who are classified as FP must not coach or teach for more than 15 hours per week. Otherwise, they should be classified as FH/benefits eligible

- Music instructors/voucher music faculty (FV) are paid hourly. Hours are tracked by music department and submitted to payroll. It is unlikely that a music instructor would ever work more than 15 hours per week.