

**ROGUE COMMUNITY COLLEGE  
GENERAL INFORMATION AND  
ADMINISTRATIVE PROCEDURES**

**Procedure:** **AFFORDABLE CARE ACT COMPLIANCE (AP-006)**

**Contact:** Human Resources, Ext. 7017

**1. Introduction**

The Affordable Care Act (ACA) (Public Law 111-148, amended by Public Law 111-152), was signed into law to increase the quality and affordability of health insurance, lower the uninsured rate by expanding public and private insurance coverage, and reduce the costs of healthcare for individuals and the government. The ACA requires employers that have 50 or more full-time employees to offer group medical insurance to employees who meet the ACA definition of fulltime and their children up to age 26.

On July 2, 2013, the U.S. Department of the Treasury delayed the ACA's employer shared responsibility penalty and reporting requirements until 2015. Beginning October 1, 2015, the start of the Oregon Educator's Benefit Board new plan year, Rogue Community College (RCC) must be in full compliance with the provisions of the ACA.

**2. Policy Statement**

Pursuant to the provisions of the ACA Section 4980H, the College must offer health insurance coverage to all employees who work an average of 30 or more hours per week over a standard measurement period. Hours worked in all classifications at RCC during the measurement period are included in determining ACA-eligibility.

**3. Measurement, Administrative and Stability Periods**

The Affordable Care Act requires that employers designate a standard measurement period in which recordkeeping is done to determine whether or not variable hour employees should be considered full-time for subsequent stability periods (referred to as ACA-eligible).

RCC has elected a 12 month measurement period for ACA purposes. Current employees will be measured July 1-June 30, with the first measurement period beginning on July 1, 2014. If determined to be ACA-eligible, coverage will be offered for the entire stability period, which is also 12 months and runs from October 1-September 30, regardless of hours of service during the stability period so long as the individual remains an employee of RCC.

The standard administrative period is 60 days and occurs July 1-September 1. This period is the time during which Human Resources (HR) communicates eligibility and enrollment information to employees.

New hires will have a 12 month initial measurement period that begins on the start date. Following the initial measurement period, there will be an administrative period of approximately 30 days.

The measurement and administrative periods, in total, will not exceed 13 and one fraction of a month. New variable hour employees will be tracked individually until they have been employed by RCC for one full 12 month measurement period, at which time they will be considered an “ongoing employee” and will be transitioned to the standard measurement and stability periods.

In all cases, during the measurement period, the number of hours reported for all active appointments with the College within the 12 month measurement period will be counted toward determining ACA-eligibility. If determined to be ACA-eligible, the employee will be offered the opportunity to participate in the group coverage to be effective during the stability period as herein defined. If determined not to be ACA-eligible, no coverage is offered for the duration of the stability period.

Employee hours will be tracked annually over the course of the measurement period for each subsequent stability period. Therefore, employees may qualify for coverage for one 12 month stability period, but not the next, thereby going on and off of health insurance under the ACA.

Sample scenarios include:

- (1) Employee A is hired on December 1, 2015. Employee A’s hours worked during the initial measurement period (December 1, 2015-December 1, 2016) are reviewed in January 2017 and employee A is determined to have not met full-time/ACA-eligibility based on hours worked. No coverage is offered for the initial stability period. A’s hours worked during the standard measurement period (July-June) are reviewed in July 2017 (overlapping with the initial stability period). If A meets full-time/ACA-eligibility at that time, coverage is offered for the standard stability period (coverage effective October 1 - September 30). If A does not meet full-time/ACA-eligibility based on hours worked during the standard measurement period, no coverage is offered and A’s hours are reviewed thereafter with ongoing employees during standard measurement and administrative periods.
- (2) Employee B is hired on February 15, 2015. Employee B’s hours worked during the initial measurement period are reviewed and it is determined that B does meet full-time/ACA-eligibility. Employee B is offered coverage effective April 1, 2016. Hours worked July-June are then reviewed in July 2016 with ongoing employees and the employee B is determined to have not met ACA-eligibility/full-time for hours worked during the standard measurement period. In compliance with Section 4980H (b), coverage continues through the initial 12 month stability period, ending March 31, 2017. Thereafter, employee B’s full-time/ACA-eligibility status is determined in the same manner as that of ongoing employees.

There is a special rule for employees who transition from full-time to part-time which allows RCC to apply a monthly measurement method to any applicable employee beginning on the 1<sup>st</sup> day of the 4<sup>th</sup> month following the change of employment status from fulltime to part-time, so long as the employee actually averages less than 30 hours of service per week for the three full calendar months following his/her transition. This means that there is a minimum run-out stability period in which the employee will be treated as full-time (approximately three months) and as of the following (4<sup>th</sup>) month, the employee would be treated as part-time based on the monthly

measurement method and coverage would not be offered. The monthly measurement would continue until the employee has been in his/her part-time position for a full 12 months, at which time the standard 12 month measurement and stability periods would apply.

If an employee experiences a change in status from part-time or variable-hour employee to a fulltime, benefits-eligible position, the benefits coverage will be effective the first of the month following the change in employment status.

#### **4. ACA-Eligibility**

##### **A. Employee Notification and Enrollment**

HR will send notice to all variable hour employees regarding the results of the review of hours worked during the measurement period during the immediately following administrative period. Notices will be delivered via email (RCC email address, unless otherwise requested) and hard copy to the mailing address on file. Employees determined to be eligible for coverage based on having met full-time status under the ACA will also receive information regarding plan options, rates and enrollment.

ACA-eligible employees will have 31 days from the date of notification of eligibility to elect or opt-out/waive coverage. As with benefits-eligible employees, ACA-eligible employees will complete enrollment elections online in the MyOEBB system.

##### **B. Plans and Rates**

ACA-eligible employees will be provided with an offer of coverage that includes group medical and pharmacy insurance for each stability period for which they have been determined to be eligible based on hours worked during the preceding measurement period.

Rates (employee and employer share of premiums) for ACA-eligible coverage are calculated annually based on the IRS 'Rate of Pay' safe harbor method for affordability under the provisions of the ACA. These provisions require that the employee share of premium costs must not exceed 9.5% of the individual's household income for employee-only coverage. The calculation used to determine employee/employer contribution for ACA-eligible employees is based on an assumed average income for 30 hours per week at an entry-level rate of pay on the Adjunct Faculty Salary Schedule, for employee-only coverage.

#### **5. Hours Reporting**

For ACA-eligibility purposes, all hours worked must be counted for all active appointments with the College within the past 12-month period. HR reviews work hours to ensure all hours worked are counted toward ACA-eligibility, incorporating the application of rules including those regarding breaks in service.

All employees, including student employees, who are not benefits-eligible as herein defined will either be required to report hours worked monthly or will have hours identified, as described below, to determine ACA-eligibility during each measurement period. The rate of pay for employees appointed to salaried positions is not affected by any hours reported pursuant to this policy to determine ACA-eligibility.

**A. Hourly Employees**

By the end of each month, hourly employees must report the number of actual hours worked each day on all active appointments using a timecard or other time-tracking method as designated by payroll.

**B. Student Employees**

**Work Study:** The hours worked on positions funded by Work-Study funds do not count toward eligibility for health insurance coverage under ACA.

**Learn & Earn:** The actual hours worked each day on all active appointments must be reported by the end of each month using a timecard or other time-tracking method as designated by payroll.

**C. Adjunct Faculty Who Are Not Benefits-Eligible**

Adjunct Faculty who are not benefits-eligible are not required to track and report time for work associated with Lecture or Lecture/Lab course for which the employee is the instructor. The College will automatically count two hours of work time for every credit hour of the course for which the adjunct faculty serves as the instructor. This credited time includes preparation for instruction, instruction, grading, and contact hours. For example, a three-credit hour course will count as six hours worked.

For adjunct faculty lecture and lecture/lab classes, hours will be calculated in the following way: hours will be counted for the associated credit hours of the lecture class. The contact hours assigned will be determined and multiplied by a factor of 2.33. For lecture/lab classes, the contact hours will be multiplied by a factor of 1.75. For example, a three credit hour lecture class may require a lab session that lasts from 9:00 a.m. to 11:00 a.m. The derived formula would be as noted below:

$$(\text{three-credit hour lecture class} * 2.33) + (\text{two lab hours} * 1.75) = 10.49 \text{ hours}$$

Adjunct faculty may concurrently serve in capacities in addition to instructor of Lecture or Lecture/Lab courses; in such cases the adjunct faculty must report all hours worked while not serving as an instructor of L/LL classes on an hour-for-hour basis at the start of term as reflected on the worksheet/NOA, or at the end of each month using a timecard or other time-tracking method as designated by payroll.

The data to determine these adjunct hours worked will be derived from Part-time Contracts workload data associated with designated instructor information reported on their timecard and approved by their supervisor.

No adjunct faculty member who would otherwise be eligible for health insurance under the ACA-eligibility based upon hours worked during the academic year will be deemed ineligible for health insurance by virtue of the hours worked during summer sessions.

**D. Other Adjunct Faculty Who Are Not Benefits-Eligible**

Adjunct faculty who are not benefits-eligible and who are not instructors of Lecture or Lecture/Lab classes must report all hours worked on an hour-for-hour basis at the start of term as reflected on the worksheet/NOA, or at end of each work week using a time card or other time tracking method as designated by payroll for purposes of determining ACA-eligibility.

**E. Leave Hours**

Paid leave time provided under any applicable collective bargaining agreement, contract or under the provisions of workers' compensation, is counted as qualifying toward ACA-eligibility as required by the statute. Special unpaid leave, including FMLA, USERRA and/or jury duty leave hours, are excluded (pro-ration method) in determining ACA-eligibility. All other unpaid leave hours are not credited toward ACA-eligibility nor excluded from the measurement calculation. HR will review all hours worked and hours of leave taken for concurrent or previous jobs with RCC within the 12 month measurement period, since those hours may count toward ACA-eligibility.

**Consequences:** Failure by employees to accurately report actual hours worked or falsification of hours worked for ACA purposes will be reviewed to determine if there may be grounds for disciplinary action, up to and including termination of employment.

**Supervisory Approval or Monitoring of Hours Worked to Determine ACA-Eligibility**

**Hourly Employees:** Supervisors approve hours worked by hourly employees based on the normal timecard procedures. Those hours will be used to determine ACA-eligibility.

**Adjunct Faculty That Are Not Benefits-Eligible:** Supervisors will be provided information to monitor the numbers of hours worked for purposes of determining ACA-eligibility. It is the responsibility of the supervisor to make adjustments to an employee's work schedule, if appropriate, prior to hours being worked in order to comply with the College policy on appointment percent.

**Exclusions or Special Circumstances:** Exceptions to the appointment limits for student employees in the summer or when classes are not in session may be authorized by the appropriate dean(s) or vice president(s), thereby accepting any ensuing fiscal responsibility of those exceptions.

Any resulting financial obligations may be incurred by the department with the current appointment. If the employee has concurrent appointments and/or shared funding, the amount will be allocated to the department who caused the employee to become ACA-eligible.

## **6. Breaks in Service**

The Affordable Care Act provides special rules pertaining to breaks in service for educational entities and the crediting of hours during break periods (defined as a period of at least four consecutive weeks during which an employee of an educational organization is not credited with hours of service e.g., the break period between summer and fall term). These special rules are designed to prevent averaging employee hours of service over a 12-month period that could potentially distort measurement by including the summer months when employees have no hours.

RCC will be using the pro-ration method (excluding the break periods) to determine variable hour employee's average hours for ACA purposes per section 4980H of the ACA for any applicable break period.

This rule is not applicable to a faculty or staff member who has been treated as terminated and rehired under the ACA.

An employee with no hours of service for 26 consecutive weeks shall be considered a new hire for purposes of ACA, which means that there will not be credit for prior hours of service and the measurement period will start anew as with any new employee, until blended in with the standard measurement and stability period.

If an employee has a break in service of at least 4 weeks and the break in service is greater than the length of employment with RCC before the break, they will be considered a new hire for purposes of ACA measurement.

## **7. Supervisor Responsibilities**

It is the responsibility of supervisors and managers to monitor work hours in relationship to appointment limits. For any exceptions to appointment limits/hours, supervisors must follow any applicable internal approval process prior to granting the exception.

In cases where an employee is working in more than one non benefits-eligible position, coordination between supervisors/departments will be necessary to ensure total hours worked is within the intended limit. It is the responsibility of the supervisor(s) to make adjustments to an employee's work schedule, if appropriate, prior to hours being worked. Any resulting financial obligations may be incurred by the department with the current appointment (or divided between multiple departments, if applicable).

The financial obligation related to the employees ACA-eligibility will reduce the department's materials and services budget equal to the calculated composite rate for ACA-eligible employees in the fiscal year(s) in which the employee is eligible. If the employee's eligibility continues beyond 12 months, the position must be submitted to e-team for review and approval.

## **8. Human Resources Responsibilities**

HR is responsible for ensuring that RCC is in compliance with the ACA by developing necessary processes, tracking/measuring hours worked, providing reports and/or information to supervisors/managers as needed, and providing official notification of the results of the ACA-eligibility review to employees (including an offer to participate in RCC's group health insurance plan, if applicable).

## **9. ACA Definitions**

**ACA-Eligible Employee:** An employee who works an average of at least 30 hours of service per week over the course of a 12 month measurement period.

**ACA Part-time Employee:** An employee who RCC reasonably expects based on the facts and circumstances to work an average of less than 30 hours per week over the course of a measurement period.

**ACA Seasonal Employee:** An employee who performs labor or services on a seasonal basis, as defined by the Secretary of Labor. This includes a position for which the customary annual employment period is no more than six months, and the period occurs during the same part of each calendar year (e.g., summer or winter). An employee may still be considered seasonal should employment be extended in a particular year due to special circumstances.

**ACA Variable Hour Employee:** An employee for whom RCC cannot readily determine is reasonably expected to work an average of at least 30 hours per week.

**ACA Ongoing/Current Employee:** An employee who has been employed by RCC for at least one complete Standard Measurement Period.

**Standard Measurement Period (SMP):** A period during which an employer tracks the hours of ongoing employees to determine if they worked, on average, at least 30 hours per week. For RCC, the SMP is 12 months and runs July 1 - June 30. This is also called a "Look-back Period."

**Stability Period (SP):** If an employee is determined to be a full-time employee based on having worked an average of at least 30 hours per week during the SMP, RCC must provide health insurance coverage for the entire SP, which is 12 months and runs October 1 - September 30.

**Administrative Period (AP):** The period of time during which RCC reviews hours worked within the measurement period and determines whether coverage should be offered. The AP for ongoing employees is 90 days (July - September), with coverage starts or ends effective October 1. Employees are notified of the results of the eligibility review during this time.

**New Employee:** An employee who has been employed by RCC for less than one complete Standard Measurement Period (12 months).

**Initial Measurement Period (IMP):** The measurement period (12 months) applied to new hires, which will begin on the date of hire.

**Initial Stability Period (ISP):** The period of time (12 months) during which the new hire is either: (1) considered full-time (ACA-eligible) and offered coverage, or (2) is not considered full-time (ACA-eligible) and is not offered coverage.

**Initial Administrative Period (IAP):** The period of time during which the initial determination is made. For new hires, the IAP begins at the end of the IMP through the end of the first calendar month beginning on or after the IMP (not to exceed one plus a fraction of one month).

**ACA-Rehired Employee:** An employee who has left employment with RCC and returns after a break in service. Rehired employees will become either “new” employees or “ongoing” employees for ACA purposes, based on a number of factors, as determined by HR.

**Minimum Essential Coverage (MEC):** The type of coverage an individual needs to meet the responsibility requirement, as defined by the ACA. All plans offered by RCC through OEBS meet the MEC requirements.

**Hours of Service:** The final ACA regulations define an hour of service to mean each hour for which an employee is paid, or entitled to payment, for the performance of duties for the employer, and each hour for which an employee is paid, or entitled to payment by the employer, for a period of time during which no duties are performed due to vacation, holiday, illness, incapacity (including disability) or layoff, jury duty, military duty or leave of absence.