

## **The Affordable Care Act (ACA):** USC Department Guidelines

Please note the following information is in relation to the ACA employer mandate, effective January 1, 2015 regarding ALL employee categories (FTEs, Research Grant/Time-Limited, Temporaries, Temporary Faculty, Students, etc.):

- Existing employees and new hires scheduled to work 30 hours or more a week will initially be extended an offer of health, dental and vision coverage in October 2014 (during Open Enrollment). Any coverage opted won't be effective until January 1, 2015. However, those immediately qualifying past October will also be extended offers of coverage with effective dates beginning January 1, 2015.
- If any of your qualified employees enroll, you will be billed employer fringe for health and dental insurance. When covered employees or their eligible dependents terminate coverage they will be offered COBRA coverage.
- Because faculty work schedule is set on a semester basis they will not be considered variable employees, but will qualify for coverage based on course hour equivalents totaling 30 or more scheduled work hours. Generally, each credit hour taught equates to 3.33 hours worked. When course hours are adjusted their qualification or disqualification for insurance coverage can occur. It will be important to complete a [PBP 4/5](#) (or PBP 7 as relevant) and submit it as soon as possible to the Benefits Office as this occurs.
- Regarding staff positions, it will also be important to complete a [PBP 4/5](#) as soon as possible, as well as any relevant PBP-7 documents.
- Variable employees (staff) who are scheduled to work less than 30 hours but end up averaging 130 hours per month over a set measurement period of one year will be considered variable employees and will be extended an offer of insurance at the end of the measurement period. Employer fringe will be billed upon enrollment in such coverage. This qualification may be determined in two ways:
  - For existing employees: The number of work hours averaged per month over the annual measurement period which is set for the period of October 4 to October 3 of each year.
  - For new incoming employees: The number of work hours averaged per week for those hired after/before October 4 will have a measurement period of one year which starts the 1<sup>st</sup> of the month following their hire date. If someone is scheduled for less than 30 hours but end up averaging 30 hours per week, they will also be extended an offering of insurance coverage.

**Note:** Those in their measurement period who are terminated and subsequently rehired within 26 weeks of terminating will continue with the most recent measurement period established if the time period still falls within the span of the measurement period.

- Qualified variable employees wait a year for eligibility determination and thus extended coverage will have a stability period of a year. This means when they become eligible for coverage, regardless of the number of hours they work (even if it drops below 20 hours) they will still retain benefits as long as they are employed within their stability period.
- Those in their stability period if terminated will still be extended the right to coverage if they are rehired within 26 weeks of the termination date, provided they are still within their stability period.
- Employees hired by multiple departments will pay fringe proportionately based on the number of hours worked.
- Those who qualify based on ACA eligibility, including FTE employees, will only be subject to the employee share of premium during leave without pay periods, thus employer fringe will continue.

