

The Affordable Care Act Administrator General Questions

Q: When is the University required to begin offering insurance based on the “30 hours per week” rule?

A: The employer mandate is currently expected to take effect beginning January 1, 2015.

Q: What is the employer mandate or the “30 hours per week” rule?

A: The employer mandate requires that the University extends an offer of coverage to employees working 30 hours or more per week. We will need to consider those employees who are 1) scheduled and/or expected to work 30 hours or more each week by immediately extending an offer of coverage as soon as they are initially eligible **and** 2) variable hour employees which are those employees working varied hours which may average 30 hours per week (or 130 hours per month) over a one year measurement period. Upon determining that a variable hour employee is eligible, coverage will need to be extended to the employee for one year (stability period), regardless of any change in the number of hours worked during that period. Even if that employee terminates within that year, if they are rehired within 26 weeks of the termination date, they are still eligible for coverage for the initially established time. Please also note that if they terminate and were subject to a measurement period, if they are rehired within 26 weeks of termination, the prior measurement period is still effective.

Q: What should I be immediately concerned about in preparation for the scheduled January 1, 2015 employer mandate?

A: You should continuously be reviewing your unit’s numbers to determine current/future trends and assessing budgetary needs. Additionally, you should be updating any individual unit process, policy and procedural resources to accommodate these future changes.

The initial measurement period to determine eligibility for variable hour employees began October 4, 2013 and will run through October 3, 2014. Initially, Temporary Faculty Adjunct (TFAC) and student employees will be included, with the exclusion of summer months- since they will be considered seasonal during this time period. This will assist the University in determining those employees who

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average 130 hours per month over this period. We will also identify those existing employees consistently working 30 hours or more and will become eligible January 1, 2015. At the time of eligibility, we also have a mechanism to identify employees who will be expected to terminate as of January 1, 2015. The annual measurement period will be October 4-October 3 for existing employees.

You need to be diligent in ensuring that paperwork and time submission is handled **TIMELY** and **ACCURATELY**. These factors may impact an employee’s eligibility for coverage and your financial obligation as a department.

Q: Is it “scheduled hours” or “actual hours” worked and is it looking forward or backward?

A: The Division of Human Resources has worked with Payroll to facilitate the assessment of hours worked by employees to determine who will be eligible for coverage in preparation for the implementation of the employer mandate.

Variable hour employee’s hours may vary in their actual work hours, thereby, making us uncertain initially if they are eligible for insurance based on the 30 hour a week (or 130 hours per month) criteria. Therefore, for this group, an initial measurement period of October 4, 2013 through October 3, 2014 was established to determine current eligibility. Again, eligibility in the future will also be annually assessed from October 4 to October 3. Those variable hour employees who averaged 130 hours a month over this time period (based on hours worked) will be eligible for coverage- provided the mandate is implemented as scheduled.

Other employees who are scheduled and expected to work 30 hours or more will also be extended the right to coverage based on the scheduled work hours.

Q: What if I hire someone in a 30 or more hour workweek capacity and they are extended an offer of coverage. Later it is determined they are not working 30 hours or more a week- What should I do?

A: A PBP 4/5 (Miscellaneous HR Action form for Non-Students) should be completed listing the appropriate hours a week change. This will reflect the change in the status of the position and/or the adjustment to the number of hours worked by which eligibility will be monitored and adjusted, as needed.

Q: Are you aware yet of any methods to track weekly hours in ITAMS other than relying on the supervisors?

A: It is imperative that hours be tracked. The employees should be encouraged by their supervisors to enter accurate time in ITAMS or the applicable time recording system. Supervisors will need to ensure that the time is entered accurately and appropriately approved.

Hours for TFAC employees are currently being tracked via the credit hour courses taught as required on the hiring document. Generally, credit hours taught will be converted to hours worked based on each credit hour taught being equivalent to 3.33 hours worked.

The Division of Human Resources is continuously working with Payroll to identify other special groups who may not have recording mechanisms in place, to find a means to capture time centrally.

Q: Is the University of South Carolina limiting hours of temporary employees across the system?

A: No, each individual department should determine their need for temporary employees and the costs to include insurance benefits if the employee works at least 30 hours per week (or those who will average 130 hours or more a month over the determined measurement period).

In regards to current temporary employees, departments should be careful about reducing hours for temporary employees who have been working at least 30 hours per week for several years just because of the ACA. Of course the department's budget must dictate their ability to employ temporary workers who must be offered insurance.

For new temporary employees coming in, departments may want to seriously consider taking a look at the policy, processes and procedures in conjunction with these new guidelines and making any necessary revisions (and communicating this change within the department).

Q: In regard to the Health Insurance Marketplace Notice, what are we expected to do?

A: You must ensure that each new employee is given the Health Insurance Marketplace Notice **within 14 days of their start date**. In addition, your hiring packet for all categories of new employees must include the ACA Acknowledgement of Receipt, signed and dated by the employee. This documents that the employee received the Notice.

The Division of Human Resources forwarded the Notice to existing employees hired as of 9/27/2013.

Research Grant Positions

Q: Will the new health care requirements apply to sponsored projects/research grants?

A: The law applies to employees/employers and is not related to the source of financing. As in all cases related to health insurance, employees paid from grants must be treated the same as non-grant funded employees. Therefore, if a grant-funded employee is hired into a position that includes health insurance, the grant must pay the employer's share of the fringe benefits, including health

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insurance. This federal requirement is no different than when the state increases rates, in which case, the grants always have covered the cost of state imposed increases.

Q: How will this extra cost impact continuing grants?

A: It is unlikely that a sponsor will increase funds for a grant to cover increased cost of fringe benefits. Therefore, the grant will have to bear the cost from available funds. For any single grant, it is unlikely that this would be a significant cost, but it will make already tight budgets even tighter.

Principal Investigators will be faced with making decisions regarding how best to use their available direct costs.

A: Perhaps they will – assuming that there is a requirement for line item accounting, the funds will need to be re-budgeted. In the vast majority of cases, this re-budgeting will not require approval by the granting agency as it is unlikely to reach the 25% threshold imposed by federal agencies. In the case of modular budgets, re-budgeting is not required.

While the impact of this will be significant when aggregated across all federal grants, the impact on any single grant likely will be low unless the ACA imposes costs beyond what anyone is expecting.

Q: Will grant funds have to be re-budgeted?

Student Employees

Q: Should new student hires be presented with the ACA memo and the Acknowledgement of Receipt?

A: Yes, they are considered employees for the purposes of ACA and they should have the ACA Notice and Acknowledgement of Receipt administered in the same manner as other types of employees.

Q: Is the University limiting hours for graduate assistants?

A: The Graduate School limits hours of graduate assistants to 20 hours per week. There is an exception process. The Graduate School limits the exceptions to a maximum of an additional 8 hours per week. The initial 20 hours are not tracked but are worked in accordance with an agreement. The additional hours are tracked in ITAMS.

Q: If an I-9 is completed in order to pay a student \$35 one time for moving a piece of furniture, are we still required to give the ACA Health Insurance Marketplace Notice and obtain the Acknowledgment of Receipt?

A: Yes, because s/he would be considered an employee at that time and the ACA Notice must be facilitated to him/her and the Acknowledgement of Receipt obtained documenting awareness of the Notice.

Q: Is the University limiting hours for undergraduate students?

A: No, departments can limit the number of hours students work to stay under the 30 hour limit. A new form has been created to capture eligibility for student temporaries.

Q: Will the Student Health Plan meet the requirements of the ACA and can it be offered to students in lieu of the plan that is offered for other employees?

A: Yes, the plan will meet the ACA requirements for individual coverage.

An offer of employer coverage must still be extended to student employees who qualify regardless of any other factors. Students have the right to enroll in or refuse employer coverage, even in the event the student is covered under the Student Health Insurance place.

Q: Is the University tracking hours for all groups of temporary employees?

A: No, the University does not currently track hours for exempt temporaries, graduate assistants and RAs. The University is working to modify ITAMS to track hours for exempt employees working less than 30 hours per week. In the meantime, we suggest your department have your own mechanism for tracking hours worked to ensure accurate accounting.

Q: We have students who will collectively work a lot of hours across campus. How will this impact RAs? The University pays a stipend in exchange for a set number of hours worked, but some weeks they work over the set

hours, while other weeks they work under the allotted hours. How will these hours be tracked?

A: At this point, the conversations are ongoing. However, we do not anticipate tracking hours for RAs. RAs are paid a stipend for 15 hours per week. While they may work slightly more in one week and slightly less in another week,

the 15 hour baseline appears to be appropriate. If they work additional hours as an office assistant or in another capacity, they are paid on an hourly basis and those hours are recorded in ITAMS (our payroll system).

Again, departments can limit the number of hours students work to stay under the 30 hour limit.

International Community

Q: To what extent will nonimmigrants be subject to the ACA's "individual mandate?"

A: In general, aliens who are "lawfully present in the United States" will be subject to the individual mandate and would be eligible, if otherwise qualified, to participate in the health insurance exchanges to be established under the law. This is the case if the person is and is reasonably expected to be lawfully present in the US for the entire period of enrollment in a plan that offers required coverage. Keep in mind that a penalty is also not assessed for anyone without coverage for less than three months in each year. Penalties are assessed based on a tax return filing, so whether a student or scholar has to file a tax return is a determinant for whether or not they will be assessed the penalty.

Unauthorized aliens are not subject to the individual mandate and are not eligible to seek insurance through health insurance exchanges. Nonimmigrant students and scholars, as aliens who are "lawfully present in the United States," would therefore appear to be subject to the individual mandate as well.

Q: Should international students be given the Health Insurance Marketplace Notice?

A: Yes, they should also be given the Notice. However, they will need to seek further online guidance from www.healthcare.gov to determine whether or not they qualify under federal guidelines, but you still have to make them aware of the existence of the marketplace for their further inquiry with the federal government.

Q: Does the ACA apply to international post-doctoral staff? Specifically, is international post-doctoral staff required to buy marketplace coverage if they aren't covered by USC healthcare benefits?

A: No one is **required** to opt into the Health Insurance Marketplace. However, at this point, if they don't have insurance elsewhere they may be subject to penalties. The penalty is going to be based on a tax return filing and information reported through that process. If international employees are not exempt from paying taxes and are filing US tax returns, there might be some eligibility to opt into the Health Insurance Marketplace, as long as the coverage will meet any necessary guidelines placed upon the employee.

Seasonal Employees

Q: In a number of our offices, we hire seasonal employees on a full-time basis (working at least 30 hours per week). These employees will only work with us for 2- 3 months (maximum). Would we be required to offer them insurance?

A: Yes, if you expect them to work at least 30 hours a week, they will be eligible for insurance when the employer mandate becomes effective.

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