

Employee Eligibility Under ACA

Presented to: Insurance Group Representatives/Payroll Officers
Presented by: Pamela A. Boyer
Presented on: June 23, 2016

PowerPoint Presentation. Information is current as of time of presentation

Overview of Presentation

- Review ACA Shared Responsibility
 - Requirements/Penalties
 - Federal Reporting
- Review Eligibility Status
- Review ACA Measurement Periods
 - Initial Lookback (new part time hire)
 - Standard Lookback (ongoing)
 - Monthly (new full time hire)
- Group Exercise
 - Employee Eligibility Examples

Review of ACA Shared Responsibility Requirements/Penalties

- Patient Protection and Affordable Care Act (PPACA or ACA)
 - Enacted on March 23, 2010
 - Applied to Health & Prescription Coverage ONLY
 - Wood County is applying rules to all benefits
- Employer Requirements & Penalties
 - Offer 95% of Full Time employees benefits effective 1-1-14
 - Full Time: 30 week/130 month/1560 year
 - Employee and dependent children only (not spouses)
 - Penalty: \$2,080 (2015) per employee (exempts first 30 countywide); \$2,160 (2016)
 - Offer coverage that is affordable and provides minimum value
 - Penalty: \$3,120 (2015) per voucher; \$3,240 (2016)

Review of ACA Shared Responsibility Federal Reporting

- Annual Requirement for Employers
 - Communicate to Benefit Eligible members their prior year's benefits
 - Change of address for payroll/insurance (same as W-2)
 - 1095-C form used when filing taxes
 - Report to IRS
 - Plan is affordable and provides minimum value
 - Electronic upload required 1094-C & 1095C data

Review Eligibility Status

- **Full Time:** 30 or more Hours of Service per week (130 per month; 1560 per year)
- **Part Time:** Reasonably expected not to be Full Time (Variable Hour or Seasonal)
- **Variable Hour:** Reasonably expected to work on average less than 30 hours of service per week because hours are variable or otherwise uncertain
- **Seasonal Worker:** Six months or less per year, same time each year
- **Hours of Service:** Hours for which an employee is paid or entitled to payment, for the performance of duties for the employee, 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), layoff, jury duty, military duty or leave of absence (as defined in 29 CFR 2530.200b-2(a))
- **New Hire:** Break in service must be 13 weeks or at least 4 weeks longer than immediately preceding period of employment
 - Different rules for Educational Employees
 - Note: County is one employer
- ACA Terms Only Apply to Insurance Benefits not Vacation, Holiday, etc.

Review ACA Measurement Periods

- Initial Look-back Measurement Method
 - Measures new non-full time employees to determine benefit eligibility
 - Part-time, variable hour, seasonal
 - 12 months from date of hire
 - Benefit eligible for 12 months if 1560 Hours of Service
 - Employees measured only once using an Initial Measurement Period
- Standard Look-back Measurement Method
 - Measures ongoing employees that complete a full Standard Measurement Period
 - Standard Measurement Period is Oct – Oct annually
 - Benefit eligible the next calendar year if 1560 Hours of Service
 - Employee measured every year employed from Oct - Oct
- Monthly Measurement Method
 - Measures new full time benefit eligible employees enrolled in coverage
 - Each month hours are retrospectively reviewed to ensure eligibility
 - Benefit eligible during month if worked 130 hours
 - Measure Monthly until completes a full Standard Measurement Period

Review ACA Measurement Periods: Initial

- Initial Look-back Measurement Period
 - Used for new non-Full time (or Seasonal) hires during first year
 - Measures rolling 12 months from date of hire to determine if worked 1560 Hours of Service per year
 - First full 26 pay periods following date of hire
 - If benefit eligible; effective first day of month following 30 day enrollment period
 - BCC assist in tracking if hire reported on ACA Compliance Report form
- Example: #1 Initial
 - Suzie Sunshine is hired June 11, 2015 as a part time employee working eight hours on MWF every week with no overtime or changes in schedule. Do you offer her benefits? If so, when?

Review ACA Measurement Period: Initial

- Example: #1 Initial

- Suzie Sunshine is hired June 11, 2015 as a part time employee working MWF every week with no overtime or change in schedule. Do you offer her benefits? If so, when?
- No, she is considered a **Part-Time** employee working less than 30 hours per week. She only worked 1,152 hours based on her schedule. You delay her offer of benefits and measure her Hours of Service during her first year of employment which is her **Initial Measurement Period** June 2015 – June 2016. If she works 1560 hours she is benefit eligible; you offer benefits and a 30 day enrollment period. If elected, coverage is effective Aug 1, 2016 and remains eligible through July 31, 2017 during her Initial Stability Period.
- Measure her during the first complete **Standard Measurement Period** Oct 2015 - Oct 2016 to determine ongoing eligibility. If not eligible during Initial but eligible during Standard – offer benefits Jan 2017. If eligible during Initial but not during Standard benefits will terminate Aug 1, 2017.
- Note loss of eligibility is not permitted during Standard Administrative Period Oct, Nov & Dec.

- Example: #2 Initial
 - Suzie Sunshine is hired June 11, 2015 as a Part time employee working two days a week and picks up extra shifts when call offs occur. Do you offer her benefits? If so, when?

- Example: #2 Initial

- Suzie Sunshine is hired June 11, 2015 as a Part time employee working two days a week and picks up extra shifts when call offs occur. Do you offer her benefits? If so, when?
- She is considered a **Variable Hour** employee whose schedule is difficult to predict. You delay her offer of benefits and measure her Hours of Service during her first year of employment which is her **Initial Measurement Period** June 2015 – June 2016. If she works 1560 hours she is benefit eligible; you offer benefits and a 30 day enrollment period. If elected, coverage is effective Aug 1, 2016 and remains eligible through July 31, 2017.
- Measure her during the first complete **Standard Measurement Period** Oct 2015 - Oct 2016 to determine ongoing eligibility. If not eligible during Initial but eligible during Standard – offer benefits Jan 2017. If eligible during Initial but not during Standard benefits may terminate Aug 1, 2017.

- Example: #3 Initial
 - Suzie Sunshine is hired June 11 to Sept 5, 2016 as a Full time employee and may work extra hours each day depending on the weather. She coordinates the organization's Summer Break Camps. She worked the same schedule last year. Do you offer her benefits? If so, when?

- Example: #3 Initial

- Suzie Sunshine is hired June 11 to Sept 5, 2016 as a Full time employee and may work extra hours each day depending on the weather. She coordinates the organization's Summer Break Camps. She worked the same schedule last year. Do you offer her benefits? If so, when?
- She is considered a **Seasonal** employee who works less than 6 months. Even though she is full time you don't offer benefits in 2016.
- Suzie experienced a **break in service** of greater than 13 weeks from her immediately preceding period of employment in 2015 so her prior service doesn't affect her benefit eligibility.

Employer Shared Responsibility: Measurement Periods 2016 Calendar Year & Beyond

Look-back Measurement Periods for 2016 Coverage

2015 Initial Measurement Period

New Hires working variable hours
hired BY 10-5-14

2015 Standard Measurement Period

All Employees working
10-5-14 to 10-3-15

Future Years

2016 Initial Measurement Period

New Hires working variable hours
hired AFTER 10-5-14
12 months from date of hire

2016 Standard Measurement Period

All Employees working
10-18-15 to 10-15-16
for 2017 Coverage

Review ACA Measurement Period: Standard

- Standard Look-back Measurement Period
 - Measures all ongoing employees who complete a full Standard Measurement Period Oct – Oct
 - Determines benefit eligibility for next Standard Stability Period Jan – Dec, calendar year
 - Changes in eligibility effective Jan 1 (unless employee is benefit eligible during Initial Stability Period)
 - Must work 1560 hour of service to be benefit eligible
 - Failure to pay employee's monthly premium results in loss of eligibility for remainder of Stability Period
 - ACA Compliance Report form required to report any leave of absence
 - BCC to communicate eligibility to employees annually
- Example: #1 Standard
 - Linda Longtimer was hired Jan 12, 2010 as a full time employee and measures benefit eligible for 2016 Standard Stability Period. In 2016, she has an unpaid FMLA leave from Feb 1 to April 21. She returns to full duty on April 22, 2016. Is she benefit eligible during the Standard Measurement Period Oct 2015 – Oct 2016?

Review ACA Measurement Period: Standard

- Example: #1 Standard

- Linda Longtimer was hired Jan 12, 2010 as a full time employee and measures benefit eligible for 2016 Standard Stability Period. In 2016, she has an unpaid FMLA leave from Feb 1 to April 21. She returns to full duty on April 22, 2016. Is she benefit eligible during the Standard Measurement Period Oct 2015 – Oct 2016?
- Linda was an employee for the full Standard Measurement Period Oct 2015 - Oct 2016. While her FMLA was unpaid, ACA requires that she receive credit for such time. This is why an ACA Compliance Report form is required as Linda doesn't receive a paycheck during her unpaid leave. The software program can't provide credit during this unpaid time as she didn't receive a check through the Auditor but retained employment status by her appointing authority. Linda has over 1560 Hours of Service when **credited with her FMLA time** so she is benefit eligible during 2017. It is important to invoke FMLA for staff and document all leave of absences using new ACA Compliance Report form to assist in determining future benefit eligibility.

- Example: #2 Standard

– Linda Longtimer was hired Jan 12, 2010 as a full time employee. In 2016, she has an unpaid FMLA leave from Feb 1 to April 21. She returns from FMLA as a part time employee due to ongoing chemotherapy for the remainder of the year, maybe longer. Is she benefit eligible during the Standard Measurement Period Oct 2015 – Oct 2016?

- Example: #2 Standard

- Linda Longtimer was hired Jan 12, 2010 as a full time employee. In 2016, she has an unpaid FMLA leave from Feb 1 to April 21. She returns from FMLA as a part time employee due to ongoing chemotherapy for the remainder of the year, maybe longer. Is she benefit eligible during the Standard Measurement Period Oct 2015 – Oct 2016?
- If she didn't work 1560 Hours of Service from Oct 2015 - Oct 2016 even with the unpaid FMLA credit. She is not benefit eligible in 2017.
- **What do you do when she returns from FMLA?**
- If Linda's **employment status changes from Full-time to Part-time** when she returns April 22, 2016 her measurement method changes to a Monthly Measurement Method. ACA requires the employee be measured for 3 months. If Linda doesn't have 130 Hours of Service per month in May, June & July then she is no longer benefit eligible Aug 1, 2016.
- Linda is required to be measured during the next Standard Measurement Period as she is an ongoing employee. If she works 1560 hours Oct 2015 - Oct 2016 then she is benefit eligible in 2017 with coverage effective Jan 1, 2017. She may elect benefits however life is mandatory. No wellness screening is necessary if she completed within the last 3 years.

- Example: #3 Standard

–Linda Longtimer was hired Jan 12, 2010 as a full time employee. She is benefit eligible in 2016 for the Standard Stability Period Jan – Dec. She terminates employment due to her medical condition Feb 5, 2016 after exhausting her leave balances. When does her coverage terminate?

- Example: #3 Standard

- Linda Longtimer was hired Jan 12, 2010 as a full time employee. She is benefit eligible in 2016 for the Standard Stability Period Jan – Dec. She terminates employment due to her medical condition Feb 5, 2016 after exhausting her leave balances. When does her coverage terminate?
- Linda is benefit eligible for the whole calendar year 2016; however she must **maintain employment status**. As long as she has employment status for one day in February she is benefit eligible for the entire month. Her coverage would **terminate** Feb 29, 2016 and she would be offered COBRA benefits. If COBRA elected benefits are effective March 1, 2016. She may be required to self-pay her premium if she doesn't have sufficient wages to payroll deduct the amount from both checks in February.

- Example: #4 Standard

- What if Linda experiences a miracle, recovers fully and is hired as a full time employee by a different appointing authority within Wood County? When is her coverage effective?

- Example: #4 Standard

- What if Linda experiences a miracle, recovers fully and is hired as a full time employee by a different appointing authority within Wood County? When is her coverage effective?
- If Linda was benefit eligible during the current Standard Stability Period and her **break in service** was less than 13 weeks coverage would be offered immediately upon return and effective the first day of month following her return as she continues her Standard Stability Period through the end of the calendar year.
- If the break was longer than 13 weeks, you would consider Linda a **new hire** and offer coverage the first day of the month following 30 days of full time service. She is **measured Monthly** until she completes a new full Standard Measurement Period.

Look-Back Measurement Method: Transition from Initial (New Hire) to Standard (Ongoing)



Initial Measurement Period
June 11, 2015 to June 10, 2016
Avg of 30 service hr/wk for 52 wk
or 130 hr/mo for 12 m or
1560 hr per year

Initial Administrative Period
June 11, 2016 to July 11, 2016
Review hours to determine eligibility,
notify & enroll employees

Initial Stability Period
Aug 1, 2016 to July 31, 2017
Coverage eligible
1st of mo following
Administrative Period



Standard Measurement Period
Oct 18, 2015 to Oct 15, 2016
Avg of 30 service hr/wk for 52 wk
or 130 hr/mo for 12 m or
1560 hr per year

Standard Administrative Period
Oct 16, 2016 to Dec 31, 2016
Review hours to determine eligibility,
notify & enroll employees

Standard Stability Period
Jan 1, 2017 to Dec 31, 2017
Coverage eligible
1st of mo following
Administrative Period

Review ACA Measurement Period: Monthly

- Monthly Measurement Method
 - Measures all new Full time hires that are benefit eligible and enrolled in coverage until they complete a full Standard Look-back Measurement Period
 - Each month hours are measured retrospectively to ensure eligibility
 - Must have 130 Hours of Service per month
 - Loss of benefit eligibility results in retroactive termination to the first day of that month
 - **Group Reps must track and administer for new full time hires until they complete a full Standard Look-back Measurement Period**
 - May be up to 24 months
 - BCC provided Employee Tracker to identify employees that require review prior to completing the monthly insurance report
- Example: #1 Monthly
 - Nic Newby was hired Dec 15, 2015 as a Full time employee and enrolled in coverage Feb 1, 2016. He works Monday through Friday with no additional hours. On June 2, 2016 Nic provided his employer with a two week notice of resignation effective June 15, 2016. Is Nic benefit eligible for June?

Review ACA Measurement Period: Monthly

- Example: #1 Monthly

- Nic Newby was hired Dec 15, 2015 as a Full time employee and enrolled in coverage Feb 1, 2016. He works Monday through Friday with no additional hours. On June 2, 2016 Nic provided his employer with a two week notice of resignation effective June 15, 2016. Is Nic benefit eligible for June?
- Nic is measured during using the Monthly Measurement Method until he completes his first full Standard Measurement Period (Oct 2016 - Oct 2017.) Nic doesn't have any vacation time available to him. Nic only works 88 hours in June prior to his **resignation**. He is not benefit eligible for June's coverage as he didn't work 130 hours in June. The Group Rep needs to complete an ACA Compliance Report form and then upon return from BCC communicate to Nic that he is COBRA eligible for June prior to his separation. His 60 day COBRA election window commences when he receives his CORBRA notice from BCC. COBRA coverage would be retroactive to June 1 if premiums are paid.

Review ACA Measurement Period: Monthly

- Example: #2 Monthly

–Nic Newby was hired Dec 15, 2015 as a full time employee and enrolled in coverage Feb 1, 2016. He works Monday through Friday with no additional hours. On June 2, 2017, eighteen months after his hire, Nic provides his employer with a two week notice of resignation effective June 15, 2017. Is Nic benefit eligible for June?

Review ACA Measurement Period: Monthly

- Example: #2 Monthly

- Nic Newby was hired Dec 15, 2015 as a full time employee and enrolled in coverage Feb 1, 2016. He works Monday through Friday with no additional hours. On June 2, 2017, eighteen months after his hire, Nic provides his employer with a two week notice of resignation effective June 15, 2017. Is Nic benefit eligible for June?
- Nic is still being measured during using the Monthly Measurement Method until he completes his first full Standard Measurement Period Oct 2016 - Oct 2017. Nic only works 88 hours in June. He is not benefit eligible for June's coverage as he didn't work 130 hours in June. However, it is the appointing authorities discretion to authorize Nic to use his **80 vacation balance** and change his separation date to June 29. His Hours of Service are 168 in June which results in benefit eligibility for the month as it is over 130 hours required for benefit eligibility.

Review ACA Measurement Period: Monthly

- Example: #3 Monthly
 - Nic Newby was hired Dec 15, 2015 as a full time employee and enrolled in coverage Feb 1, 2016. He works M -F with no additional hours or comp time available to him. He is not eligible for vacation or FMLA. He requests to take a week without pay (Aug 22 – 26) to care for his daughter following surgery as he doesn't have enough sick leave. Is Nic benefit eligible for August?

Review ACA Measurement Period: Monthly

- Example: #3 Monthly

- Nic Newby was hired Dec 15, 2015 as a full time employee and enrolled in coverage Feb 1, 2016. He works M -F with no additional hours or comp time available to him. He is not eligible for vacation or FMLA. He requests to take a week without pay (Aug 22 – 26) to care for his daughter following surgery as he doesn't have enough sick leave. Is Nic benefit eligible for August?
- Does he have **130 Hours of Service** in August? Yes, he worked 144 hours and is benefit eligible in August.
- What if Nic's request was the last week of July resulting in **128 Hours of Service** for the month of July?
- He isn't benefit eligible in July as it is under 130 hours. The appointing authority could permit Nic to work on a special project earlier in July that would increase his hours to 130 hours for the month in order to make him benefit eligible. He would be benefit eligible for COBRA for July.

Initial & Standard Eligibility Determination Process

- Insurance Group Representatives
 - Submit a New ACA Compliance Report form **within 3 days of event**
 - Documents new hires, changes in employment status, changes in payroll, document leaves, breaks in service, temp agency hires, hires with prior county service (ACA requires credit for special leaves)
 - Provide documentation for new hires from appointing authority
 - Communicate with payroll officer
- Commissioners' Office Staff
 - Determines eligibility based on info from ACA Compliance Report form and communicates to Group Reps
 - Calendar year eligibility is determined by calculating Hours of Service during the Standard Measurement Period Oct - Oct
 - Calculate using software that tracks payroll supplemented by information on the ACA Compliance Report form
 - Group Representatives to confirm data

Monthly Determination Process

- Insurance Group Representatives
 - Work with Payroll Officer to determine Hours of Service for employees in Monthly Measurement Method
 - Track hours of service monthly
 - Use of available paid leave
 - Work with new hires for unpaid leave to ensure 130 hours per month
 - FMLA eligibility after 1250 hours (feet on the floor) and employed for 12 months preceding the request
 - Look forward for schedule changes; discipline such as unpaid leave of absences
 - Resignation/terminations may result in loss of coverage retroactive to first day of month
- Commissioners' Office Staff
 - Provide list of employees in Monthly Measurement Method

Follow Up

- Manage Employee's Schedule
 - Initial Measurement Periods – know which employees will become benefit eligible
 - Monthly Measurement Periods – ensure they get 130 hours of service to avoid retroactive terminations, offer of COBRA, then reinstatement
- Communicate Leave Policies with First Year Employees
 - Is comp time available?
- Initiate Disability Separation Discussions when Necessary
 - Two year reinstatement rights for Voluntary or Involuntary Disability Separation
- When in Doubt Call
 - Remember benefit eligibility may be very important to employees