The Affordable Care Act (ACA)  
Updated February 2014

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AGENDA

• ACA Key Elements Impacting Faculty, Staff, and Student Workers
• 2014 State and ASU Policy Compliance Audit
• New 2015 State and Federal Definitions — 2014 Changes Coming
• ACA Measurement and Stability Periods
ACA
Key Elements
Impacting Faculty, Staff, and Student Workers
ACA Key Elements*

To Date

- **Existing** Preventative care coverage required.
- **Existing** No Pre-existing limitations allowed.
- **New** Dependent children eligible to age 26, regardless of marital and student status.
- **New** Health care coverage cannot be terminated retroactively, unless employee fraud or non-payment.

*Does not include all ACA elements (i.e., Medicare, non-grandfathered health care plans and other employer mandates).
ACA Key Elements* Cont’d

- **New** Health care flexible spending accounts (FSAs) maximum reduced to $2500 per calendar year.
- **New** No non-prescription drug reimburse in health FSA or HSA plans.
- **New** Summary of benefits and coverage (SBC) distributed to you and posted on Benefits website.
- **New** Form W-2 reporting of total health coverage costs.
- **New** Higher Medicare payroll tax on wages exceeding $200k (single) or $250k (couples).

*Does not include all ACA elements (i.e., Medicare, non-grandfathered health care plans, and other employer mandates).
ACA Key Elements* Cont’d

• **New** Health insurance marketplace notices to all employees (including student workers).

• **New 2014** Individual coverage mandate with financial assistance for lower-income families.
  – ASU Health Plan coverage meets this requirement.
  – Not eligible, see healthcare.gov for Marketplace.

• **New Feb 12, 2014** Student Work-Study Programs will not be counted in determining ACA eligibility.

*Does not include all ACA elements (i.e., Medicare, non-grandfathered health care plans, and other employer mandates).*
More ACA Elements Coming

2014
• Auto enrollment some time after 2014.

2015
• Large employer shared responsibility mandate for variable employees (FA/AAs, Undergraduate and Graduate Students, Seasonal and PRN Employees).

2016
• Small employer (50 – 99 employees) shared responsibility mandate for variable employees.

2018
• 40% excise tax on high-cost plans.
2014
State and ASU Policy
Compliance Audit

To ensure compliance with state statute and prepare for the mandated ACA changes, the HR Benefits Design and Management office will be auditing all job and payroll data.

With your Department’s Assistance
2014 Employment Guidelines

• Faculty/Academic Associates - 40% FTE

• Instructors/Lecturers increased with ACA
  – 50% FTE; or
  – Have another full-time, benefits-eligible job.

• Student Workers - Average 25 hrs per week (less work-study program) during measurement period

• And more on the ASU ACA website:
  – Part-time Teaching Jobs
  – Part-time Teaching Jobs - Summer 2014
  – Undergraduate and Graduate Student Workers

Please monitor cfo.asu.edu/hr-aca regularly for ACA Compliance Updates.
Current Definitions

• **Short-Term Temporary**
  Less than 6 months of employment with ASU
  – After 5 full months or at the beginning of 2\textsuperscript{nd} consecutive semester, status must be changed.

• **Long-Term Temporary**
  Academic Personnel or Student Employment Only for 6+ months
  – Post-Doctoral Scholars, Lecturers and Instructors
  – Faculty Associates, Faculty Research Associates and Academic Associates
  – Undergraduate and Graduate Student Employees
  – Not available for Staff / Staff must be Regular

Please monitor [cfo.asu.edu/hr-aca](http://cfo.asu.edu/hr-aca) regularly for ACA Compliance Updates.
Current Definitions

• **Seasonal – Staff Only**
  - Less than five consecutive months and occurs the same time every year.
  - Not available for academic personnel or student employment.

• **PRN**
  - Positions worked hourly as needed only / no regular schedule
    • If regular schedule, use part-time employment status
  - Jobs normally exempt will have PRN in title

Job and Payroll Data must be accurate to successfully measure ACA eligibility. Standard measurement period is Oct 2013 – Sept 2014.
Additional Points of Audit

• Standard hours and FTE must be accurate and reasonable

• Reasonable salary based on standard hours

• Analysis of stipends is underway
  – Must have hours associated with service performed.
  – Subject to federal audit.

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Compliance Audit

Benefits Liaisons in your department are receiving:

• Listings of employee job data to be researched and corrected; deadlines specified upon distribution.

• ACA Eligibility Trending Reports.

Estimated ASU Cost for ACA Non-Compliance
$20 million per year.
Final federal ACA regulations were published February 12, 2014.
2015 State Definitions

Health, Life and Disability
Benefits-Eligible Faculty and Staff

• is regularly scheduled to work at least 20 hour per week for at least 90 days,
• excluding a variable employee, unless the employee is determined to have worked an average of at least 30 hours per week using a 12-month look-back period.

To comply with ACA, Short-Term Temporary employment status will change from less than six months to less than 90 days.
Variable (Schedule) Employee*

An employee, if based on the facts and circumstances at the employee’s start date, for whom the employer cannot determine whether the employee is reasonably expected to be employed (including any paid leave) on average at least 30 hours per week over a 12-month measurement period, because the employee’s hours are variable or otherwise uncertain.

*2015 State definition to comply with ACA regulations.
2014 Changes Coming for ACA

• Change Short-term Temporary to **Variable** for:
  – Faculty Associates, Faculty Research Associates and Academic Associates
  – All Undergraduate and Graduate Student Employees
  – All Seasonal Staff (one time per year less than 6 months)
  – All Short-term Temporary (less than 90 days)
  – All PRN Faculty, Academic Personnel and Staff

• Inactivate Seasonal

• Inactivate PRN (Jobs normally exempt will continue to have PRN in job title.)

*Subject to further analysis and change*
2015 Retirement Eligibility*

• No Change.

• Faculty and staff must enroll in a mandatory retirement plan **within 30 days** of their hire/eligibility date if they are expected to **work 20 hours or more** for **20 weeks** in a fiscal year.

*As mandated by Arizona State Statute*
ACA
Measurement and Stability Periods
Transition (First) Periods

Measurement Period

- Applies to all variable (non-benefits eligible) employees hired before October 1, 2013.
- October 1, 2013 – September 30, 2014

Stability Period

If average 30 or more hours per week:
- Offered health, life and disability coverage during 2015 Open Enrollment
  - Not eligible for tuition waiver or paid leave benefits plans
- Coverage January 1, 2015 – December 31, 2015 if employed

Coverage cannot be cancelled if the employee averages less than 30 hours per week during the stability period.
Initial (New Hires) Periods

Measurement Period

- Applies to all variable (non-benefits eligible) employees hired on or after October 1, 2013.
- Begins the first of the month following date of hire.
- Continues for 12 months.

Stability Period

If average 30 or more hours per week:

- Offered health, life, and disability coverage during a 30-day enrollment period
  - Not eligible for tuition waiver or paid leave benefits plans
- Coverage starts the 13\text{th} month and continues for 12 months if employed

Coverage cannot be cancelled if the employee averages less than 30 hours per week during the stability period.
Standard Periods

**Measurement Period**

- Applies to all variable (non-benefits eligible) employees in HRIS on October 1st
- October 1 – September 30 each year.

**Stability Period**

If average 30 or more hours per week:

- Offered health, life and disability coverage during Open Enrollment
  - Not eligible for tuition waiver or paid leave benefits plans
- Coverage January 1 – December 31 if employed

Coverage cannot be cancelled if the employee averages less than 30 hours per week during the stability period.
QUESTIONS ?

ACA online: cfo.asu.edu/hr-aca