The Affordable Care Act (ACA)

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AGENDA

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

Continued

• 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.

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

Continued

• *New* Higher Medicare payroll tax on wages exceeding $200k (single) or $250k (couples).
• *New* Health insurance marketplace notices to all employees (including student workers).

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

2014

- Individual coverage mandate with financial assistance for lower-income families.
  - ASU Health Plan coverage meets this requirement.
- Auto enrollment some time after 2014.

2015

- Employer shared responsibility mandate for variable employees (FA/AAs, Undergraduate and Graduate Students, Seasonal and PRN).

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.

Your Assistance is Needed...
2014 Employment Guidelines

• Faculty/Academic Associates - 40% FTE
• Instructors/Lecturers
  – 50% FTE; or
  – Have another full-time, benefits-eligible job.
• Student Workers - Average 25 hrs per week for their measurement period.
• And more on the ASU ACA website:
  – Part-time Teaching Positions
  – Undergraduate and Graduate Student Workers

Please monitor cfo.asu.edu/hr-aca regularly for ACA Compliance Updates.
2014 Definitions for Compliance

• **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

Please monitor [cfo.asu.edu/hr-aca](http://cfo.asu.edu/hr-aca) regularly for ACA Compliance Updates.
2014 Definitions for Compliance

• 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.
  - More guidance to come….

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

Benefits Liaisons will receive:

• An Employment Matrix to assist field HR representatives to create or correct position and job data.

• Listings of employee job data to be researched and corrected; deadlines to be determined.

See HR Benefits Partners listing in the HR Business Center at cfo.asu.edu/hr-benefitspartners for your Benefits Liaison.
New 2015
State and Federal Definitions

IMPORTANT: Federal ACA regulations are not final and are subject to change.
Proposed 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.

*Proposed 2015 State definition to comply with ACA regulations.
Proposed 2014 Changes Coming…
To Prepare for 2015 ACA Mandate

• Add Variable for:
  – Faculty Associates, Faculty Research Associates and Academic Associates
  – All Undergraduate and Graduate Student Employees
  – All Seasonal Staff
  – 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*
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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 13th 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 1\(^{st}\)
- 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