

PPACA 30+ Hour Rule

Procedure Guide

ACA 30 Hour Rule Mandate Summary

The implementation of the Employer Mandate provision of the Affordable Care Act is effective January 1, 2015. Compliance with this mandate requires Murray State University to offer benefits during the transition year (2015) to at least 70% of the employees that work a minimum of 30 hours per week. All subsequent years the requirement will increase to 95% of the employees that work a minimum of 30 hours or more per week. New employees who are reasonable expected to work ACA full-time hours will be considered ACA benefits eligible on January 1, 2015. New employees for whom it cannot be determined that the employee is reasonably expected to work on average at least 30 hours per week will be considered variable hours employees. The actual hours worked or an hours worked equivalent method must be tracked in order to determine ACA full-time or part-time status under the ACA guidelines for health insurance eligibility.

The ACA offered a special rule providing employers the option to use an Initial Measurement Period (between 3 and 12 months) to make a reasonable determination on whether a variable hours employee should be considered ACA full-time. Human Resources will use a 12 month Initial Measurement Period for variable hour employees. If an employee is determined to be eligible for coverage after the Measurement Period, a Stability Period of 12 months must also be implemented. This means ACA benefits coverage for those eligible must be extended for the following 12 month period, even if an employee's average hours per week falls below the 30 hour threshold during that period.

Definitions:

ACA Full-time – Average of 30 hours per week or greater on an ongoing basis. ACA full-time differs from MSU's definition of a full-time employee.

ACA Part-Time Employee – Average less than 30 hours per week on an ongoing basis.

ACA Benefits Eligible – Eligible for Health Insurance coverage only. ACA Benefits Eligible differs from MSU's definition of a full-time benefits eligible employee.

Variable Hour Employees – Temporary Employees, Student Workers, Graduate Assistants, Part-Time Non-Exempt Staff, Part-Time Exempt Staff and Faculty, One-Time Payments, and Adjunct Instructors.

Background on MSU Guidelines

Due to the various types of work performed across the complex University structure, tracking actual hours worked presents a challenge in several categories. Some examples of areas of that require additional attention are part-time exempt and one-time payments. Part-time exempt are paid a flat amount for their service and hours are not currently tracked. One-time payments are paid a flat amount for work performed which is often sporadic and not well defined in terms hours per week. It is important to note that all hours worked for the institution over the 12 month Measurement Period must be aggregate for use in the determination of ACA full-time status.

Going forward systems and processes for paying our variable hours employees are being modified to include actual hours worked or an hours worked equivalent method so hours per week can be tracked, aggregated, and monitored closely. Non-compliance with this mandate carries severe financial penalties for the institution. Therefore, an effective system for tracking, and compliance with that system, is imperative.

MSU Guidelines

Included are Murray State University's procedures for various items related to the Patient Protection and Affordable Care Act (PPACA).

PPACA Period (IRS title)	Period Start & End	Comment
Initial Measurement or Look Back Period	Oct 16, 2013 to Oct 15, 2014	Monitor hours of all employees.
Initial Administrative Period	Oct 16, 2014 to Dec 31, 2014	Eligible employees are informed & offered health insurance.
Initial Stability Period	Jan 1, 2015 to Dec 31, 2015	Employees enrolled in the health plan receive coverage.

Coverage for various groups:

- 1) **Temporary Employees** – Non-exempt position to fill in a temporary capacity.
- 2) **Student Workers** – Part-time employee, who is duly enrolled at MSU, is registered for classes, and whose primary purpose is the achievement of a degree or certification. Not permitted to work more than 20 hours each week at any part of the year. Exceptions are coordinated by the Office of Financial Aid. For ACA tracking student worker category does not include Federal Work Study positions.
- 3) **Graduate Assistants** – Part-time employee who is duly enrolled at MSU, and whose purpose is the achievement of a graduate degree. Eligibility is established by the Provost's Office. Not permitted to work over 20 hours week, limited to up to 9 hours of additional work per week of additional work (maximum of 29 hours per week).
- 4) **Part-time Non-Exempt Regular Staff** – Hourly position working less than 30 hours per week.
- 5) **Part-time Exempt Regular Staff and Faculty** – Budgeted position less than .80 FTE's.
- 6) **Adjunct Instructors** – Part-time, non-salaried, faculty members who are paid for each particular class they teach. ACA health insurance eligibility will be based on the following criteria, areas over 30 hours would be ACA benefits eligible.

Length of Course (weeks) *	1 Credit Hour = X# work hours	Credit hours that will result in the following work hours for each week of teaching*					
		2	3	4	5	6	7
16	2.25	4.5	6.75	9	11.25	13.5	15.75
12	3	6	9	12	15	18	21
10	3.6	7.2	10.8	14.4	18	21.6	25.2
8	4.5	9	13.5	18	22.5	27	31.5
5	7.2	14.4	21.6	28.8	36	43.2	50.4
4	9	18	27	36	45	54	63
2	18	36	54	72	90	108	126

1	36	72	108	144	180	216	252
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*A regular full Fall or Spring semester is 16 weeks.

- 7) **One-time payment** – Single event with a start and end date, usually assigned to special events and/or defined short term project. If dates exceed 3 months and/or project does not meet one-time payment requirements, project or event may be evaluated for reclassification.
- 8) **ESL Instructors – Follows 1:2 contact hour ratio** - PA needs to include duration and hours per week based on the 1:2 ratio already established. One contact hour will equate to two hours of work per week. If hours exceed 30 hours per week or greater the employee would be ACA benefits eligible. For example, a four contact hour course taught by an ESL instructor will equate to eight work hours per week.

ACA Penalty Assessed: A \$3,000 penalty per eligible member may apply in certain situations if a person averages 30 hours or more per week during the measurement period and is not offered health insurance during the stability period. The full penalty would be charged to the faculty or staff member's primary or current department per standard MSU policy and procedure.

Questions? Please contact any of the following in HR:

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MSU Guidelines

<i>Position</i>	<i>MSU Tracking Requirements</i>	<i>MSU Guideline for ACA Health Insurance Eligibility**</i>
Temporary Employees	Actual hours worked	Average 30 hours per week or greater
Student Workers	Actual hours worked	Average 30 hours per week or greater
Graduate Assistants	Continue 20 hour per week limit, monitored by department and Provost's office.	Average 30 hours per week or greater
Part-time Regular Staff & Faculty (Exempt & Non-exempt)	FTE must be listed on PA	.8 FTE or greater
Adjunct Instructors	Based on credit hour/length of course chart	29 hours or greater
<i>One time payments</i>		
Regular Part-time Exempt	Must enter the following information on the PA: - Duration of project, start and end date - Must assign hours per week for the full duration	Average of either the hours required for the one-time payment or a combined total of hours for the one-time payment and all other positions averages 30 hours or greater.
Regular Part-time Non-Exempt	Must enter the following information on the PA: - Duration of project, start and end date - Must assign hourly rate to be paid	
Temporary Employees	Must enter the following information on the PA: - Duration of project, start and end date - Must assign hours per week for the full duration	

**If the limit is exceeded, the employees are eligible for health benefits. Benefits will be charged to the employee's primary or current department per standard MSU policy and procedure.

MSU ACA & Retirement Guidelines Combined

Position	KERS Rules*	KTRS Rules*	PPACA Rules**	MSU Guideline for Health Insurance Eligibility**
Temporaries 20 to 29	Cannot work an average of 100 hours or more per calendar month.	Not applicable		Average 30 hours per week or greater
Temporaries 30+	Cannot work more than 9 calendar months during a calendar or fiscal year.			Average 30 hours per week or greater
Student Workers	Cannot work an average of 100 hours or more per calendar month.	Not applicable	Federal Work Study student employees are exempt from the 30 hour rule. Other students are not exempt from the PPACA as of 6-1-2014.	Average 30 hours per week or greater
Graduate Assistants	Not applicable	Not applicable		Average 30 hours per week or greater
Exempt Regular Staff & Faculty (Part-time)	Cannot work an average of 100 hours or more per calendar month.	If the position exceeds 70% (26.5 hours), the employee is eligible for KTRS benefits.	Cannot average 130 hours or more per month.	.8 FTE or greater
Adjunct Instructors	Not applicable	Not applicable	Cannot average 30 hours or more per week.	29 hours or greater

*If the limit is exceeded, then employees are eligible for KERS or KTRS. If this occurs, then Murray State and the employee must make retirement contributions.

**If the limit is exceeded, the employees are eligible for health benefits. Benefits will be charged to the employee's primary or current department per standard MSU policy and procedure.

HR staff are available to answer questions at msu.hr@murraystate.edu or 270-809-2146.

Subject to change based on legislative updates.