



SALUS UNIVERSITY
Affordable Care Act What You Need to Know

What Does the ACA Require?

Effective January 1, 2015, the Patient Protection and Affordable Care Act (PPACA) requires large employers (50 or more employees) such as Salus to offer health insurance benefits to any employee averaging 30 hours or more per week. Effective November 1, 2015, Salus University will offer benefits to all employees working at least 26 hours per week (0.75 FTE).

Although this portion of the law did not take effect until January 1, 2015, the “measurement period” that will be utilized to determine employee eligibility for employer-sponsored health insurance benefits began November 1, 2014. More details about the measurement period are provided below.

Current Benefits Eligible Employees

Salus University currently offers Health Insurance coverage to

- Academic and Administrative Employees on a Letter of Appointment with Benefits who are working at least 50% FTE; Full Time Employees who are members of Local 511 (working at least 40 hours per week).

NOTE: Full Time Employees who are members of Local 1776 (working at least 35 hours per week) are eligible to receive health insurance from Local 1776.

As of November 1, 2015, Salus will offer Health Insurance coverage to:

- Academic and Administrative Employees on a Letter of Appointment with Benefits who are working at least 75% FTE;
- Full Time Employees who are members of Local 511 (working an average of 26 hours per week);

Full Time Employees who are members of Local 1776 (working an average of 26 hours per week) are eligible to receive health insurance from Local 1776.

Employees Who Are Currently Not Benefits Eligible, but May Be Impacted by ACA

The following employees do not meet eligibility requirements for coverage:

- Casual, Temporary;
- Student employees; (non-work study)
- Academic and Administrative Employee on a Letter of Appointment who are hired for less than 0.75 FTE;
- Part Time Employees who are members of Local 511; Part Time Employees who are members of Local 1776.

For these employees, hours will need to be measured to determine benefits eligibility under ACA. It is essential for departments to monitor the employment of and hours worked by these employee types.

Terms Under ACA

Under the ACA guidelines, each employer is responsible for tracking and monitoring employee status and ensuring that eligible employees are offered health coverage. Salus University has elected to use the following measurement periods under the ACA's safe harbor rules to determine full time employee status for ACA purposes.

Effective November 1, 2015, a Benefit eligible employee is any employee of Salus that works an average of twenty six (26) hours or more per week over an entire "Standard Measurement Period".

Hours of service is the time that each employee:

- Performs work for the benefit of the employer;
- All hours for which employees are paid or entitled to be paid;
- All hours for which employees are entitled to be paid although they may not be performing labor for the employer. This includes time off for vacation, sick, military duty, or other leaves of absence where the employer has agreed to pay the employee.

For ACA purposes, the following terms are defined:

Measurement period is the look-back period that is used to determine whether a variable hour employee is working a full-time schedule.

Initial Measurement Period is a ten month period where a new hire's hours are measured to determine benefits eligibility (November 1, 2014 to August 31, 2015). An employee needs to work an average of 26 hours per week during this period to be eligible for benefits.

Standard Measurement Period is a twelve month period of time annually that Salus will use to determine benefits eligibility under ACA. Salus has elected a standard measurement period of September 1 to August 31 of each year.

Administrative Period is a two month period after a Measurement Period when Salus will review employee hours and determine eligibility as well as offer insurance to eligible employees.

Stability Period is a twelve month period where eligible employees who elect health care coverage maintain their coverage while employed even if their hours during this stability period falls under 26 hours per week.

Calculating "Hours of Service"

Hour of service includes:

- Hours Worked. Each hour for which the employee is paid, or entitled to payment, "for the performance of duties";
- Paid-Time Off. Each hour for which the employee is paid, or entitled to payment, for the period of time due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty, or leave of absence (up to 160 continuous hours).

Independent Contractors/Leased employees – are not considered employees of Salus and are not eligible for benefits from Salus.

Federal Work Study Program – hours worked under this program do NOT count as “hours of service” under ACA.

Existing Employees

Effective November 1, 2015, to be eligible for benefits during a Stability Period, an employee needs to have worked an average of 26 hours per week during Salus’ Standard Measurement Period (September 1 to August 31). If they meet this threshold, then they will be offered health benefits the first of the month following a two month administrative period. The employee is then able to keep that coverage for a full twelve months (stability period) while employed even if their hours during that time falls under 26 hours per week.

In order to keep their benefits after that first stability period, the employee needs to work an average of 26 hours per week during Salus’ subsequent Standard Measurement Period (September 1 to August 31).

Example - Existing employee active as of November 1, 2014:

- November 1, 2014 Salus will start tracking time (The initial measurement period will be November 1 – August 31).
- During the administrative period of September 1, 2015 through October 31, 2015, the data will be reviewed to determine eligibility and notify employees who have become eligible for employer-sponsored benefits.
- If an employee works an average of 26 hours per week during the measurement period, he/she must be offered employer-sponsored benefits for a period of time in the future known as the stability period.
- The initial stability period will be from November 1, 2015 thru October 31, 2016. During this time, eligible employees who opt to receive employer-sponsored benefits will continue to receive the coverage regardless of hours worked during the stability period.
- Annual reviews will continue thereafter using the standard measurement period.

New Hires

To be eligible for benefits a new hire needs to have worked an average of 26 hours a week during their Initial Measurement Period. If they meet this threshold, then they will be offered health benefits the first of the month following a one month administrative period. The employee is then able to keep that coverage for a full twelve months (stability period) while employed even if their hours during that time falls under 26 hours per week.

In order to keep their benefits after that first stability period, the employee needs to have worked an average of 26 hours per week during Salus’ Standard Measurement Period (November 1 to August 31).

For a calendar of the measurement periods, administrative periods, and stability periods for existing and new employees, [click here](#).