



# Affordable Care Act Compliance

May 2014

*Presenters:*

**Jennifer Gehrt**, Director of Human Resource Services

**Carol Shanklin**, Dean of the Graduate School

**Alma Deutsch**, HRIS Lead Functional Analyst/Trainer

# Affordable Care Act Compliance Agenda

- o What is the Affordable Care Act?
- o Non-Compliance Consequences
- o New Policies/Procedures at K-State
- o Tracking Hours of Work
- o eTime Demonstration
- o Questions?



# What is the Affordable Care Act?

- o Signed into federal law on March 23, 2010
- o Overall Intent: Increase the affordability and rate of health insurance coverage for Americans, and reduce the overall costs of health care for individuals and the federal government.
- o Employer must provide health insurance to full-time employees— those who average 30 hours of work per week

# Non-Compliance Consequences

- o Final regulations issued by Internal Revenue Service on February 11, 2014.
- o To avoid IRS penalty, K-State must offer health coverage to 70% of their full-time employees in 2015 and 95% in 2016 and beyond.
- o Penalty: \$2,000/year times the number of all full-time employees – if even only one non-covered employee enrolls in Exchange and receives Federal subsidy:
  - o In 2015 1<sup>st</sup> 80 employees excluded
  - o In 2016 1<sup>st</sup> 30 employees excluded
- o Potential Penalty About \$10 Million/year for K-State



New Policies/Procedures  
Needed at K-State



# Defining Employee Eligibility

- o “Look-back” Measurement Period: A period over which K-State tracks employee’s hours of service to determine average hours per week.
- o State of Kansas has defined Measurement Period/Look Back Period = 1 year
  - Oct. 15, 2013 through Oct 14, 2014
  - Rolling year thereafter for new employees

# Health Insurance Under ACA

- o Insurance Effective January 1, 2015
- o Full-time coverage for benefits-eligible employees will be .75 FTE (rather than .9 FTE) effective January 1, 2015.
- o On May 7, 2014 Health Care Commission revised State Employee Health Plan coverage regulation:
  - o Hourly Students/Graduate Students = 1560 hours
  - o Adjuncts/Temporary Faculty = 1560 hours
  - o Part-time Temporary Staff/Non-instructional faculty = 1,000 hours



# Health Insurance Under ACA

- o State as one employer—hours worked for any state agency must be counted in determining average hours worked per week.
- o When meeting health insurance requirements, will receive health insurance coverage for an entire year as long as employed in any capacity.
  - For example, if coverage begins 1/1/2015, employee eligible for health insurance coverage for all of 2015, even with decreased hours of work.

# Graduate Student Assistant Health Insurance

- o Student health insurance is compliant with ACA but does not satisfy K-State's responsibility to offer minimum essential coverage to full-time employees.
- o "Minimum essential coverage" means a group health plan but the student plan is defined as an individual insurance, not group health insurance.
- o Student plan does not meet continuation of benefits at termination (COBRA) regulations.

# Tracking Hours for ACA

- o Tracking Hours for Hourly Employees is not an issue as hours already tracked.
- o NEW: Temporary, Part-time Salaried Employees (non-benefits eligible) must track hours of work each pay period:
  - Graduate Teaching Assistants
  - Graduate Research Assistants
  - Part-time Staff
  - Part-time non-instructional faculty



# Tracking Hours for Salaried Employees - Effective May 25, 2014

- Hours reported by temporary, part-time salaried staff, non-instructional faculty and graduate students will not affect pay; only used for compliance tracking purposes.
- Utilize new eTime reporting process in HRIS—nearly identical to current hourly student eTime.
- Hour Tracking Reports under development by HR.

# Graduate Student Assistant- FICA Exemption

- Graduate student employees are exempt from Social Security and Medicare taxes while enrolled in at least 6 credit hours during a fall or spring semester; 3 credit hours during the summer.
- Employees with F-1 or J-1 visas are not subject to these taxes.
- When the Graduate School approves on an exception basis a reduced course load in the student's final semester, student qualifies for Social Security and Medicare tax exemption.

# Graduate Student Assistants

- o Graduate Student Assistants track actual hours worked directly related to assigned hours for assistantship stipends.
- o Hours worked beyond the assigned time should be directly related to fulfilling the requirements for an advanced degree and achieving student's career goals—these hours not tracked.
- o Expectations over period of appointment:
  - .4 FTE = average of 16 hours/week
  - .5 FTE = average of 20 hours/week



# Graduate Student Assistants

- o Department Head/Supervisor will meet with graduate student to discuss expectations of hours and responsibilities associated with the assistantship at the beginning of any new appointment or when there are changes.
- o Time Reporting each pay period is a condition of employment.

# Tracking Instructional Faculty

- o Special provision of ACA regulations allows for tracking based on course load rather than actual hours worked.
- o Course load/FTE/Hours of Work Chart on next slide used only for Part-Time, Temporary Teaching Faculty (non-benefits eligible).
- o FTE can be increased based on other duties (office hours, meetings, labs, etc.)

# Instructional Faculty FTE Chart

Credit Hours Taught	Hours/Week	FTE
16	40.0	1.00
15	37.5	.94
14	35.0	.88
13	32.5	.81
12	30.0	.75
11	27.5	.69
10	25.0	.63
9	22.5	.56
8	20.0	.50
7	17.5	.44
6	15.0	.38
5	12.5	.31
4	10.0	.25
3	7.5	.19
2	5.0	.13
1	2.5	.06

Compliant with ACA Guidelines



# FTE Chart Not for GTAs

Several Reasons Why Not:

- GTAs are inconsistently listed as Primary Instructor in iSIS from department to department; differing expectations
- May result in lower FTE assignment with unintended consequences:
  - ✓ GTAs must be appointed .5 FTE for eligibility for employer contribution to student health plan
  - ✓ Reduces tuition waiver benefits

# ACA: Hourly Student Workers

- No Change in Current Policy Based on IRS/FICA exemption rules:
  - Hourly Students limited to working 30 hours/week when classes in session & finals; 40 hours/week during school breaks and when not enrolled in the summer.
  - Immigration Policy: Students on F1 or J1 visas limited to 20 hours/week when classes in session & finals.
  - Graduate Student Assistants concurrently employed as an hourly student have same limits.

# ACA: Hourly Student Workers

- Average 30 hours or more/week for one year = Health Insurance Eligible (1560 hours)



# Tracking Hours Demonstration

## Employee with Multiple Positions

Favorites Main Menu > Employee Self Service > Time Reporting > Time Entry

### Time Entry

Search

Clear

[Basic Search](#)



[Save Search Criteria](#)

### Search Results

[View All](#)

First 1-2 of 2 Last

Department	Description	Position Number	Empl Record	Supervisor Name
<a href="#">3670020050</a>	<a href="#">Biochem Molecular Biophysics</a>	<a href="#">W0030260</a>	<a href="#">0</a>	<a href="#">Klebba,P</a>
<a href="#">3670020050</a>	<a href="#">Biochem Molecular Biophysics</a>	<a href="#">W0008784</a>	<a href="#">1</a>	<a href="#">Klebba,P</a>

# Tracking Hours Demonstration

Time Entry

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### eTime Document

**Name:** Alyahya,L

**Job Title:** Graduate Research Assistant

**Dept:** Biochem Molecular Biophysics

**Empl ID:** W0000091794

**Pos Nbr:** W0030260

**Sub-Unit:**

**Rcd#:** 0

**Supr:** Klebba,P

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[Click for Instructions](#)
\*View Other Pay Period

From Sunday 5/25/2014 to Saturday 6/7/2014

Timesheet

*Earn Type	Sun 5/25	Mon 5/26	Tue 5/27	Wed 5/28	Thu 5/29	Fri 5/30	Sat 5/31	Sun 6/1	Mon 6/2	Tue 6/3	Wed 6/4	Thu 6/5	Fri 6/6	Sat 6/7	Total Hrs		
ACA <input type="button" value="v"/>			4.00	4.00	4.00	4.00			4.00	4.00	4.00	4.00	4.00		36.00	<input type="button" value="+"/>	<input type="button" value="-"/>

When classes and/or final exams are in session, student employees are limited to 30 hours/week and student employees who hold a F-1 or J-1 visa are limited to 20 hours/week.  
[KSU PPM, Chapter 4720](#)

**Hours This Position:** 36.00

**Hours Other Position(s):** 18.00

**Total Hours Paid:** 54.00

Save For Later

Submit for Approval

# Approving Hours Demonstration

Favorites Main Menu > Manager Self Service > Time Management > Approval List

## Approval List

### eTime Document Submitted for Approval

Department: 3670020050 Biochem Molecular Biophysics

Pay End Date: 06/07/2014

Department Supervisors

Klebba, P

Approve All

Bainter, M  
Chen, J  
Davis, L  
Dittmer, N  
Durrett, T  
Geisbrecht, B.  
Geisbrecht, E  
Gorman, M  
Huang, S  
Kanost, M  
Klebba, P  
Krishnamoorthi, R  
Muthukrishnan, S  
Newton, S

[Click for Instructions](#)

### Employees

Find | View All First 1-18 of 18 Last

Emplid	Rcd#	Name 1	Hrly Rate	Total In-Pay		Job Title	Approved	Last Updated By
				Hours Reported				
<a href="#">W0000088551</a>	1	Jordan, L	\$15.00	0.00		Student	<input type="checkbox"/>	
<a href="#">W0000088345</a>	2	Shipelskiy, Y	\$15.00	0.00		Student	<input type="checkbox"/>	
<a href="#">W0000084497</a>	1	Al Souhail, Q	\$18.00	0.00		GradTchAst	<input type="checkbox"/>	
<a href="#">W0000091794</a>	0	Alyahya, L	\$18.00	0.00		Grd Rs Ast	<input type="checkbox"/>	LALYAHYA 5/27/2014 10:24AM
<a href="#">W0000091794</a>	1	Alyahya, L	\$18.36	18.00		GradTchAst	<input type="checkbox"/>	LALYAHYA 5/27/2014 10:25AM
<a href="#">T0000014152</a>	1	Balthazor, J	\$18.36	0.00		GradTchAst	<input type="checkbox"/>	
<a href="#">W0000092425</a>	0	De Silva, W	\$18.00	0.00		Grd Rs Ast	<input type="checkbox"/>	
<a href="#">W0000092425</a>	1	De Silva, W	\$18.00	0.00		GradTchAst	<input type="checkbox"/>	
<a href="#">W0000092146</a>	1	Green, N	\$18.00	18.00		GradTchAst	<input type="checkbox"/>	NICGREEN 5/27/2014 10:10AM
<a href="#">W0000088297</a>	0	Hanson, M	\$18.00	0.00		Grd Rs Ast	<input type="checkbox"/>	
<a href="#">W0000088551</a>	0	Jordan, L	\$28.15	0.00		Grd Rs Ast	<input type="checkbox"/>	

Approval Check Boxes