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Patient Protection & Affordable Care Act (ACA) [1]

Definition

Under the Affordable Care Act—the university must offer medical benefits that provide minimum essential coverage to its full-time employees or be liable for a significant yearly tax.

In general, the university offers medical, retirement, leave and other employer-provided fringe benefits to most faculty and staff members with regular appointments greater than 50%. Additionally, the university offers medical benefits to full-time employees, as defined by the Affordable Care Act, who may not otherwise be eligible for medical benefits. A full-time employee is an employee who is employed an average of at least 30 hours of service per week.

Employment Measurement Methods

The university uses the ACA approved look back method for all fiduciary employees (paid employees).

Hourly Appointments

For hourly employees who are not reasonably expected to be full-time employees, the university will use the look-back measurement method. If an employee worked on average at least 30 hours per week during the 12-month look-back period, the university will offer the employee medical benefits during the subsequent 12-month stability period, regardless of the employee's actual number of hours worked during the stability period.

The university's look-back period will run from May 1 of the previous year to April 30 of the current year.

Any hours of service performed by students in positions subsidized through the federal Work-Study program or a substantially similar state program are not included in determining whether a student employee worked on average at least 30 hours per week.

For more information, download our guide to the Affordable Care Act (ACA) for Employees Holding an Hourly Appointment [2].

If the hours worked average 30 hours per week for the entire lookback period, the employee will be eligible for medical benefits for the year following the lookback period.

- Breaks greater than 2 pay periods and less than 13 pay periods cannot be used in the average.

The department (s) who create the eligibility will be financially responsible for the medical benefit premiums for the next year.

Student hourly employees can only work 25 hours per week or 50 hours per pay period during fall and spring semesters as required by applicable campus policies.

Offer letters for all appointments should include the following statement:

- Student employees are not permitted to work more than 25 hours per week between all appointments within the University of Colorado system.

Monthly/Contract Positions

For employees with monthly and/or contract position(s), who are not reasonably expected to be full-time employees, the university will use the look-back measurement method. If an employee worked on average at least 30 hours per week during the 12-month look-back period, the university will offer the employee medical benefits during the subsequent 12-month stability period, regardless of the employee's actual number of hours worked during the stability period.

The university's look-back period will run from May 1 of the previous year to April 30 of the current year.

A monthly hours worked value is calculated for contract positions and is included in the total calculation for ACA eligibility. This calculation includes the standard hours of the contract position and the number of pay periods where the employee received contract pay.

Graduate Student Appointments

Student Faculty (1500 series employees) are those students who are hired by the university to perform services such as classroom or laboratory instruction, supervision or research assignments within an academic department, or who perform administrative functions within the university, such as counselors in the residence halls or student employment office. These positions will follow either the hourly or salaried/contract procedures above depending on the method of payment.

All graduate student appointments, paid salary or contract, will become eligible for medical benefits at a 75% appointment or greater. Campuses may have restrictions in place regarding how many hours a graduate student may work. Any appointments should comply with these restrictions as applicable.

The appointment percent of time for graduate student positions will be calculated by credit hours taught in a semester or a reasonable, defendable calculation applied across the department.

Health Coverage Default

Employees must actively enroll in a CU Health Plan before their enrollment deadline, **or their enrollment will be waived**. Once you have enrolled, you may not change your medical plan until the following spring Open Enrollment period. Certain qualified family status changes will allow you to add or delete dependents.

If your medical coverage was waived because you did not take action and later become fully eligible for University benefits, you will be allowed to enroll in a medical plan at that time.

Frequently Asked Questions (FAQs)

Cost

If an employee is eligible for university health care benefits and enrolls in a university plan, what is the cost to the department?

This rate is likely to change every fiscal year. Please see the rate sheet [3].

What is the time frame that a department would be required to pay the benefit? Is the timeframe an entire year, quarter, 6 months or retroactively?

For an hourly employee, the department is required to pay the benefit annually. If the hourly employee is deemed eligible and selects health coverage, the employee is entitled to keep the benefit for the following 12 months, as long as the employee remains employed.

For a salaried employee, the department is required to pay the benefit monthly.

If an employee has multiple positions on campus, qualifies for university health care benefits and enrolls in a university plan, which department is responsible for paying?

This is a campus decision.

Dependent Coverage

If an employee is married or has children, is the university required to cover the spouse and/or family?

Under the ACA, the university is required to offer coverage for the employee and the employee's dependent children. The ACA does not require the university to offer spousal coverage but it has chosen to do so.

Hourly Employees

If an hourly employee works between 25-29 hours on average, is the university required to offer health care benefits?

No. The employee must average 30 hours per week for the 12-month period.

If an employee works 40 hours per week for 4 weeks but then works 20 hours per week the rest of the year, is he or she eligible for health care benefits?

No. In this example, the hourly employee would not be eligible for health care benefits because the employee did not work an average of 30 hours per week during the 12-month period.

If an hourly employee works 40 hours per week for eight months and does not work for four months, is he or she eligible for health care benefits?

Yes. Although the employee is averaging less than 30 hours per week during the 12-month period, the ACA regulations provide a special rule for educational organizations. Educational organizations may not include employment breaks (from 4 to 26 weeks) when determining if an employee averaged 30 hours per week for the 12-month period. In the example above, the 4-month break period is excluded and the average is determined based on the 40 hours per week for eight months. Because the employee averaged 40 hours per week during the 8-month period, the employee is eligible for health care benefits.

Calculations:

8 months x 173 hours/month = 1384 hours worked

1384 hours worked / 2080 hours (full time) = 66.5% -- **Not eligible**

However, CU must remove the 4 months where no work was completed or pay provided so:

1384 hours worked/ 1384 hours in 8 months = 100% -- **Eligible**

How are temporary employees affected?

Temporary employees paid hourly are subject to the same calculation requirements as hourly employees.

The System Student Employee Policy limits the hours a student may work based on a biweekly period. Why is a biweekly period used by the university?

The biweekly pay period is a university administrative tool. The university's time collection system does not record time worked per week but rather hours in a biweekly pay period.

Is there a wavier that students can sign prior to employment that states the student has health care coverage through another source (e.g. parents' health plan or student health insurance)?

No. Even if the employee has health care coverage from another source, the university is required to offer the employee health care benefits. However, the employee is not required to enroll in the university plan and may choose to be covered by another source.

For students currently on a health plan, can they be exempted from the rules?

No. Even if the student employee has health coverage from another source, the university is

required to offer employer health coverage to employees working 75% or greater.

For student employees in the time out program, can they be exempted from the rules?

No.

If a student employee has multiple positions on campus, who is responsible for keeping the student's hours below 25 per week as required by the applicable student employee policy?

Student employees should notify their supervisors that they have multiple appointments. Employee Services will run periodic reports and distribute them to the campus student employment offices highlighting individuals working above 25 hours per week.

Policies

- CU Boulder's Student Employment Policies [4]
- System Administration Student Employment Policy [5]

Groups audience:
Employee Services
Right Sidebar:
ES: Benefits & Wellness - Contact

Source URL:https://www.cu.edu/employee-services/patient-protection-affordable-care-act-aca-0

Links
[1] https://www.cu.edu/employee-services/patient-protection-affordable-care-act-aca-0
[2] https://www.cu.edu/sites/default/files/aca-lookback-period.pdf [3] https://www.cu.edu/docs/faculty-staff-rate-sheet [4] https://www.colorado.edu/studentemployment/policies
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