

The Affordable Care Act

Frequently Asked Questions (FAQ's)

What is the Affordable Care Act?

The Affordable Care Act (ACA) is a federal statute signed into law on March 23, 2010 by President Obama. Under ACA, an opportunity for enrollment must be offered to employees in employer sponsored health coverage. This coverage must also meet the minimum value and affordability compliance.

What if I opt not to enroll in health insurance?

Individuals who do not maintain "minimum essential" healthcare coverage will be required to make a penalty payment to the Internal Revenue Services (IRS) when he/she pays income taxes, every designated tax year. Currently, the tax penalty for 2014 will be \$95 per adult (\$47.50 per child), or 1% of their income, whichever is greater. Penalties assessed annually are subject to increases each tax year. However, there will be no penalty imposed for those persons who are without coverage for less than three months during the designated tax year.

*Other tax penalty exemptions may apply. Source: www.healthcare.gov

Are payroll deductions permitted for those whose enrollment for health insurance is through the Health Insurance Marketplace?

Payroll deductions are only available for eligible employees enrolled in employer group plans sponsored by Public Employee Benefits Authority (PEBA).

Once notified and determined as newly benefits- eligible, what will be my insurance benefits options?

At this time, The Affordable Care Act (ACA) only mandates health coverage. However, an eligible employee will also be offered State Dental/Dental Plus and State Vision coverage who have met the 30-hour eligibility requirement.

How does The Affordable Care Act (ACA) impact Citadel temporary and student workers?

- The maximum number of hours student and temporary employees may work during the academic year is **28 hours per week**. The 28 hours is cumulative of all positions the student/temporary employee holds on campus.
- Hours worked per day must be tracked through Kronos, not only for compensation purposes, but also for ACA compliance. Work hours must be monitored by the supervisor or designee on a weekly basis.
- VP approval for a temporary or student position to work over 28 hours is required because of the potential significant budgetary impacts on each VP's area.

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- When submitting a Request-to-Fill for any non-permanent position, **excluding** Adjunct Faculty, departments will designate whether a temporary or student worker is expected to work over 28 hours a week and if so, indicate approval from the Vice President of their respective area.

Why is there a cap on hours every week since the law provides an option to average over the measurement period?

The Citadel has evaluated and determined that the risk and associated cost of potential penalties due to non-compliance is too high to provide the option to average hours at this time. The Citadel will continue to listen to specific and unique situations and reconsider as appropriate.

What is the employer mandate or the “30 hours per week” rule?

The employer mandate requires that The Citadel extends an offer of coverage to employees who are paid on an average of 30 hours or more per week.

What is the definition of a Full-Time Equivalent under the Affordable Care Act (ACA)?

A Full-time Equivalent (FTE) is defined as an individual who is paid for hours of service at an average of 30 or more hours per week, or 130 hours per month.

What is the definition of “hours of service?”

Each hour for which an employee is paid or entitled to payment including:

- For performing duties
- For a period when no duties are performed due to vacation, holiday, sick leave, jury duty
- Certain unpaid leaves (FMLA and USERRA – military leave)

What hours do not have to count towards “hours of service?”

- Bona fide volunteer – employee of government or tax-exempt entity whose compensation is expense reimbursement and reasonable benefits
- Student on government subsidized work-study program
- Unpaid internship or externship

What is a measurement “look back” period?

There are two types of measurement periods referenced under ACA as defined below:

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- **Annual Measurement Period** – The annual measurement period at The Citadel will be October 4th – October 3rd each year.
- **Initial Measurement Period** - New hires look back initial measurement period begins the first of the month after their hire date and runs for 12 months.
- **Stability Period** – If an employee averages 30 hours or more per week, he/she will be eligible for benefits for a full 12 months regardless of hours worked in the following year.

The measurement periods may run concurrently

Starting January 1, 2015, when is the earliest health coverage would apply to the Immediately Eligible group and/or when the employee meets eligibility?

- For employees who meet Immediately Eligible criteria (i.e. Full Time), coverage would be effective the first of the month after their hire date.
- For Variable hour employees, coverage would be effective the first of the month immediately following when their measurement period ends.

What if the employee has multiple jobs? Who pays for the health coverage?

- It is up to the hiring department to determine if the job candidate has an existing active job with The Citadel before they make their hire. If they decide to hire this person, and those additional hours cause the employee to cross the threshold and become eligible for benefits, that department will be charged for the benefits. Existing employees will be determined on a case-by-case basis.
- If an employee qualifies for coverage and subsequently transfers to another department, the responsibility for payment moves with the person to the new department for the duration of the stability period.