General Rule: If an employee was at least .75 FTE over the past 12 months, they are most likely considered full-time for ACA purposes (contact Employee Benefits to verify an employee’s ACA status)

PEBB Benefits Eligibility: Classified or Unclassified in a benefits eligible position at .50+ FTE for at least 90 days.

Employees subject to the ACA: All employees (hourly or salaried) are subject to the ACA – Classified, Unclassified, temporary, seasonal, undergraduate and graduate students. Exception – Federal work-study hours are not counted for ACA purposes.

Measurement Period that applies:
- Standard – October 1 – September 30
- Initial – A 12 month period beginning the first of the month after hire or rehire (employee had a break greater than 26 weeks)

Stability Period: The 12 month period of time following the measurement period in which benefits may be guaranteed regardless of hours worked if the employee was determined to be ACA Full-time and remains employed. A leave of absence is considered continued employment.
- Standard Stability Period is the calendar year following the Standard Measurement Period.
- Initial Stability Period – is unique to each new employee and is the 12 month period after the employee’s Initial Measurement Period.

ACA Full-time Employee:
- At the time of hire – Is “reasonably expected” to work an average of at least 30 hours per week or 130 hours per month, even if only for a limited time
- Look Back Period – Review of hours during the applicable Measurement Period (Standard or Initial) determined the employee worked an average of 130 hours per month.

ACA Variable Hour Employee: At the time of hire it cannot be reasonably determined if the employee will work an average of 30+ hours per week or 130+ hours per month. The employee’s hours are expected to fluctuate; hours may at certain times exceed 30 hours per week or 130 hours per month, but not on a regular or ongoing basis. Example: Temporary Service (TS) employee.

Establishing FTE for Salaried Term-by-Term Faculty:
- Option 1: Account for classroom, preparation time, and other duties using reasonable methods
  o May vary by discipline
  o Must be defendable
  o Should be consistent for discipline and be transparent
- Option 2: Use the IRS Safe Harbor rule
  o 2.25 hours for each hour in classroom
  o 1 hour for each hour of required service outside the classroom (e.g., office hours, meetings)

Establishing FTE for Hourly Employees (classified or unclassified): Should always take into account the employee’s expected work hours.
- Set FTE at expected work hours (Don’t set FTE at .49 if employee will be working .50 or above).
- Benefits are to be offered per PEBB rules and regulations.

ACA Hiring Intent – New Employees: Hiring intent determines the ACA status for new employee. Consider:
- Is the employee expected to work 30 hours per week (130 hours per month)
- How was the position advertised, communicated, and/or documented (e.g., was it advertised one way and then communicated differently?)
- Is the employee replacing a full-time employee (e.g., full-time employee out on FMLA leave)
- CANNOT take into account a future termination date (e.g., hiring an employee for only 5 months)
**Returning Retiree:** An employee returning in a post-retirement position (TS or AW) will be eligible for health insurance during the current stability period, if they met the ACA average hours during the measurement period. Eligibility for insurance is regardless of hours worked and/or FTE (AW at .10 FTE; TS working 5 hours per week).

**Temporary (TS) Employees:** Temporary employees will be benefits eligible if they are expected to work 30+ hours per week or 130+ hours per month.
- Benefits will be offered upon hire;
- Employee may enroll at any time during their first 3 months, if they meet these criteria;
- Benefits will become effective the first of their fourth month if still employed.
- If in Initial Measurement Period, must maintain PEBB benefit eligible hours to have benefits continued.
- **Example:** TS employee hired 40 hours per week for 6 months: Health benefits would be effective the 4th, 5th, 6th, and 7th month (per PEBB rules will receive health insurance the month after termination)
- **Possible considerations:**
  - Hire for no more than 29 hours per week; or
  - Full-time temporary work for only 3 months; or
  - Use a temp agency

**Student Employees:** Student employees are subject to the ACA and their hours will be monitored to determine benefit eligibility under the ACA.
- Considered ACA Variable Hour employees
- Placed into a 12-month look back period (initial or standard) to determine benefits eligibility
- 20 hours per week is the Maximum a student may work during the term
- May work 40 hours per week during breaks
- Hours exempt from being counted included:
  - Federal Work-Study hours
  - Unpaid Internships
  - Non-OSU Paid internships
- **Student should not meet ACA eligibility during the applicable Measurement Period if hours worked during the term do not exceed the 20 hours per week.**
- **Student may become ACA benefit eligible if:**
  - Hours worked during the term exceeded 20 hours per week; or
  - Overtime hours are worked during the breaks; or
  - Previous employment – student had a non-student position during all or part of the applicable measurement period.

**ACA Penalties:** OSU may be subject to penalties if coverage is not offered to an employee that is considered full-time for ACA purposes. Penalties may include:
- $3,000 per Employee that makes it to the Health Insurance Marketplace and receives tax subsidy; IF OSU has correctly identified 70% of its Full-time employees (95% in 2016).
- $2,000 for all ACA full-time employees (less first 30 employees) if OSU has not correctly identified at least 70% (95% in 2016) of its Full-time employees and one employee makes it to the Health Insurance Marketplace and receives a tax subsidy.

**Examples:**

**Assumption: employee is determined to be ACA Full-time during the Standard Measurement Period (Oct 2013 – Sept 2014)**

1. Employee terminates employment in March 2015 and is rehired in September 2015 at .25 FTE. Employee is to be offered health insurance upon rehire because the employee is considered an ongoing/rehired employee (break in service is less than 26 weeks) and it is still within the Stability Period (2015).
2. **Classified employee retires June 1, 2015 and returns in a TS position for 2 months.** Insurance will continue regardless of hours worked because the employee is still within the Stability Period.
3. **Unclassified employee retires February 1, 2015 and returns in a post-retirement position at .25 FTE through December 2016.** Benefits will continue through December 30, 2015 (Standard Stability Period).
4. **Employee’s FTE is reduced to below .50 FTE.** Health insurance will continue regardless of hours worked through the end of the Stability Period (December 2015). ACA status/benefits eligibility will be reviewed during the next Measurement Period.
5. **Employee goes on an unpaid leave of absence.** Benefits will continue because they are in the Stability Period. Continued eligibility will be reviewed in the next Measurement Period.