

Affordable Care Act for Faculty and Staff

Related Board of Trustee Policy: NA

Responsible Official VP of Finance & Administration

Approvals 09/11/14

Revision

Background:

Under Section 4980H of the Internal Revenue Code, which was added by the Affordable Care Act (ACA), large employers (those with 50 or more employees) must provide full-time employees with health insurance coverage or possibly face tax penalties. Under this law, the ACA defines a "full-time employee" as one who works 30 or more hours per week.

On February 11, 2014, the Internal Revenue Service (IRS) published a rule containing additional guidance on employers' obligations to provide full-time employees with health coverage under the Affordable Care Act (ACA). The rule specifically addressed acceptable methods for determining when adjunct faculty, part-time staff and students are entitled to employer-provided health coverage under the ACA for institutions of higher education.

By College policy, all part-time faculty and staff are limited to a maximum of 29 service hours per week. The following procedure provides the methodology for calculating service hours for part-time employees and ensuring the college's compliance with the ACA.

Definitions

- a. Service hours: Each hour for which an employee is credited for the performance of services and, if applicable, hours for which an employee is entitled to payment during which no duties are performed due to paid leave, such as vacation, holiday, disability, jury duty, military leave or leave of absence. For faculty/instructor positions, service hours include not only classroom instruction time, but also time spent on advising students, class preparation work, course development, office hours, committee work, and other duties as assigned or required by the college.
- b. Standard/Initial Measurement period: The period of time for which an employee's hours are recorded and measured to determine average hours worked. This period can be 3 months but no more than 12 months from the date of hire or from the first of the month following the date of hire.
- c. Administrative period: The time after the Standard/Initial Measurement Period that it takes to enroll an eligible employee in the health plan. This period can be no more than 90 days, and combined with the Measurement Period cannot exceed 13 months from the date of hire.
- d. Stability period: The period of time after the Administrative Period for which health benefits are provided to eligible employees. This period can be 6 months but not more than 12 months, and cannot be shorter than the Measurement Period and cannot be longer than the Measurement period plus 1 month.
- e. Break in service: A period of time for which an employee does not work.
- f. Workload formula: Workload (loading) formula recognizes teaching, scholarship, and service contributions of all curriculum faculty members and non-credit instructors and

helps ensure equity in workload assignments. In the North Carolina Community College System, the formula for workload is a local college decision. The formula may be based on any combination of the following: contact hours, credit hours, service hours, reassign time, academic level of the course or class membership hours (number of students).

- g. Credit bearing courses: Curriculum courses for which credit hours are earned and can be applied to degrees, diplomas, and certificates at the community college.
- h. Non-credit bearing classes: Classes that provide lifelong learning opportunities for personal enrichment and career building, such as Basic Skills (College and Career Readiness), Community Education, Business Development and Workforce Training, for which curriculum academic credit is not earned. Prep-time is typically lower than that required for credit-bearing courses.
- i. Seasonal Employee: An employee who is employed on a temporary basis for a defined season, such as registration. (each college will need to define as applicable)
- j. Independent Contract Employee: An individual who is contracted to perform a service for the college for which there is no employer/employee relationship; the college has the right to control or direct only the result of the work and not what will be done and how it will be done. The earnings of a person who is working as an independent contractor are subject to Self-Employment Tax.
- k. Temporary agency employee: An employee assigned to work at the college through a staffing firm.

By College policy, all part-time faculty members are limited to a maximum of 29 service hours per week. The below procedure provides a methodology for ensuring compliance.

Employment Structure

McDowell Technical Community College uses the following employment structure:

1. Full-time Permanent (Faculty and Staff)

Persons employed to fill positions which the administration has established as full-time are designated as full-time permanent employees. These employees are under contract for a minimum of nine months of the fiscal year. Their work schedules vary dependent upon specifications of the positions they hold and college requirements. Full-time permanent personnel earn state retirement and health benefits; they also earn annual and sick leave as provided by the MTCC policies (2.8 and 2.11 respectively in the Employees Procedures Manual). These employees are selected in accordance with Policy 2.3 (Recruitment and Appointment) in the above named manual.

2. Part-time 30 Hour

Persons under contract for a minimum of nine months of a fiscal year and who work 30 hours per week but work in positions which have not been established as full-time permanent are designated as full-time temporary personnel. These employees are eligible for state retirement benefits, health insurance and vacation and sick leave at 75% of that earned by full-time permanent employees. These employees are selected in accordance with policy 2.3 (Recruitment and Appointment) in the above named manual.

3. Part-time Temporary

Persons under contract for less than 30 hours per week are not eligible for state fringe or college leave benefits. Part-time temporary employees are selected in accordance with policy 2.3 (Recruitment and Appointment) in the above named manual.

Health Plan Coverage Eligibility

- 1. Full-time Permanent (Faculty and Staff)** – will be offered coverage at the time of hire.
- 2. Full-time 30 Hour** – will be offered coverage at the time of hire.
- 3. Part-time Temporary** – will **only** be offered coverage at the start of the Stability Period if the employee averages more than 30 hours per week or 130 hours per month during the Standard/Initial Measurement Period and is still employed during the next Stability Period.

Measurement Period

McDowell Technical Community College will use six (6) months from the date of hire or from the first of the month following the date of hire as it's measurement period.

Administrative Period

McDowell Technical Community College will use a 90 day Administrative Period to begin after the initial Measurement Period (Measurement Period is equal to 6 months after hire date).

Stability Period

The period of time after the Administrative Period for which health benefits are provided to eligible employees is six (6) months at McDowell Technical Community College.

Breaks in Service

The following are breaks in service observed at McDowell Technical Community College:

New Year's Holiday
Dr. Martin Luther King Jr., Holiday
Good Friday Holiday
Spring Break
Memorial Day Holiday
Independence Day Break
Labor Day Holiday
Fall Break
Veteran's Day Holiday
Thanksgiving Holiday
Christmas Break

These breaks in services will not negatively affect Part-time Temporary employees of McDowell Technical Community College.

If a break in service is longer than the period of previous employment, the employee is treated as a new hire and you start over with a new Measurement Period.

Faculty

Service Hours: Each hour for which an employee is credited for the performance of services. For faculty/instructor positions, service hours include not only classroom instruction time, but also time spent on advising students, class preparation work, course development, office hours, committee work, and other duties as assigned or required by the college.

Part-time faculty will be assigned course loads using the following formula:

- a. Lecture Hours 2.25:1 ratio
- b. Lab/shop/clinical 1:1 ratio
- c. Continuing Education 1.25:1 ratio
- d. Basic Skills 1:1 ratio
- e. Cooperative Education/Apprenticeship shall not be assigned to part-time faculty.

Twenty-nine (29) service hours per week will be the maximum for part-time curriculum/continuing education faculty.

Refer to Policy 5.1.14 Curriculum: Faculty Teaching Loads and Overload Pay adopted by the Curriculum Committee.

Required office hours and/or staff/faculty meetings may be credited on an hour for hour basis for part-time curriculum/continuing education faculty.

Hours will be tracked based on the part-time faculty's contract.

Part-time Staff

Hours of service will not exceed twenty-nine (29) hours per week.

Opting Out Procedures:

Any employee may choose to not accept coverage in the health plan. Employees should annually complete a form that acknowledges that they were offered coverage and chose not to accept the coverage. Opting out of coverage should not be used as a reason to allow an employee to work additional hours. Once an employee opts out for the plan year, they cannot enroll again until the next annual enrollment.