**FREQUENTLY ASKED QUESTIONS – AFFORDABLE CARE ACT**

**Who does the Affordable Care Act (ACA) impact?**

The ACA may only impact the eligibility for medical coverage of part time faculty (associated faculty, academic support staff) and part time administrative staff. The Act does NOT change any benefit eligibility for full time (standing) faculty or administrative staff.

**What benefits does the Affordable Care Act (ACA) cover?**

The Affordable Care Act determines eligibility for medical coverage only.

**How do you determine eligibility under the Affordable Care Act?**

The ACA defines full time as an individual who works an average of 30+ hours per week in a month or during the relevant measurement period.

For exempt professionals who work variable hours each semester such as part time associated faculty, Penn is permitted to determine the average hours worked by looking back over a period time. For FY 2015 the look back period will be from July through April. Since exempt faculty and staff do not currently time report, the University can use several equivalency methodologies that convert courses to hours or per diem days to hours. Using the course equivalency method, a part time faculty member would need to teach 3 courses in the Fall and 3 courses in the Spring in order to work an average of 30 hours per week. For part time faculty who do not teach, the HOURS field in PennWorks will be used to determine eligibility. All compensated work (roles) will be combined to determine eligibility..

For non-exempt hourly staff that regularly report actual hours worked, when they reach an average of 30+ hours per week over any 90 day period they will be considered to be ACA eligible for medical coverage. For example, a temporary staff member who works an average 30+ hours per week in April, May and June of 2015 will become eligible for medical coverage effective July 1st. A temporary employee who works over 1,560 hours in FY2015 will also be eligible effective July 1st.

**When does the Affordable Care Act take effect?**

The University is currently in a time period which will be used to determine the eligibility of part time faculty and staff for medical coverage. This period runs from July 1 2014 through April 30, 2015.

Once the eligibility determination is made, part time faculty and staff will be given an enrollment window and become eligible for medical coverage under the ACA beginning July 1, 2015.

**How will the Employee Benefit (E.B.) Rate be charged?**

The full F.Y. 2016 34.8% Employee Benefit Rate will be charged beginning July 1, 2015 for any part time associated faculty or staff who becomes eligible for medical coverage under the ACA. This rate will be applied regardless of whether or not they enroll in the benefit.

The employee benefit rate will only be charged on future earnings. It will not be retroactively charged.

There will be no ACA impact to E.B. charges for F.Y. 2015

Beginning in F.Y. 2016, non-exempt workers who exceed 1,000 hours in the fiscal year will be charged the full time E.B. rate on future earnings.

The department can continue to hire the part time worker with the part time E.B. object code. The PennWorks system will override the object code with the full time E.B. object code when the worker becomes eligible for medical coverage. Edits will prevent the object code from being changed.

The E.B. rate will be charged against all account code combinations for each pay. If two or more departments collectively result in a worker becoming eligible for medical coverage under ACA, they will be each charged their pro-rata share based on their contribution to pay.

**When will part time associated faculty be “auto-terminated?”**

Part-time faculty who have not been paid for 4 months and with no active appointment will be auto-terminated beginning in December 2014.

If there is a reasonable expectation that the part-time faculty member will teach the following Fall/Spring/summer semester/period and will need ongoing access to university facilities such as the library and Canvas, the role end date should be updated in PennWorks so that the individual will not be auto-terminated. Although terminated records remain in PennWorks and part-time associated faculty members can be readily rehired if they return to Penn, departments and schools who wish their recurrent part-time teachers to have continuous access to university resources that support their teaching and other academic roles should take steps to avoid auto-termination, such as proactively adjusting role end dates in Penn Works.

**How does the Affordable Care Act impact students?**

The Affordable Care Act specifically EXCLUDES College Work Study Students. No student enrolled full time should work more than 20 hours a week. Student Workers should be considered in the same manner as Penn Temporary Workers. If they exceed 30 hours per week in any 90 day period they will be considered eligible for medical coverage under the ACA.

**How long does the newly eligible worker remain covered under the Affordable Care Act?**

If an employee is determined to be eligible for medical coverage under the ACA, they must remain covered during the following (one year) stability period even if their level of effort decreases. They only way medical coverage can be discontinued is if the employee is terminated from University service.

**Will the employee be able to continue medical coverage when terminated?**

Yes, the employee will be offered the opportunity to continue medical coverage under COBRA regulations. They pay the full cost of the benefit plus an administrative markup.