University of Wisconsin
ACA Procedural Guidance

Purpose

The UW has adopted the following procedural guidance in an effort to remain compliant with the Affordable Care Act (ACA) and Chapter 40 of the Wisconsin state statutes. The ACA requires the UWS to offer health insurance to all employees, including temporary and student employees, who are considered to be “full-time employees” or potentially face an Employer Shared Responsibility penalty. Under the ACA, a full-time employee is an employee who works an average of 30 or more hours per week or 130 hours per month (not including work study hours). As such, the ACA’s definition of who is benefits eligible (referred to as ACA eligible going forward) differs from that found under Wisconsin state statute. In addition, under the ACA, the UWS is considered to be a single legal entity with regard to Employer Shared Responsibility penalties and reporting under Sections 6055 and 6056 of the Internal Revenue Code. In order to limit potential penalties under the ACA, it is necessary to implement policies and procedures across the UWS that provide a uniform set of standards for employees who are ACA eligible but who are not classified as benefits eligible under Wisconsin law and/or employees who are paid on a non-hourly basis. This document has been created in an attempt to summarize and give guidance surrounding these policies and procedures.

Background

The ACA is the health care reform legislation signed into law by President Obama in March 2010. Many of the key provisions of the law were designed to extend health insurance coverage to the uninsured, improve the quality and affordability of health insurance and reduce health care costs. The law was designed to phase in requirements to accomplish these goals and two of the major requirements that became effective beginning in 2015 are the Employer Shared Responsibility Mandate and Sections 6055 and 6056 reporting. These provisions of the law require applicable large employers (i.e. those with 50 or more full-time and full-time equivalent employees) to offer affordable, minimum essential health care coverage to at least 95% of their full-time employees (as defined by the ACA) and to report the offerings and results to the IRS to confirm compliance. Section 6055 of the law requires providers of health care coverage to report to the IRS the type of coverage provided and to whom it was provided. Section 6056 requires employers to report to the IRS the type of coverage offered to their ACA defined, full-time employees. These mandates require action on the part of reporting employers in order to be compliant and avoid penalties.

Penalties:

If the UWS does not offer coverage or offers coverage to fewer than 95% of its full-time employees (and their dependents), it will owe an Employer Shared Responsibility payment equal to the number of full-time employees the employer employed for the year (minus up to 30) multiplied by $2,160 (as indexed annually), as long as at least one full-time employee goes to the Marketplace...
and receives a premium tax credit. For the UWS, this penalty is estimated to be approximately $64.8M.

If the UWS offers coverage to at least 95% of its full-time employees (and their dependents), but has one or more full-time employees who go to the Marketplace and receive a premium tax credit, the payment is computed separately for each month. The amount of the payment for the month equals the number of full-time employees who receive a premium tax credit for that month multiplied by 1/12 of $3,240 (as indexed annually).


In order for an employee to be eligible for a premium tax credit while enrolled in Marketplace coverage, the lowest cost coverage available through the UWS must either be unaffordable or not provide minimum value. Minimum value is a reference to providing at least 60% of the overall costs of benefits offered under the plan (i.e. the plan is at least as “rich” as a Bronze Level plan offered through the Marketplace). The lowest cost coverage offered by the UWS has been determined to provide minimum value. Employees who are benefits eligible will not trigger penalties for the UWS unless that coverage is unaffordable, however, employees who are not benefits eligible may trigger a penalty if those employees are considered full-time under the ACA.

**Employment Categories as Defined by the ACA**

The Federal ACA regulations categorize employees into the following groups:

**Full-time:**

Employees who are hired into a position with a known expectation of working at least 30 hours per week (130 hours/month).

Under the ACA, full-time employees are considered to be benefit eligible upon hire and must be offered coverage no later than the 1st of the fourth month of employment. Full-time employees are subject to standard measurement periods to determine future eligibility.

**Part-time:**

Employees who are hired into a position with a known expectation of working less than 30 hours per week (130 hours/month).

Part-time employees are not considered to be benefit eligible upon hire under the ACA and are subject to standard measurement periods to determine future eligibility.

**Seasonal:**

Employees who are hired into a position for which the “customary” annual employment is six months or less. Customary means that, by the nature of the position, an employee typically works for a period of six months or less, and that period should begin each calendar year in approximately the same part of the year, such as summer or winter. The job that is being performed must be a job
that, due to the nature of the work (and NOT business needs), cannot be performed at any other point during the year.

It is advised that institutions share job descriptions of those positions they believe to be “seasonal” in nature with UWSA so that the positions can be evaluated by our consultants to determine if, indeed, they are truly “seasonal” as defined by ACA.

Employees who are truly seasonal in nature (as defined by ACA) are not benefit eligible under the ACA. However, if the employee has other employment within the UWS that causes them to average 30 or more hours per week in total during the standard measurement period, then they will be considered benefit eligible under the ACA for the corresponding stability period.

**Variable Hour:**

An employee is a variable hour employee if, based on the facts and circumstances at the date the employee begins providing services to the employer (the start date), it cannot be determined that the employee is reasonably expected to work on average at least 30 hours per week.

To determine benefits eligibility under the ACA, a 12-month initial measurement period is used. After the initial measurement period, variable hour employees are subject to the standard measurement periods to determine future eligibility.

The employment categories outlined above are for ACA compliance purposes only and, as such, do not necessarily represent employment categories or benefit eligibility under UWS policies.

**UWS Benefit Eligibility**

If an employee is eligible for the Wisconsin Retirement System (WRS), they are eligible for the WRS Benefit Package. If an employee (excluding University Staff) is not eligible for WRS, he/she may be eligible for the Grad/Short-Term Academic Staff Benefit Package.

**WRS Eligibility Requirements**

1. Must be in an Faculty, Academic Staff, OT1 or Limited appointment, or a University Staff appointment; and

2. Be expected to work for one full year
   a) 365 days
   b) 2 full semesters with an expectation to return for a third semester for Academic Year Employees
3. Expected to meet threshold of hours worked (2/3 of full time for newly eligible employees)
   a) Evaluate on 1/3 of full time criteria if WRS Creditable Service prior to July 1, 2011

<table>
<thead>
<tr>
<th>Employee Type</th>
<th>No WRS Prior to July 1, 2011 (2/3 of full time for 1 year)</th>
<th>WRS prior to July 1, 2011 (1/3 of full time for 1 year)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Hours</td>
<td>FTE%</td>
</tr>
<tr>
<td>Bi-Weekly/University Staff and Executives</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(General/Executive/Protective)</td>
<td>1200</td>
<td>58%</td>
</tr>
<tr>
<td>Monthly A-basis/Annual 12 month</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Excludes Executives)</td>
<td>880</td>
<td>42%</td>
</tr>
<tr>
<td>Monthly C-basis/Academic 9 month</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>880</td>
<td>56%</td>
</tr>
</tbody>
</table>

The WRS eligibility criteria must be met independently at each state agency or local government employer. Note: All UWS Institutions are considered to be one employer under the WRS.

**WRS Enrollment Opportunities**

Several opportunities exist in statute for an employee to be eligible for participation in the WRS. The various opportunities for the eligibility criteria to be met are:

- When initially employed – Hire or transfer into eligible classification
- When expectations change – contract changes for eligible classifications
- Lookback – 1 year review to see if hours worked meets criteria once duration is met.

**Non-WRS (Grad/Short-Term Academic Staff)**

If an individual is not eligible for the WRS, they may be eligible for the Graduate Assistant/Short-Term Academic Staff Benefit Package.

- Student Assistants = Research Assistant, Fellow, Advanced Opportunity Fellow, Scholar, Trainee, Teaching Assistant, Project Assistant or Program Assistant
- Employees-in-Training = Grad Intern/Trainee, Postdoc Fellow, Postdoc Trainee, Postgrad Trainee (1-7), Intern (non-physician), Research Intern or Research Associate

University Staff employees and rehired annuitants are not eligible to participate in Grad/Short-Term Academic Staff Benefits.
<table>
<thead>
<tr>
<th>Benefit Program</th>
<th>Employee Type</th>
<th>12 Month</th>
<th>9 Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short Term Academic Staff</td>
<td>Academic Staff, Limited, OT1</td>
<td>21% for at least 6 months</td>
<td>28% for at least one semester</td>
</tr>
<tr>
<td>Graduate Assistant</td>
<td>Student Assistants and Employees-in-Training</td>
<td>33% for at least 6 months</td>
<td>33% for at least one semester</td>
</tr>
</tbody>
</table>

**Student Help**

Student Help employees are not eligible for health insurance through employment per Chapter 40 of the state statutes. See UPS Gen 20 for more guidelines.

**UWS Employment Categories and Procedures for Each**

Benefits eligibility at UWS does not always correspond with that required by the ACA and this is much to do with the fact that many of the positions creating issues were never intended to be regular, full-time positions. To help us minimize our risk, policies, procedures and guidelines have been put into place and are as follows.

**University Staff**

University Staff must report hours for payroll purposes. The same hours that are reported for payroll are also used to determine benefit eligibility under the ACA. Benefits eligibility under the WRS is more generous than what is required by the ACA with the exception of University Staff Temporary employees.

**University Staff Temporary**

University Staff Temporary employees are only eligible for health benefits under the WRS if they have multiple positions or become eligible via the WRS look back.

For purposes of ACA, University Staff Temporary employees are often considered variable hour however, because there is some risk in that determination for those that are hired into a 30+ hour per week role for more than 3 months, a work group is being set up to come up with ways to avoid/reduce this risk.

Some University Staff Temporary positions may also be considered “seasonal” and, therefore, would not be considered benefits eligible under the ACA. In order to determine whether or not a position is truly seasonal, the job description should be sent to OHRWD so that input from the UW’s external consultants can be obtained. It is important to note that if the employee also works other positions within the UW, the hours worked as a “seasonal” University Staff Temporary employee combined with all other hours worked in the UWS, cannot average 30 hours or more per week or the employee would still be deemed benefit eligible under the ACA.
**Faculty, Academic Staff & Limited Appointees (FA/AS/LI)**

For purposes of determining benefit eligibility under the ACA, employees in this category are allocated hours based on their FTE percentage in HRS, with the exception of lump sum employees (FTE of .025%). For example, someone with an FTE of 75% would be considered to work 30 hours per week.

**FA/AS/LI Employees Paid via Lump Sum**

Institutions are asked to convert lump sums to hourly or salaried with an FTE where possible. When this is not possible, employees in this category will need to track all hours worked for the lump sum appointment in Time & Labor. A special pay code, ACAHW, has been set up for this purpose. Use of the code will not impact an employee’s pay as it is strictly used for purposes of reporting hours under the ACA. For more information on how to track hours in Time & Labor, please visit the “How to Track Hours in Time & Labor” section of this document.

If hours are not tracked in Time & Labor, the employee will be credited with a “days worked equivalency” of 8 hours for each day of the appointment. In cases where the employee is actually working more than 8 hours per day on a regular basis, this method of crediting 8 hours/day is strictly prohibited under the ACA as it will substantially understate actual hours worked. In cases such these, actual hours worked MUST be recorded.

**Graduate Assistants: Short-Term Academic Staff, Student Assistants and Employees-in-Training**

Individuals falling into this category are treated the same as FA/AS/LI employees. Please review “Faculty, Academic Staff & Limited Appointees (FA/AS/LI)” as well as “FA/AS/LI Employees Paid via Lump Sum” for procedural guidance.

**Student Help Employees**

Under Wis. Stat. §40.02(25)(b), student help employees are not eligible for employer-sponsored health insurance coverage through UWS. The ACA, however, does not provide an exception for student help so policies and procedures have been drafted to attempt to comply with both the ACA and state statute. UPS Operational Policy: Gen 20 was created for this reason.

Gen 20 limits the number of hours a student help employee can work in a week to 25 when classes are in session. This policy does leave room for exceptions with the approval of the Institutional HR Director however it is important to use extreme caution here as it could ultimately cause your employee to average 30 or more hours per week in the measurement period and therefore be eligible for health insurance under the ACA. Please see utilize the tool available on the ACA Administrator’s site to better visualize the impact of allowing policy exceptions. Resident Assistants/Resident Advisors/Resident Counselors have been temporarily exempted from this policy due to the on-call nature of their positions.

Although Gen 20 does not specifically address a cap on hours worked during academic breaks, best practice is to limit the hours during these breaks to 40 hours per week or less for a maximum of 12 weeks if at all possible. This is because, if the student works more than 40 hours per week, that may reduce the number of hours they can work over the course of the rest of the year to make certain they don’t go over 1,560 in any given measurement period. The 12 week limit is put in to
place to ensure that these employees are not viewed as full-time under the ACA. If they are viewed as full-time under the ACA, then, under the ACA, we have an obligation to offer them health insurance no later than the 1st of the fourth month following full-time employment or change in job expectation. Since we are prohibited from offering them health insurance under state statute, this would be problematic.

In order to make sure the student understands the limitation on hours under Gen 20, an acknowledgement form should be signed by the student at the start of his/her employment. The “Agreement and Verification of Hours of Work for Student Employment” form has been drafted for this purpose by the UWSA Office of General Counsel and can be found on the ACA Administrator page of the UWSA site.

**Seasonal Student Help Employees:**

Some Student Help positions may also be considered “seasonal” and not benefits eligible under the ACA, therefore, not subject to the guidelines set forth above. In order to determine whether or not a position is truly seasonal, the job description should be sent to OHRWD so that input from the UW’s external consultants can be obtained. It is important to note that if the employee also works other positions within the UW, the hours worked as a “seasonal” Student Help employee combined with all other hours worked in the UW, still cannot average 30 hours or more per week or the employee would be deemed benefit eligible under the ACA.

**Tracking Time for Student Help:**

Student help employees are often times considered “variable hour” employees and paid one of two ways - hourly or via lump sum. If the student is paid hourly, the same hours that are tracked for purposes of payroll (with the exception of work study hours) are also used for purposes of determining benefits eligibility under the ACA. If the student is paid via lump sum, other methods of payment will be explored in one of the ACA work groups currently being established. For cases in which lump sums cannot be avoided, students will be required to track their hours in Time & Labor using a special pay code, ACAHW. This code is only used for purposes of tracking hours under the ACA and, as such, will not have any impact on the student’s pay. For more information on how to track hours in Time & Labor, please visit the “Lump Sum Payments: Tracking Hours in Time & Labor (TL)” section of this document.

If hours are not tracked in Time & Labor, the employee will be credited with a “days worked equivalency” of 8 hours for each day of the appointment. In cases where the employee is actually working more than 8 hours per day on a regular basis, this method of crediting 8 hours/day is strictly prohibited under the ACA as it will substantially understate actual hours worked. In cases such these, actual hours worked MUST be recorded.

**Resident Assistants/Resident Advisors/Resident Counselors**

As mentioned above, this group of employees has been provided a temporary exemption under Gen 20, which is the policy that prohibits students from working more than 25 hours per week while class is in session. This is only a temporary exemption, thus a work group is being formed to come up with ways of mitigating risk under the ACA.
Things to Consider/Do When Hiring

Since the Employer Shared Responsibility provision of the ACA went into effect, there are additional steps that need to be taken and items to be considered when hiring for a position.

1. If the position is meant to be a variable hour position under the ACA, make sure the position is not posted outlining full-time expectations. (i.e. M-F, 7:30 a.m. – 3:30 p.m.)

2. If you are hiring for a position that you think may be an issue under the ACA, whether it be from an hours reporting standpoint or a benefits eligibility standpoint, think of ways you can work with the supervisor to simplify and/or more accurately report hours or what could be done with the position itself to potentially get that employee under the WRS. If it is not possible to get them under the WRS, then discuss how you will work to make sure they don’t become benefits eligible (30 or more hours per week) under the ACA.

3. Make sure University Staff Temporary employees, student help employees and those employees paid via lump sum who are otherwise not offered health insurance through UWS know what is expected of them as it pertains to ACA compliance upon hire. (i.e. communication of other positions held within the UWS, limiting hours, recording hours worked, etc.) Supervisors must also be well informed.

The following decision tree is helpful in providing insight as to why the ACA needs to be taken into consideration well before a hire is made.

*Note: A seasonal employee must do work that cannot be done at any other time of year (e.g., summer camp counselor, football coach). If work could otherwise be performed at a different time of year, it is not seasonal (e.g., research assistant, intern, office work).
Lump Sum Payments: Tracking Hours in Time & Labor (TL)

For 2015 reporting, we used a conversion method to calculate hours for lump sum appointments that was based on average hourly rate in each employee class. After reviewing more recent guidance, it has been determined that this method of calculating hours worked is no longer a viable option and, as such, we have come up with another method.

As part of the 2016 ACA changes, employees paid lump sum payments must now record actual hours worked. Changes have been made to the HRS Time and Labor module to assist with this tracking.

**Changes to Time & Labor Module:**

A new time reporting code (TRC) of ACAHW has been created to allow employees, who are being paid via a lump sum, to record hours worked. Active employees will be automatically enrolled to be able to use self-service, however, depending upon the institution’s preference, hours can also be entered by the Payroll Coordinator. In the event that an employee is paid a lump sum in addition to regular hours worked, the TRC will be available to differentiate the hours.

Hours entered using this new TRC do not need to be approved and will not process through payroll, therefore streamlining the entry procedure and preventing duplicate payments. As with TL setup currently, the TL Security page will need to be created if the employee will be entering the time through employee self-service. Supervisors may also be added to the TL Security page to allow for review of hours worked. Queries/reports will be available to audit time entered using this new time reporting code.

**Initial Setup and Beyond:**

As part of the initial setup, the Service Center will enroll in Time & Labor all active employees that have had a lump sum payment within the past year. The Service Center will also enroll in Time & Labor most FA/AS/LI employees via a batch process. The new TRC will be available in the drop-down on all existing timesheets for employees already enrolled in Time & Labor, such as University Staff. While the Service Center will be able to do much of the setup for these employees in Time & Labor, there will be some manual entry needed to setup those TL Security pages that the Service Center is unable to update via batch process.

A list will be provided giving a breakdown of the employees that would need a TL Security Page setup, by campus. The spreadsheet contains a summary on the first tab and is further broke out by campus. Employees with Adjunct titles are included but can be disregarded since hours tracking for them will be handled differently.

Going forward, employees being paid via lump sum, who record hours, will need to be set up in Time & Labor similar to the setup process used today. Once the appointment is entered, the timesheet will be created and self-service will be provisioned automatically. The Payroll Coordinator will need to create the TL Security page. This includes both new hire lump sum appointments and those appointments that had not been paid in the past year and were not setup initially.
Year to Date Hours Collection:

Institutions have been asked to provide the YTD hours worked that have been tracked but not entered in HRS. As part of the initial setup, the Service Center will upload these hours to the employee’s timesheet. The first column, Name, is optional and for the institution’s reference only. The Empl ID, Empl Record Number, date the hours were worked, and number of hours worked on that date will all be needed for the upload to work properly. Dates should be given as a single date and not a date range. This information should be submitted on the template spreadsheet supplied by the Service Center. A communication will be sent in the near future with additional information regarding where to send the files and anticipated load deadlines.

Measurement and Stability Periods Under the ACA

A measurement period is a period of time that is used to determine employees’ employment status under the ACA based on the average number of hours worked. The status earned during a particular measurement period will result in consideration as either full-time or not full-time (for purposes of the ACA only) during the corresponding stability period.

There are two types of measurement periods – initial and standard. All employees may be subject to the “standard measurement period” while only some employees are subject to an “initial measurement period” upon hire.

Please see the "ACA Measurement and Stability Periods Illustration" or the “Hours worked per Month Illustration” on the Administrator ACA page for examples of measurement periods.

Leave of Absence/Breaks in Employment Under the ACA

There are specific rules that must be followed when calculating hours for someone who is or was on a leave of absence or experienced a break in service. Unless the break in service was not a protected leave either under 4 weeks in length or over 26 weeks in length, then the leave/break time cannot be factored into the calculation or disadvantage the employee in any way. Please see the chart and diagram below for more information.

<table>
<thead>
<tr>
<th>Length of Break in Service</th>
<th>Impact on Measurement/Stability Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 4 consecutive weeks</td>
<td>Continue existing measurement &amp; stability periods; zero hours will be considered during break to determine average hours</td>
</tr>
<tr>
<td>Break is at least 4 but less than 26 consecutive weeks&lt;sup&gt;1&lt;/sup&gt;</td>
<td>Continue existing measurement &amp; stability periods; exclude the break period in averaging hours. Use the average as the average for the entire measurement period.</td>
</tr>
<tr>
<td>26&lt;sup&gt;1&lt;/sup&gt; or more consecutive weeks</td>
<td>Consider as rehire; begin a new initial measurement period.</td>
</tr>
<tr>
<td>Active employees who are in the types of leave status below should not have the time counted against them during the measurement period; instances where these leaves apply will have the break periods excluded when calculating average hours:</td>
<td></td>
</tr>
</tbody>
</table>

<sup>1</sup> Including weekends and holidays

<sup>2</sup> Excluding weekends and holidays
- FMLA leave
- Military leave
- Jury Duty
- Educational breaks when not scheduled to work (e.g., summer months for 9-month term employees)

1 13 weeks if break period is NOT tied to a scheduled academic break (under review given IRS FAQs 2015-87 from 12/2015)

2 If break period is greater than prior employment, then employee may be considered a rehire and subject to a new initial measurement period.

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**Measurement Periods and Breaks in Service**

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**NOTE:**
Active employees who are in the types of leave status below should not have the time counted against them during the measurement period; instances where these leaves apply will have the break periods excluded when calculating average hours:
- FMLA leave
- Military leave
- Jury Duty
- Educational breaks when not scheduled to work (e.g., summer months for 9-month term employees)

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**Reporting & Monitoring of Hours Worked**

There will be some individuals who are not benefits eligible that could become ACA eligible if not carefully monitored. Institutions will be supplied with a variety of reports that can be used to monitor their employees’ hours so that they don’t become ACA eligible. Since the UWS considered one legal entity,
these reports will take into account hours worked at all UW institutions. Reports are still being created so there will be more to come once the reports and the processes are determined.

Definitions:

**ACA Eligible:** Employees who meet the criteria established by the Affordable Care Act will be treated as full-time employees solely for ACA reporting purposes and the Employer Mandate during a particular period called a stability period.

**ACA Time Reporting Code (TRC):** Tracks actual hours worked, which count towards ACA eligibility. For salaried (exempt) employees, these hours are used for ACA hours’ tracking only and do not affect pay.

**Affordable Care Act (ACA):** One of the most common terms used to refer to two separate pieces of legislation signed into law by President Barack Obama on March 23, 2010. The two pieces of legislation were the Patient Protection and Affordable Care Act (PPACA) and the Health Care and Education Reconciliation Act of 2010.

**Applicable Large Employer (ALE):** Employers subject to the employer shared responsibility provisions of the ACA.

**Benefits Eligible:** Employees who are eligible for the Graduate Short-Term Academic Staff or Wisconsin Retirement System benefits package based on their employment at the UW. See more under the Benefits Eligibility tab at: [https://www.wisconsin.edu/ohrwd/benefits/newemp/](https://www.wisconsin.edu/ohrwd/benefits/newemp/)

**Form 1095-A:** The Health Insurance Marketplace statement. You'll get this statement if you bought health coverage through the "Marketplace" - the web-based insurance markets that the federal government and states set up under the ACA.

**Form 1095-B:** A statement from your health insurance company verifying that you and other members of your household had insurance coverage that met the requirements of the ACA during the prior year. This is for people whose coverage was fully insured with an insurance carrier.

**Form 1095-C:** A statement from your employer providing details about your employer-sponsored health insurance benefits. This form will be used to report information related to the employer responsibility provisions of the ACA to the IRS as well as to furnish information to taxpayers about the coverage that they have been offered by their employer. Individuals that purchased health insurance coverage through the Health Insurance Marketplace, also called the Exchange, will use the information found on this form to determine if they are eligible for a premium tax credit.

**Individual Mandate:** The Affordable Care Act requires nearly everyone to have health insurance that meets minimum standards. With some exceptions, people who do not maintain health insurance coverage will have to pay a penalty starting in 2014.

**Initial Measurement Period:** Please see “Measurement Period” below.
**Measurement Period:** For ongoing employees, the standard measurement period runs from early-October to early-October. Newly hired employees who, upon hire, are not determined to be full-time under the ACA also have a 12-month individual measurement period and must be tracked in both periods until they are blended into the standard measurement period. Each measurement period has its own separate 12-month stability period. The stability periods, much like the measurement periods, overlap.

- **Initial Measurement Period:**
  
  A 12-month period starting the first of the month following a variable hour or seasonal employee’s date of hire in which all hours of service are averaged to determine the employee’s full-time or part-time status under ACA for the corresponding 12-month stability period.

- **Standard Measurement Period:**
  
  The 12-month period in which the hours of on-going employees are averaged to determine their full-time or part-time status under the ACA for the corresponding 12-month stability period. This period is based on the Annual Benefit Enrollment (ABE) start date and typically runs from early October to early October each year.

**Minimum essential coverage (MEC):** MEC is generally any type of employer-sponsored health coverage, certain types of governmental coverage such as Medicare or Medicaid, and other types of health coverage specifically identified by the Department of Health and Human Services.

**Minimum value:** Minimum value is provided by the plan if it pays for at least 60% of the costs of benefits and provides inpatient hospitalization services and physician services.

**Stability Period:** The 12-month period following a measurement period in which an employee’s status as full-time or non-full-time under ACA is effectively “locked in.”

**Standard Measurement Period:** Please see “Measurement Period” above.