

**The University of Wisconsin System
UPS OPERATIONAL POLICY: GEN 20**



SUBJECT: Student Employment

Original Issuance Date: July 1, 2015
Last Revision Date: January 1, 2016

1. POLICY PURPOSE:

The purpose of this policy is to outline the University of Wisconsin System (UWS) provisions specific to student employment and to provide guidance to university departments in complying with the Patient Protection and Affordable Care Act of 2010 (“[ACA](#)”) as those requirements relate to student workers.

2. POLICY BACKGROUND:

The [ACA](#) was enacted in 2010 with phased-in requirements. Two of the primary requirements effective in 2015 are the *Employer Shared Responsibility Mandate* (the “Employer Mandate”) and Sections 6055 and 6056 reporting. The ACA requires large employers (50 or more full-time and full-time equivalent employees) to offer affordable minimum essential health coverage to a sufficient number (i.e., to at least 95% in 2016 and following years thereafter) of employees working full time (30 or more hours per week) in order to avoid penalties under the Employer Mandate, and to report on the offerings and results.

Section 6055 requires employers providing Minimum Essential Coverage to report to the IRS about the coverage provided and to whom it is provided. Section 6056 requires reporting about the type of coverage provided (or not provided) by applicable large employers. ACA reporting requirements are effective starting January 1, 2015 and will require action on the part of reporting employers in order to prepare for compliance and avoid penalties.

3. POLICY DEFINITIONS:

Please see UPS Operational Policy [GEN 0: General Terms and Definitions](#) for a list of general terms and definitions.

Definitions specific to this policy:

“Benefits eligible” means an employee of the UWS that is eligible for either Wisconsin Retirement System (WRS) or the Graduate Assistant/Short-Term Academic Staff Benefit Package.

“Federal Work Study” means the federally funded, need-based program in which the federal government and an employer share the payroll cost of employing a student to assist students with the costs of post-secondary education.

“Hours of service” includes hours worked, and hours for which a worker is paid but does not work, such as vacation, holiday, illness or disability, jury duty, military duty, or paid leave of absence. For purposes of student worker employment, hours of service do not include hours credited due to participation in a Federal Work Study program.

“Initial Measurement Period” means the 12-month period of time used to determine full-time employment status for purposes of the ACA, which commences on the date of hire or the first day of the calendar month following the date of hire.

“Non-benefits eligible” means an employee of the UWS that is not WRS eligible or eligible for the Graduate Assistant/Short-Term AS Benefit Package through employment.

“Standard Stability Period” means the calendar year (January 1 – December 31). The period of time during which an individual who was determined to be full-time during the immediately preceding Standard Measurement Period will be eligible for health benefits.

“Standard Measurement Period” means the designated period is set by the Annual Benefit Enrollment Period (e.g., October 5 – October 4). The Standard Measurement Period is used in calculating work hours used to determine benefits eligibility. This period will fluctuate from year to year based upon the Annual Benefit Enrollment Period set by the Wisconsin Department of Employee Trust Funds ([ETF](#)).

4. POLICY:

Student employment is intended to help meet the needs of the university, provide university students with financial support in pursuit of their academic goals, and provide opportunities for academic or administrative job experience. The job duties and responsibilities of student workers vary greatly and may or may not be related to their field of study.

UWS institutions must adhere to all applicable federal and state laws and regulations regarding student employment. Student workers are subject to general UWS workplace and employment policies and procedures listed below. Institutions shall communicate to their student workers the conditions of employment, performance expectations, and insurance coverages such as worker's compensation and eligibility for other employment benefit programs such as Tax Sheltered Annuity and Flexible Spending – Parking and Transit accounts.

- (1) All student hourly positions are at-will employment positions and may be terminated at any time provided the reason is not prohibited by law.
- (2) Under [Wis. Stat. § 108.02\(15\)\(i\)](#), student workers are not eligible for unemployment insurance benefits.
- (3) Under [Wis. Stat. §40.02\(25\)\(b\)](#), student workers are non-benefits eligible for employer-sponsored health insurance coverage through UWS.

The ACA requires the UWS to offer health insurance to all employees, including temporary and student workers, who are considered to be “full-time employees” to avoid penalties under the

Employer Mandate. Under the ACA, a full-time employee works an average of 30 or more hours per week or 130 hours per month. The ACA provides methods for calculating an employee's hours of service, which are different from the benefits eligibility calculations mandated by Wisconsin state law. Under the ACA, the UWS is considered to be a single legal entity with regard to Employer Mandate penalties and IRS reporting under Sections 6055 and 6056 of the Internal Revenue Code. Therefore, it is necessary to implement certain policies and procedures to limit potential penalties under the ACA by providing a uniform set of standards for non-benefits eligible individuals.

All student workers shall be paid on an hourly basis and hours of service shall be tracked accordingly. Any exceptions must be approved by the Institution's Director of Human Resources. If services are compensated on a lump sum basis, Institutions must record hours worked per week and the hours must be entered into the payroll system at the time payment is submitted for the lump sum payment. If actual hours of work are not entered into the system, the student worker will be credited with eight hours of service for each day on payroll.

Further, because student worker positions are not intended to be either benefits-eligible or WRS-eligible, beginning with the spring 2016 semester, student workers may work up to a **maximum of 25 hours per week** during the Academic Year (as defined by [Academic Planning Statement No. 4 \(ACPS-4\)](#)). The contractual academic year shall consist of a full nine months (39 weeks) and shall include not fewer than 34 weeks of organized services for students including classroom instruction, registration, advising, and examining.

Student workers may work in excess of the 25 hours per week during periods in which "classes are not in session". This includes summer break, semester breaks and other periods during the academic year which are not part of the 34 weeks of organized services for students in [Academic Planning Statement No. 4](#). Each institution may further limit hours worked or calendar restrictions as determined by the Institutional Human Resources Office.

Hours credited due to a Federal Work Study program do not count toward the calculation of hours of service earned for purposes of the ACA or the weekly hour maximum threshold.

Student worker hours are aggregated among all institutions for purposes of the Employer Mandate and IRS reporting under the ACA. A student worker's hours will be combined for all appointments at an Institution, and if a student worker holds appointments at more than one Institution, those hours of service will also be combined.

Institutions are responsible for monitoring all student worker hours to ensure that they do not exceed an average of 30 hours per week (excluding hours of service credited under a Federal Work Study program) for all UW employment positions held by a particular student worker in any 12-month period of time.

Resident Assistants/Resident Advisors/Resident Counselors are temporarily exempted from this limitation until further clarification is released. Individuals who are classified as Resident Assistants/Resident Advisors/Resident Counselors may be paid by lump sum until such further clarification is released, but those student workers will be given a separate job code, and Institutions will be responsible for tracking their hours of service.

5. RELATED DOCUMENTS:

[Employment of Student Help \(G18\)](#)

[Student FICA Exemptions \(G18A\)](#)

[Personal Services Payments \(F31\)](#)

[Payment Methods and Timing for Payroll \(G32\)](#)

Patient Protection and Affordable Care Act of 2010, [42 USC 18001 et seq.](#)

6. POLICY HISTORY:

Policy was revised effective January 1, 2016 to include ACA reporting requirements.