

Federally Mandated

# Affordable Care Act

State of Idaho Employees

# What is the Affordable Care Act?

[The Patient Protection and Affordable Care Act, or Affordable Care Act \(ACA\), is the health care reform law. A piece of the Affordable Care Act is the Employer Shared Responsibility.](#)

- ❖ The intent of the Affordable Care Act is to **offer affordable insurance** to as many people as possible.
- ❖ The Employer Shared Responsibility mandate requires all applicable large employers (50 or more employees) to offer affordable medical insurance to their ACA full-time employees.
- ❖ The State of Idaho is only reporting on agencies that are paid through the Controller's Office.
- ❖ BSU, ISU and U of I are not included

- ❖ The State of Idaho is required to participate in this federally mandated program.
- ❖ The State Controllers Office will be responsible for all federal reporting requirements.
- ❖ The Office of Group Insurance is also heavily involved in ensuring that state employees are offered affordable insurance as well as determining what is considered affordable.

## What is the State's Responsibility?

Note: The ACA was geared towards private sector employers.

The State has spent lots of time deciding on who we were required had to report on.

# A few things to note when talking about the Affordable Care Act:

ACA only refers to the offer of coverage

- It is not required for the employee to sign up for the coverage that has been offered.

The ACA requires employers to offer coverage for health insurance only

- It does not include vision or FSA or other types of health care products
- OGI rules require that when health insurance is offered, dental and life insurance must be offered also.

Eligibility for other state benefits are not mandated by ACA

- PERSI, leave accrual, holiday pay, part-time insurance

# Defining Affordable

# Safe Harbor and Federal Poverty Line

The Office of Group Insurance (OGI) are utilizing the Federal Poverty Line Safe Harbor to determine if the insurance is affordable.

The Federal Poverty Line Safe Harbor: The employer's offer of coverage to an employee is treated as affordable if the employee's required contribution for the calendar month for the lowest cost self-only coverage that provides minimum value does not exceed 9.5% of a monthly amount determined as the federal poverty line for a single individual for the applicable calendar year, divided by 12.

**The only insurance that the state currently offers that falls under this definition as affordable is Tier 1 insurance.**

*Note: An employee can have Tier 2 insurance, however it is not considered affordable under the Federal Poverty Line Safe Harbor, and therefore does not meet ACA requirements.*

# Look-Back Method- How the State determines a Full-Time Employee

- Measurement Period
- Administrative Period
- Stability Period

# Look- Back Method

There are 2 types of look-back methods

1. Standard Period - Ongoing Current Employees
2. Initial Period – New Employees

Look-Back Method is comprised of 3 parts

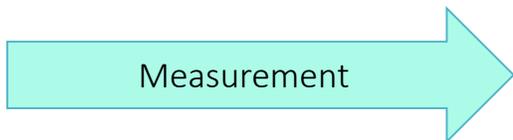
1. Measurement
2. Administrative
3. Stability



# Standard Look-back

For Ongoing Current Employees

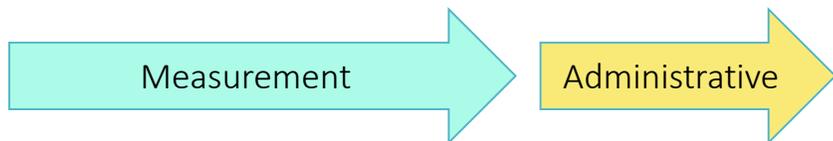
- ❖ 12 month period (May through April)
- ❖ Hours of Service are recorded for each employee and are used to determine ACA full time status.
- ❖ Employees reporting an average of 130 Hours of Service per month during this period will be considered ACA full time employees.
- ❖ The first Standard Measurement Period was May, 2014 through April, 2015.



# Measurement Period (Standard)

# Administrative Period

- ❖ Administrative Period allows time to update the Employer Deductions form, and change an employees tier level.
- ❖ The length of the Administrative Period varies. It will occur for approximately two months after the Standard Measurement Period.
- ❖ This period will usually be May and June.

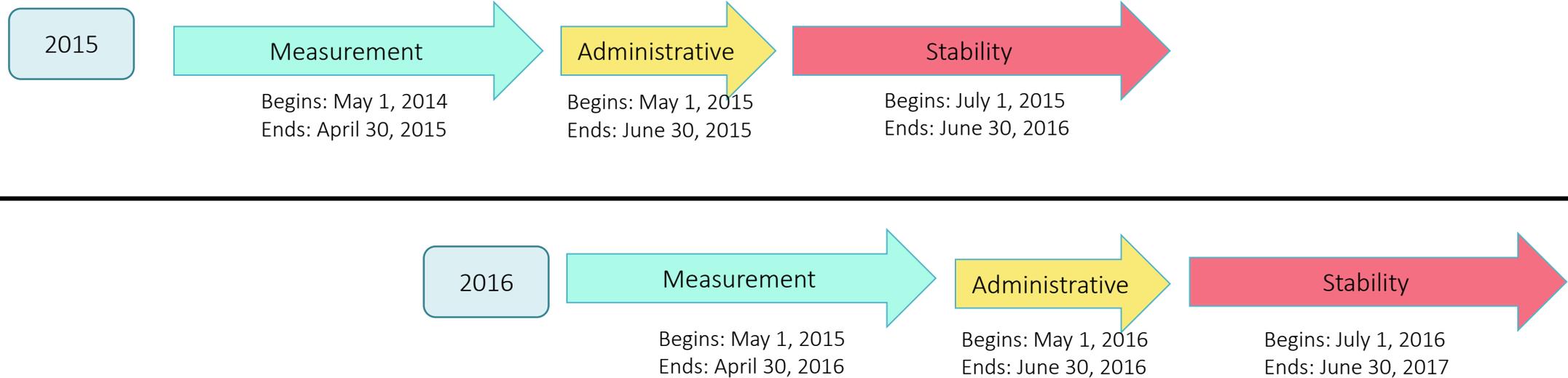


- ❖ Employees identified as ACA full-time during the preceding Standard Measurement Period are required to be eligible for Tier 1 insurance for the duration of the Standard Stability Period.
- ❖ The insurance tier for these employees can not be changed during this period.
- ❖ The length of the Stability Period is July 1<sup>st</sup> through June 30<sup>th</sup>, which coincides with the insurance plan year.
- ❖ Employees need to be offered coverage for the entire insurance plan year.



## Stability Period (Standard)

# Standard Look-Back



# ACA vs. State of Idaho Full-Time Employee Definition

## STATE OF IDAHO FULL-TIME EMPLOYEE DEFINITION

An employee who works 40 hours a week, for the entire year.

## AFFORDABLE CARE ACT FULL-TIME EMPLOYEE DEFINITION

An employee who works on average 30 hours a week, or 130 hours per month.

# 8- Month Temp Employees

- ❖ The ACA does not use terms such as “8-month Temp”.
- ❖ All employees are measured regardless of employment title.
- ❖ If the employee measures as full-time per ACA, they must be offered Tier 1 insurance.
- ❖ Even if the employee does not measure as full-time under ACA definitions, the Office of Group Rules could possibly require Tier 1 insurance.

Hours of Service

# What types of hours are used to count towards ACA hours?

Hours of Service is defined as each hour which an employee is paid, or entitled to payment. This also includes vacation, holidays, illness, incapacity (including disability), jury duty, military duty or Family Medical Leave (FMLA).

Leave without pay (that is not covered under FMLA) is not counted towards hours of service.

[Hours of Service](#)

# Initial Look-Back

For New Employees

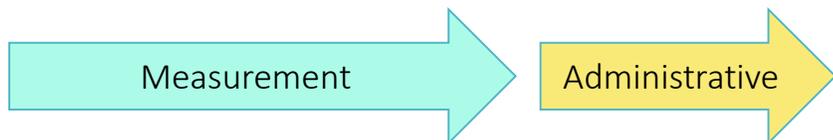
- ❖ This is an 11 month period in which the employees hours of service are recorded.
- ❖ If the employee reported an average of 130 hours of service per month during the measurement period, then the employer is required to offer Tier 1 insurance during the stability period.
- ❖ For new employees the State of Idaho uses the pay period begin date of the second payroll that the employee has ACA Hours of Service as the start date (provided that ACA hours were coded during the first pay period).



# Measurement Period (Initial)

- ❖ This period of approximately two months allows time to update employees insurance eligibility.
- ❖ Agencies will be required to update the Employer Deductions form for all part-time employees who were determined to be full-time during the measurement period.
- ❖ These employees will be required to be offered Tier 1 insurance.

**Note:** Agencies may also change the eligibility or tier for those full-time employees who were determined to be part-time during the measurement period, however it is not required.



# Administrative Period

- ❖ This period is 12 months long and is directly following the administrative period.
- ❖ If an employee was determined to be full-time the employee **MUST** be offered Tier 1 insurance for the entire stability period.
- ❖ Employers cannot change a full-time employee's tier for the full stability period.



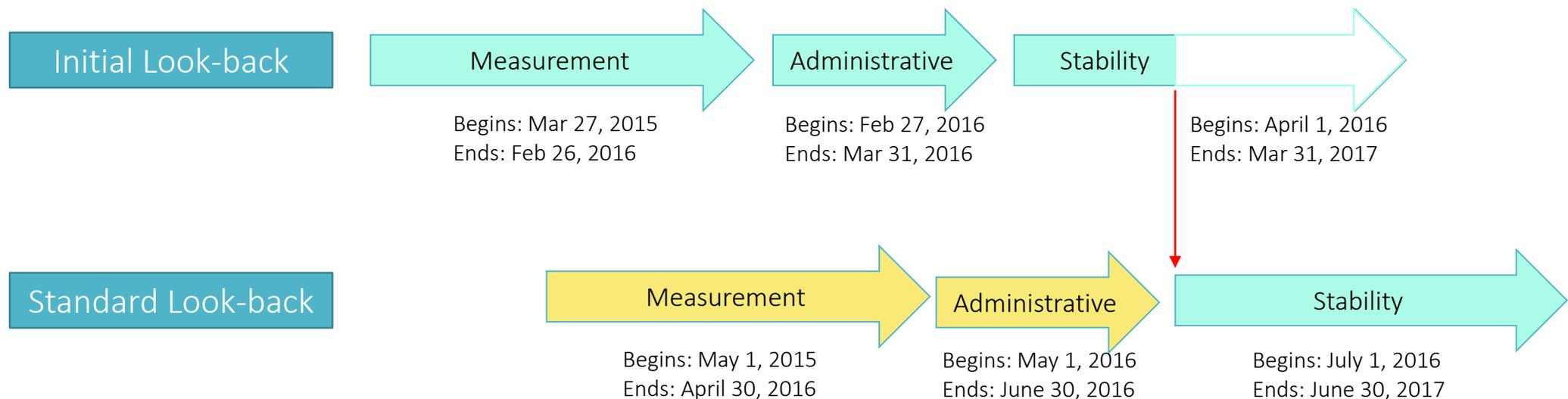
## Stability Period (Initial)

When does a new employee start on the Standard Look-Back Period?

# Initial to Standard

On the first day of the standard stability period, the system will look to see what was the determined eligibility/tier for the new employee during the standard measurement period. If it is determined that the employee was:

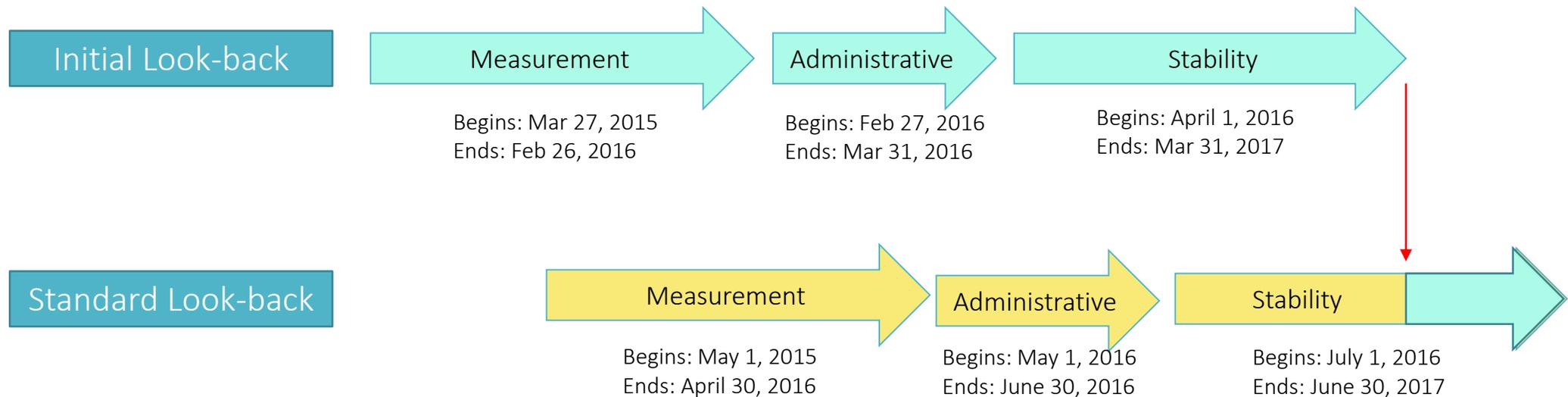
Measured as Tier 1 insurance eligible: The new employee will no longer participate in the initial look-back, and will from then on be on the standard look-back period.



# Initial to Standard

On the first day of the standard stability period, the system will look to see what was the determined eligibility/tier for the new employee during the standard measurement period. If it is determined that the employee was:

Measured as Tier 2 or No Tier insurance eligible: The new employee will finish their initial stability period. Once the initial look-back has been completed the new employee will then immediately participate in the remaining standard stability period.



# Break In Service

What is the definition of break in service?

## How to determine if an employee has had a break in service:

1. Identify the last time hours of service were coded.
2. Identify whether the employee works for a non-educational agency or an educational agency.  
*Note: The previous agency and the current agency must both be educational agencies for the rules regarding educational agencies to apply (504 and 511).*
3. Measure break in service based on type of agency. Non- Educational Agency or Educational Agency.

## Break in Service

A break in service is defined by two categories:  
Educational Organizations ( Agency 504 and 511) and  
Non-Educational  
Organizations (Majority of  
State Agencies).

# Break in Service Cont.

## Non – Educational Agencies

Numbers of Weeks with zero Hours of Service	Rule
Less than 4 weeks	No Break in Service
4 weeks up to 13 weeks	Subject to the Rule of Parity*
13 weeks and greater	Break in Service

## Educational Agencies (only agencies 504 and 511)

Numbers of Weeks with zero Hours of Service	Rule
Less than 4 weeks	No Break in Service
4 weeks up to 26 weeks	Subject to the Rule of Parity*
26 weeks and greater	Break in Service

# \*Rule of Parity

Numbers of Weeks with zero Hours of Service	Rule
Less than 4 weeks	No Break in Service
4 weeks up to 13 weeks	Subject to the Rule of Parity*
13 weeks and greater	Break in Service

If the last period of employment is less than the break in ACA hours then it **IS** considered a break in service – new employee.

*Example: Employee started January 1st and worked through February 1st. They have coded zero ACA for the past 8 weeks and they are now looking to return to employment. Their last period of employment was only 1 month long and their break was 2 months long. In other words their break was longer than their employment period and is **therefore is considered a break in service.***

If the last period of employment period is greater than the break in ACA hours then it is **NOT** considered a break in service – ongoing employee

*Example: Employee started January 1st and worked through April 1st. They have coded zero ACA for the past 8 weeks and they are now looking to return to employment. Their last period of employment was 3 month long and their break was 2 months long. In other words their break was shorter than their employment period and is **therefore not considered a break in service.***

What if agencies don't  
follow regulations?

The State of Idaho may be subject to penalties by the IRS if compliance with ACA regulations is not maintained.

Examples of non-compliance may include:

- ❖ An ACA full-time employee was not offered Tier 1 insurance and qualifies for the subsidy at the exchange.
- ❖ An employee was misclassified as an independent contractor and therefore not offered affordable insurance.

Any penalties will be the responsibility of the agency that was not in compliance.

## Penalties

As defined in:

- Section 4980H(a) Applicable Payment Amount
- Section 4980H(b) Applicable Payment Amount

Agencies processing  
information

# Certification of Insurance Offered

## Certification of Insurance Offered

**NOTE:** When employee becomes eligible for Health Insurance, this form must be signed by the employee and placed in his/her personnel file for ACA compliance.

- Employee eligible for “Tier 1” Insurance Coverage  
(Expected to work more than 30 hours per week)
- Employee eligible for “Tier 2” Insurance Coverage  
(Expected to work 20 to 29.9 hours per week)

I hereby certify that my employer, State of Idaho, has provided me and my eligible dependents an offer of health insurance, as defined above, based on the expected average number of hours per week I work.

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Date

Employee Printed Name \_\_\_\_\_

As of September 4, 2015 agencies are required to certify all eligible employees have been offered health insurance for all new employees.

The form, [Certification of Insurance Offered](#), must be completed, signed, and stored in the employee's personnel file each time they become eligible for insurance.

# IPOPS

Agencies are required to complete the Employer Deductions form for ALL employees, regardless of benefit eligibility.

Agencies will indicate the tier level of insurance offered to eligible employees when they are hired or have a change in employment status.

Employer Deductions Info	Currently On File	To Be Changed To
Tier Level	1: hrs per week 30.0 -40.0	1: hrs per week 30.0 - 40.0 ▼
Certification of Insurance Offered	Employee offered insurance for Tier 1	<input checked="" type="radio"/> Employee was offered insurance and is eligible for Tier 1 <input type="radio"/> Employee was offered insurance and is eligible for Tier 2

# Online Reporting

*1. ACA Payroll Actions Report A-444991 – This report will be published each payroll in SYS ID AUIS44*

This report lists all initial look-back periods for employees, which provides agencies with information on when an employee has reached the end of their initial measurement period and stability period or if any changes are required.

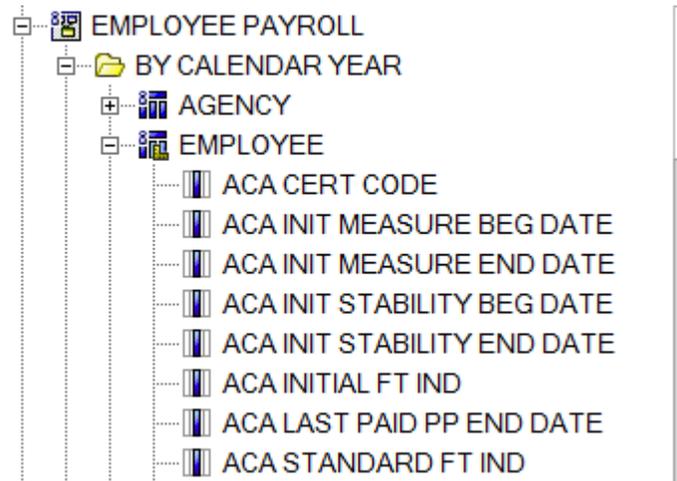
*2. ACA Look-back Report – This report will be published annually between May and June in SYS ID AUIS44R.*

# IBIS Data Elements

The following new data elements have been added to the employee query subject for ACA :

Offer of Coverage (available per month); Safe Harbor (available per month); and ACA Hours (available per month).

Agencies may use these data elements to create reports on whether an employee has been offered Tier 1 insurance.



# 1095-C Form

At the end of each calendar year, all employees that have been identified as ACA full-time for at least one month of the year will be mailed Form 1095-C. This form may be required when an employee files their individual income tax return.

*Note: Some employees will have Limited Non-Assessment Periods listed on their Form 1095-C. This represents certain periods of time that agencies will not be held liable for penalties under the Affordable Care Act for failing to offer affordable health insurance to a full-time employee.*

600116  VOID  CORRECTED OMB No. 1545-2251 **2015** Form **1095-C**

<b>Part I</b> APPLICABLE LARGE EMPLOYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.	<b>Part II Employee Offer and Coverage</b>				Employer Provided Health Insurance Offer and Coverage										
STATE OF IDAHO 700 W STATE STREET BOISE ID 83720 - 0011 208-334-2394	Plan Start Mo. (Enter 2-digit no.): 07	14 Offer of Coverage (enter required code)	15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage	16 Applicable Section 4980H Safe Harbor (enter code, if applicable)											
	All 12 Months		\$												
	Jan	1E	\$ 58.00	2C											
	Feb	1E	\$ 58.00	2C											
	Mar	1E	\$ 58.00	2C											
	Apr	1E	\$ 58.00	2C											
	May	1E	\$ 58.00	2C											
	June	1E	\$ 58.00	2C											
	July	1E	\$ 30.00	2C											
	Aug	1E	\$ 30.00	2C											
	Sept	1E	\$ 30.00	2C											
	Oct	1E	\$ 30.00	2C											
	Nov	1E	\$ 30.00	2C											
	Dec	1E	\$ 30.00	2C											
Information about Form 1095-C and its separate instructions is at <a href="http://www.irs.gov/form1095c">www.irs.gov/form1095c</a> .					For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.										
EMPLOYEE'S name, address, ZIP/postal code & country  BARTLET D PEAR PO BOX 1 MERIDIANXXXXXXXXXXXX ID 83646															
APPLICABLE LARGE EMPLOYER'S identification number (EIN) 82-6000952	EMPLOYEE'S social security number (SSN) XXX-XX-0124				Department of the Treasury -- IRS										
<b>Part III Covered Individuals</b> If Employer provided self-insured coverage, check the box and enter the information for each covered individual.															
(a) Name of covered individual(s)	(b) SSN	(c) DOB (if SSN is not available)	(d) Covered all 12 mos.	(e) Months of coverage											
				Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec

Situations for agencies  
to watch for....



# Hiring a Previous State Employee

## Scenario:

- An employee works for Corrections (Agency 230) full-time, and then quits.
- They are then hired 2 weeks later at ISP working 15 hours a week.

ISP must now offer Tier 1 insurance for the employee because they are still in the stability period from working at Agency 230.

The employee must remain at Tier 1 insurance for the duration of the stability period (and possibly the next stability period).

**Note:** This employee is no longer eligible for retirement, leave or holiday pay.

[Return to Situations](#)

# Change in Employment Status FT-PT

## Scenario:

- An employee works for an agency full-time.
- The employee chooses to take a part-time position within the agency, only working 18 hours a week.

The Agency must continue to offer Tier 1 insurance for the employee because they are still in the stability period from working full-time.

The employee must remain at Tier 1 insurance for the duration of the stability period (and possibly the next stability period).

**Note:** This employee is no longer eligible for retirement, leave or holiday pay.

[Return to Situations](#)

# Change in Employment Status PT-FT

## Scenario:

- An employee works for an agency part-time.
- The employee chooses to take a full-time position within the agency.

The Agency must immediately offer Tier 1 insurance.

[Return to Situations](#)

# Returning Retirees

## Scenario:

- An employee works for agency full-time, and then retires.
- They are then hired back within 13 weeks, on a part-time basis for a project.

Agency must continue to offer Tier 1 insurance for the employee because they are still in the stability period from when they worked full-time.

The employee must remain at Tier 1 insurance for the duration of the stability period.

**Note:** This employee is not eligible for retirement, leave or holiday pay.

[Return to Situations](#)

# Employees with extended leave with out pay

## Scenario:

- An employee works for agency full-time and has to take an extended FMLA leave of absence.
- The employee is out for 6 months.

The employee is no longer covered under FMLA.

When the employee returns to work they will begin an initial look-back period, and will be considered a new employee.

The employee should still be offered Tier 1 insurance if they are expected to work full-time hours.

[Return to Situations](#)

# Dual Employment

## Scenario:

- An employee works part-time for Agency 210 (15 hours a week).
- Employee is also a part-time employee with Agency 185 (15 hours a week)

Average hours for the employee is 30 hours per week

- ❖ BOTH agencies must offer Tier 1 insurance
- ❖ BOTH agencies will have the sweep deduction taken for insurance

\*\*\*This scenario also applies to Board Members

[Return to Situations](#)

Questions?

# Contact us

DSP Helpdesk 208-334-2394

[dsphelp@sco.idaho.gov](mailto:dsphelp@sco.idaho.gov)

<http://help.sco.idaho.gov>