Please make the following information available to employees in your department as appropriate.

July 23, 2014 – SPECIAL NETWORK NEWS MESSAGE

Additional Information Pertaining to the Affordable Care Act

The following message was sent to Human Resource Offices across the entire Texas A&M University System by System Benefits Administration. The message details two significant timing changes related to the implementation of the Affordable Care Act (ACA). Specifically, the impact on the employer contribution waiting period and the starting date of the measurement period for variable employees.

Forwarded message:

Final Rules for: Waiting Period for Benefit Contribution & ACA Measurement Periods

BEGINNING EMPLOYER CONTRIBUTION

In late January of this year, a memo was sent from Kevin McGinnis detailing the need for each workstation to fund the equivalent of one month of state contribution for new employees from local funds, due to the ACA requirement that eligible employees must be provided coverage on their 91st day of employment. After the delay of implementation for the ACA rules until 9-1-15, we thought this rule was delayed as well, but have come to find out that it is not; it does begin on 9-1-14.

Therefore, we must reiterate that employees whose hire date is 9-1-14 or beyond will have an SGIP start date of the first of the month following 60 days. The first month of insurance contribution must be paid from local funds. A reminder that we intend to address this change during the legislative session so that by 9-1-15, State funding will be available as of the first of the month following 60 days and local money will not be necessary except for those normally paid from local funds.

Both iBenefits and BPP are in the process of changing their system to be compliant, and we are changing all booklets and forms as well.

MEASUREMENT PERIODS

The Transitional Measurement Period (TMP), as we move into the first year of tracking the hours for variable-hour employees, will begin on 8-1-2014. This is because all benefits due any employees determined to be eligible by virtue of working, on average, over 30 hours/week, must begin on 9-1-15 or we become ineligible for the delay of the employer-share rules until 9-1-15. In addition, the length of our measurement period (12 months) must match the length of our stability period (the period the individual is eligible for benefits) unless we begin measuring on or before July 1, 2014, which we have not done.

Beginning the measurement on 8-1-14 will provide us a 12-month period that lasts through 7-31-15, with a one-month administrative period. This one month period allows time to review the measurement reports, which will have been provided on a monthly basis, contact the affected employees, enter them into iBenefits, and allow them to make their enrollment choices.

This is then followed by a 12-month Stability Period, which is the period of coverage for those employees. During that period, their Standard Measurement Period is tracked, the next measurement period which brings them in line with the remainder of already-employed, variable-hour employees being measured on an ongoing basis. If they are determined to be eligible by virtue of working, on average, over 30 hours/week, during the Standard Measurement Period, as reviewed during the subsequent, one-month Administrative Period, then their benefits continue during the next Stability Period which may have already begun and runs concurrently with their existing stability period. If not, then their coverage ends at the end of their initial Stability Period. Clear as mud?
Please see the attached chart. This will be discussed further in the coming months.

This special LNN edition serves as notification of these changes along with elaboration of additional considerations and impacts at the department level.

**Waiting period adjustment to the first of the month following 60 days of employment:**
- Change is effective for employees hired 9/1/2014 or later and does not impact current hires through 8/31/2014.
- Departments should review and update offer letter templates for any future generated offer letters with hire dates of 9/1/2014 or later to reflect the employee’s eligibility for the employer contribution beginning the 1st of the month following the 60th day of employment.
- SGIP Eligibility chart for FY15 is being updated by HR Benefits Services and will be shared once available.

**Initial transitional measurement period to begin August 1st for variable employees:**
- Initial transitional measure period has been defined as 8/1/2014 through 7/31/2015.
- HR Benefits Services will collaborate and share monthly report information with departments that have variable employees who appear to be on track to meet benefit eligibility based on the 30 hour average under the ACA rules.
- Departments will need to review employment and hours worked for variable employees beginning August 1st and make any appropriate decisions based on potential benefit eligibility averaged over the measurement period.
- Ensure that potential dual employment is addressed at time of hire by inquiring about other A&M System employment with the new employee at time of hire and submit dual employment forms (http://employees.tamu.edu/managers/dual-employment) as necessary.
- Hours reported and paid for variable employees must be processed on a monthly basis to allow for hours to be attributed to the actual month worked and factored into the monthly calculations to determine average hours worked as required by ACA.

The Affordable Care Act implementation is complex; further details will be provided as it becomes available. In the meantime, please send specific ACA questions to HR Benefit Services at benefits@tamu.edu.

Thank you.

**“We’re here for you!”** http://employees.tamu.edu

HR Liaison Network News (LNN) is distributed weekly to departmental HR Liaisons at Texas A&M University. If you have questions about LNN contact:

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Next Network Meeting:
**September 30, 2014**