

## 5.21 Health Insurance Eligibility and Affordable Care Act

**Last Revised:** December 2021

**Policy:** Piedmont Community College (PCC) will offer health insurance to all eligible employees to ensure compliance with the Health Insurance Eligibility and Affordable Care Act (ACA).

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### **Purpose/Definitions:**

#### **Purpose**

The purpose of this policy is to offer health insurance coverage to any eligible employees.

#### **Definitions**

**Administrative period**—the time after the standard/initial measurement period that it takes to enroll an eligible part-time employee in the health insurance plan. The administrative period will be no more than 2 months following the end of the measurement period.

**Break in service**—for employees not reasonably expected to meet the definition of an ACA full-time employee, a break in service is the period of time when an employee is not being paid and is not entitled to be paid for the performance of duties.

**Credit-bearing courses**—curriculum courses for which credit hours are earned and can be applied to degrees, diplomas, and certificates.

**Curriculum faculty**—categories and subcategories of positions (lab, no-lab, etc.):

- Criteria for full-time employment: between 18 and 28 instructional contact hours and up to eight office hours each week, and relevant committee work as assigned for a total of 39 hours.
- Activities that are given credit on an hour for hour basis for part-time faculty are office hours and class preparation.
- Responsibility for tracking and reporting hours will be shared by:
  - Dean
  - Vice President, Instruction
  - Director, Human Resources and Organizational Development (HROD)

**Full-Time Other**—a position established in the budget as a regularly recurring position. Employment must be for nine or more months per calendar year with a work schedule of 30 or more hours per week, but less than 39 hours per week. Positions in this category will receive

fringe benefits which include, but are not limited to, prorated leave (e.g., sick, annual, funeral, civil, military, community service), state service credit, longevity, state retirement, holiday, disability, and health insurance benefits along with other benefits offered by the College. These full-time other hours may occur on campus or at the designated workplace as approved by the President or appropriate Vice President.

**Full-Time Permanent**—a position established in the budget as a regularly recurring position. Employment must be for nine or more months per calendar year with a work schedule of 39 hours per week. Positions in this category will receive fringe benefits which include, but are not limited to, leave (e.g., sick, annual, funeral, civil, military, community service), state service credit, longevity, state retirement, holiday, disability, and health insurance benefits along with other benefits offered by the College. These full-time regular hours may occur on campus or at the designated workplace as approved by the President or appropriate Vice President.

**Full-Time Temporary**—a position that is not established in the budget as a regularly recurring position and will be for brief periods (no more than twelve months) with a work schedule of 30-39 hours per week, which terminates upon expiration of the contractual period and carries no expectation of extension or preference for employment beyond the contractual period. These employees are eligible for the State Health Plan's High Deductible Health Plan, but are not eligible for retirement benefits, longevity, and leave (e.g., sick, annual, funeral, civil, military, community service), except for holidays that fall within the month.

**Initial measurement period**—the measuring period for new employees who are not initially expected to work more than 30 hours per week. This timeframe is used to determine ACA full-time eligibility for ACA health insurance. The initial measurement period will be 12 months starting from the first of the month following the employee's hire date.

Example: The employee is hired March 10, 2021, and not reasonably expected to work 30 hours per week. The initial measurement period is April 1, 2021 – March 31, 2022.

**Non-credit-bearing courses**—courses that provide lifelong learning opportunities for personal enrichment and career building, such as Basic Skills (College and Career Readiness), Occupational Extension, Business Development and Workforce Training, for which curriculum academic credit is not earned. Prep-time is typically lower than that required for credit-bearing courses.

**Non-curriculum Instructors**—categories and subcategories of positions (Basic Skills, Occupational Extension, and Business & Industry, etc.):

- Criteria for full-time employment: between 28 and 35 instructional contact hours and up to eleven office hours each week, and relevant committee work as assigned for a total of 39 hours.
- Activities that are given credit on an hour for hour basis for part-time instructors are office hours and class preparation.

- Responsibility for tracking and reporting hours will be shared by:
  - Dean
  - Vice President, Instruction
  - Director, HROD

**Part-Time Permanent**—a position established in the budget as a regularly recurring position. Employment must be for nine or more months per calendar year with a work schedule of at least 20 hours per week but not more than 26 hours per week on average, unless otherwise approved by the supervisor. At no time should the total hours exceed 29 per week. These hours must occur on campus or at the designated workplace as approved by the President or appropriate Vice President. Positions in this category are eligible to enroll in the state health plan on a fully contributory basis (PCC does not contribute), earn holidays, longevity, prorated state service credit, and prorated annual and sick leave.

**Part-Time Temporary**—a position that is not established in the budget as a regularly recurring position and will be for brief periods (usually less than nine months) with a work schedule of no more than 26 hours per week on average, unless otherwise approved by the supervisor. At no time should the total hours exceed 29 per week. The employee's contract terminates upon expiration of the contractual period and carries no expectation of extension. Part-time temporary positions are not eligible for retirement benefits, longevity, health insurance, and leave (e.g., sick, annual, funeral, civil, military, community service) and are given no job preference for employment beyond the contractual period.

**Seasonal employee**—an employee who is employed on a temporary basis for a defined season, such as registration. These employees are measured similarly to part-time employees.

**Service hours**—each hour for which an employee is credited for the performance of services and, if applicable, hours for which an employee is entitled to payment during which no duties are performed due to paid leave, such as vacation, holiday, disability, furlough, jury duty, military leave or leave of absence. For faculty/instructor positions, service hours include not only classroom instruction time, but also time spent on advising students, class preparation work, course development, office hours, committee work, and other duties as assigned or required by the College.

**Stability (coverage) period**—the period of time after the administrative period during which health coverage is provided to ACA full-time employees. The stability period after an initial measurement period is 12 months starting by the first day of the third month after the employee's initial measurement period ends. The stability period after the standard measurement period is January 1 to December 31.

Example: An employee hired on March 10, 2021, without the expectation of full-time employment has an initial measurement period of April 1, 2021 – March 31, 2022. If, after measuring, the employee is determined to be full-time, the employee is then

eligible for the ACA health insurance effective no later than June 1, 2022. The stability period runs for 12 months from when the employee's health insurance coverage begins.

Eligibility for ACA coverage for the next stability period (January 1, 2023 – December 31, 2023) will look back at the standard measurement period of November 1, 2021 – October 31, 2022. If the employee does not meet the definition of an ACA full-time employee during the standard measurement period, the employee remains entitled to continue the State Health Plan High Deductible Health Plan (SHP-HDHP) for the remainder of the initial stability period.

**Standard measurement period**—the measuring period for each calendar year used to determine full-time eligibility. This period is from November 1st of the previous year to October 31st of the current year.

**Workload formula**—a means to calculate the teaching and service contributions of part-time curriculum faculty members and non-credit instructors for the purpose of calculating eligibility for health insurance in accordance with federal ACA guidelines.

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**Approval Authority/Monitoring Authority:** Piedmont Community College's Board of Trustees has approval authority for this policy. The Vice President, Administrative Services/CFO has monitoring authority.

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**Procedure:**

Section 1: General Provisions

- 1.1. Coordinators, directors, deans, supervisors, and appropriate vice presidents must determine the appropriate employment category prior to contract initiation.
- 1.2. Each department is responsible for reporting the number of hours worked by each part-time temporary employee to the Office of HROD by the 7th of each subsequent month unless otherwise designated by the Office of HROD.
  - 1.2.1. For example, hours worked in July must be reported to the Office of HROD by August 7.
  - 1.2.2. It is the supervisor's responsibility to ensure that all hours are reported correctly.
  - 1.2.3. To ensure compliance with this policy and to determine who is working enough hours to be eligible for health insurance benefits, the Office of HROD will generate a monthly report based on the hours provided by each department.

- 1.2.3.1. If any part-time employee is eligible for health insurance benefits, the Office of HROD will contact any eligible part-time employee within 30 days of eligibility to ensure enrollment or "OPT OUT" documentation is completed using the online enrollment tool administered by BCBSNC.

## Section 2: Break in Service

- 2.1. A break in service is calculated when it is necessary to determine whether the employee can be considered as a newly re-hired employee and a new measurement period applied or an ongoing (continuous) employee.
  - 2.1.1. In order to be considered a new employee and have a new measurement period applied, a break in service must be 26 or more weeks between recorded hours or less than 26 weeks but at least 4 weeks, and is longer than the employee's period of employment immediately preceding the period of non-employment (the rule of parity).
- 2.2. The type of break in service determines if a part-time employee is classified as "existing" or a "new hire."
  - 2.2.1. The College uses the "look-back" method and calculates average hours worked per week excluding a break period.
  - 2.2.2. Different rules apply to the "look-back" method of Safe Harbor that is used to analyze these two types of part-time employees who have had a break in service. Consider these examples:
    - 2.2.2.1. Example 1: A part-time employee has a period of time which is less than 4 weeks for which they have 0 hours worked: Because the period during which the part-time employee did not work is less than four weeks, it is not an "employment break period." Therefore, you would treat this part-time employee as an "on-going" part-time employee and record only the actual hours worked. You continue with the same measurement period and stability period that they originally started with.
    - 2.2.2.2. Example 2: A part-time employee has a period of time which is greater than 26 weeks for which they have 0 hours worked and start to work with the employer again after 26 weeks: Because the period of time for which the individual did not work is greater than 26 weeks, this is not considered an "employment break period," but rather the part-time employee is treated

as a rehire/new part-time employee, and you would start over with a new measurement period.

2.2.2.3. Example 3: A part-time employee has a break of service of between 4 and 26 weeks and the break in service is greater than their period of employment: For example, a part-time employee works for five weeks for an employer and then leaves employment. He/she comes back to work ten weeks after this. In this case, the individual is treated as a rehire/new part-time employee because the break of ten weeks is greater than four weeks and greater than the period of employment of five weeks. You would start over with a new measurement period.

2.2.2.4. Example 4: A part-time employee has a break in service of between 4 and 26 weeks and the break in service is less than the period of employment: For example, a part-time employee works for ten weeks, leaves employment, and returns five weeks later. This would be considered an "employment break," and the individual would be treated as an on-going part-time employee because the break in service of five weeks is greater than four weeks and less than the period of employment of ten weeks. The measurement and stability period that would have applied to the part-time employee had the part-time employee not had an employment break would continue to apply upon the part-time employee's resumption of service.

### Section 3: Calculating the Workload of Part-Time Faculty

3.1. Prior to issuance of a part-time faculty contract, the supervisor or designee should calculate the employee's total workload using the designated formula in Table 1.

3.2. The workload formula may include any combination of the following components: contact hours, credit hours, service hours, reassign time, academic level of the course or class membership hours (number of students).

3.2.1. The College's current workload formula for part-time faculty is as follows:

**Table 1. Workload formula**

<b>Multiply each workload component by its designated multiplier, then sum:</b>	
<b>Component</b>	<b>Multiplier</b>
Curriculum Lecture (safe harbor)	2.25 hours per contact hour (credit-bearing)
Curriculum Labs	1.67 hours per contact hour (credit-bearing)
Curriculum Clinicals	1.17 hours per contact hour (credit-bearing)
Occupational Extension	1.25 hours per contact hour (non-credit-bearing)
Basic Skills	1.17 hours per contact hour (non-credit-bearing)
Business & Industry	1.25 hours per contact hour (non-credit-bearing)
Skills Lab	1 hour per contact hour (non-credit-bearing)
Occupational Extension Clinicals	1.17 hours per contact hour (non-credit-bearing)

**Section 4: Changes in Employee’s Position Status**

- 4.1. Employee position status changes will be in accordance with all applicable local, state, and federal employment law, including criteria set forth in the ACA that establishes an employee’s eligibility for being offered health benefits by the College.

**Section 5: Multiple Positions**

- 5.1. Total hours for part-time employees who work in more than one employment category will be the sum of the hours calculated as defined for each category.
- 5.2. Part-time employees employed in multiple positions will not exceed 26 hours per week.

**Section 6: Opting Out Procedures**

- 6.1. Any part-time employee may choose not to accept coverage in the health plan.

- 6.2. Eligible part-time employees must annually complete the online enrollment tool administered by Blue Cross/Blue Shield of North Carolina which acknowledges that they were offered coverage and chose not to accept the coverage.
- 6.3. Once a part-time employee opts out for the plan year, they cannot enroll again until the next annual enrollment.

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**Legal Citation:** [Patient Protection and Affordable Care Act](#), Internal Revenue Service, Department of Treasury: [26 C.F.R. § 54](#) and [26 C.F.R. § 602](#); Department of Labor: [29 C.F.R. § 2590](#), Department of Health and Human Services: [45 C.F.R. § 147](#)

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**History:** Effective April 2015; Revised December 2021