# Patient Protection and Affordable Care Act (PPACA)

PPACA requires that most individuals obtain health insurance coverage or pay a penalty beginning in 2014. This is done through individual and employer mandates in 2015. Employers with 50 or more employees are required to offer coverage to employees working 30 hours or more or pay penalties.

## **Recent Changes**

- Department of Treasury announced on July 2<sup>nd</sup> that it is delaying PPACA's employer shared responsibility penalty and reporting requirements
  - \* Because the reporting information is required to enforce the employer shared responsibility penalty, the penalty is also delayed one year until 2015
  - \* The individual mandate and penalties are NOT delayed and will be effective in 2014
  - \*IRS expects 2014 to be a "dry run" for employer systems, and may be more likely to enforce penalties, for unintentional errors
  - \*Delay may provide time for additional release of guidance on topics important to the university. (For example, temporary faculty and student employees.)

## **University's Plan**

Implement the PPACA requirements as planned on January 1, 2014 and not January 1, 2015 as required. Offer benefits defined below to non-subsidized employees, also defined below.

## For 2014, the University has chosen to use these definitions for Non-Subsidized Employees:

**Non-Subsidized Employees** – the employees who work 30 hours per week or more who are not already in a board-appointed and health benefit-eligible positions. This is the group eligible for the alternate benefit offerings under PPACA. For now, we defined these as:

- current temporary employees working 30+ hours per week during look back period
- new temporary employees anticipated to work 30+ hours
- temporary faculty teaching 10 credit hours (1 credit = 3 hours of work) or more per semester
- students in a temporary staff position If a student happens to work in a temporary staff position and meets the hourly eligibility requirements, then they would fall into this non-subsidized employee group

Subsidized Employees – employees in a board-appointed health benefit-eligible position

## Student Employees - Research Assistants and Teaching Assistants

No benefits offered to student employees for 2014. Hopefully further guidance with regard to student employees will be forthcoming with the additional year to prepare.

### **Plans Offered:**

Offer current medical/RX plan at full-cost to the newly eligible employees. Coverage would be offered to the employee and dependents but not the spouse. This is the requirement of the Federal guidelines. There will be no fringe cost to departments for 2014 for the newly eligible employees.

#### Why Proceed Now?

The benefits of proceeding will greatly enhance our ability to fully comply and minimize potential issues at the beginning of 2015. We will be able to address issues with administrative procedures, reporting, as well as eligibility look-backs during 2014.