

State of Maryland Policy for Identifying Full-Time Employees Under the Affordable Care Act Play or Pay Mandate

A. Explanation of Terms

Administrative Period. The term “Administrative Period” refers to the period of time during which the hours worked data are reviewed to determine an employee’s eligibility for the Alternative Subsidy in the subsequent Stability Period.

Agency. The term “Agency” in this policy means each of the multiple individual entities that participate in the State Employee and Retiree Health and Welfare Benefits Program (the Program) and includes State agencies, satellite agencies, and universities.

Alternative Subsidy. The term “Alternative Subsidy” in this policy means the subsidy that will be provided to employees who are not eligible for the “Maximum State Subsidy,” but who meet the Affordable Care Act (ACA) definition of full-time employee.

Employee. The term “employee” in this policy means an individual who is a common law employee of the agency or Employer.

Employer. The term “Employer” in this policy means the State, which is determined to be the Applicable Large Employer for purposes of Section 4980H of the Affordable Care Act.¹

Full-time employee. The term “full-time employee” in this policy refers to the ACA definition of full-time employee. Under the ACA, a full-time employee is one who is employed an average of 30 or more hours of service per week. This policy adopts 130 hours of service per month as the monthly equivalent of 30 hours of service per week.

Hours worked. The term “hours worked” in this policy refers to the hours to be counted in determining if the employee meets the definition of full-time employee under the ACA. See section “E” below.

Initial Measurement Period. The term “Initial Measurement Period” refers to the 11-month period beginning with the employee’s date of hire and ending 11 consecutive months later, during which an employee’s work schedule is evaluated to determine his/her eligibility for the Alternative Subsidy.

Maximum State Subsidy. The term “Maximum State Subsidy” refers to the highest subsidy amount, which is available only to employees deemed eligible in accordance with Program eligibility rules found in plan documents and State law. A summary of these rules is found in Exhibit B.

¹ A list of entities covered by this policy is attached as Exhibit A.

Ninety-Day (90) Look Back Period. The term “90-Day Look Back Period” for new hires refers to the requirement to review a new employee’s hours on the 91st day to determine his/her eligibility for coverage and the Alternative Subsidy. The agency will review the employee’s work schedule for the first 90 days of employment to determine whether the employee worked 130 or more hours in each of the three consecutive months.

Program. The term “Program” means the State of Maryland Employee and Retiree Health and Welfare Benefits Program. (Note: Employees who are offered healthcare coverage under the Program may also enroll their eligible dependents, including spouses.)

Stability Period. The term “Stability Period” refers to the period during which an employee who was determined to be eligible for the Alternative Subsidy receives such subsidy for the applicable benefits in which he/she elected to enroll. Generally, this will be the full plan year January 1 through December 31.

Standard Measurement Period. The term “Standard Measurement Period” refers to the 12-month period beginning October 15th and ending on the following October 14th during which an employee’s work schedule is evaluated to determine his/her eligibility for the Alternative Subsidy. During this time the employee’s hours worked are counted on a monthly basis. Upon request, the agency must report the hours to the Employee Benefits Division in the format specified.

B. Identification of Full-Time Employees

This policy describes how new employees hired on October 16, 2014 or later are evaluated and how hours of service are counted for determining full-time status for calendar months and measurement periods that began after October 15, 2014.

➤ **New Employee Evaluation**—Determine Status at Start Date

- For all employees hired on October 16, 2014 or later,² the employee’s status as full-time, seasonal, part-time, or variable hour under the ACA must be made at the employee’s start date. These terms are defined below.

Hours will be tracked and aggregated across the agencies. If employees work in more than one position covered by this policy (see Exhibit A), their hours of service will be combined to determine their status.

² The first Standard Measurement Period began on October 15, 2014. All employees on the payroll as of that date were measured using that Standard Measurement Period to determine their status as full-time or not under the ACA for the January 1, 2016-December 31, 2016 Stability Period. Certain employees hired after that date who are considered seasonal, part-time, and variable-hour employees were/are placed in initial measurement periods before determination of their full-time status.

➤ **New Full-Time Employees—Immediately Eligible for Coverage**

- All new employees who are reasonably expected to work on average 30 or more hours per week for more than 90 consecutive days, and who are not seasonal employees, must be treated as new full-time employees.
- New full-time employees will be immediately eligible for an offer of subsidized coverage. New coverage becomes effective either the first or the 16th of the month, based on the pay period in which the first deduction is taken.
- New full-time employees who are eligible for the Maximum State Subsidy, generally 80% or 85% medical plan subsidy and 80% prescription plan subsidy, (see Exhibit B) will be immediately offered coverage with that subsidy. Otherwise, they will be offered coverage with the Alternative Subsidy, generally 75% medical plan and prescription plan subsidy.
- The determination of whether an employee is reasonably expected to work on average 30 or more hours per week will be based on the facts and circumstances that exist at the employee's start date. Relevant factors include:
 - Is there a written employment contract that describes the position as one requiring on average 30 or more hours per week?
 - Does the job description for the position describe the position as one requiring on average 30 or more hours per week?
 - Do employees in the same or comparable position work an average of 30 or more hours per week?
 - Is the position advertised as one requiring on average 30 or more hours per week?
 - Was the position communicated to the employee as one requiring on average 30 or more hours per week?
 - Does the employee work in more than one position for the Agency? If so, do the employee's combined hours total 30 or more hours per week?
- Until new full-time employees are in a Stability Period, their status as full-time or not for ACA reporting purposes is determined by counting actual hours worked.
- Employees who are not eligible for the Maximum State Subsidy may lose their eligibility for the Alternative Subsidy if they do not work full-time hours during any standard measurement period. They will remain eligible to purchase unsubsidized coverage for themselves and their dependents on a post-tax, 100% self-pay basis.

➤ **New Employees—Initial Measurement Period to Determine Full-Time Status**

- New part-time, variable hour, and seasonal are placed in an initial measurement period to determine their status as full-time or not during the associated stability period.
- A *part-time employee* means a new employee who is reasonably expected to work fewer than 30 hours per week on average during the initial measurement period. Classification as a part-time employee must be made based on the facts and circumstances that exist at the employee's start date.
- A *variable hour employee* means a new employee whose hours are variable or otherwise uncertain and so it cannot be determined whether the employee is reasonably expected to be employed on average at least 30 hours per week during the initial measurement period. Classification as a variable hour employee must be made based on the facts and circumstances that exist at the employee's start date.
- A *seasonal employee* is one who is hired into a position for which the customary annual employment is six months or less. The period begins each year around the same time of the year, such as summer or winter. ***Faculty and staff at higher education institutions who are hired for successive academic term contracts are not considered seasonal.***
- New employees classified as part-time, variable hour or seasonal may be placed in an 11-month initial measurement period. Their status as full-time or not for a subsequent stability period will not be determined until after that initial measurement is complete. Until they are in a stability period as either full-time or not full-time, they are in a ***limited non-assessment period*** with undetermined status.
- In general, employees who could be placed in an initial measurement period before their status is determined (e.g., because they are expected to work fewer than 30 hours per week or because they have variable hours), will nonetheless be offered immediate coverage with the Maximum State Subsidy if they are eligible for that subsidy under Program eligibility rules. For example, a *permanent* employee who is hired to work 50% of the regular workweek (20 hours per week) for a State agency is eligible for the Maximum State Subsidy under Program eligibility rules even if the employee only works 20 hours per week.
- Employees placed in initial measurement periods who work in positions that do not qualify for the Maximum State Subsidy will be offered Program coverage for themselves and their eligible dependents on a post-tax, 100% self-pay basis. If they work full-time hours during their initial measurement period, and they are expected to work more than 90 calendar days, they will be treated as full-time employees and offered coverage with the Alternative Subsidy immediately.

- The Employer intends to offer affordable, minimum value coverage to all of its full-time employees and to offer all of its other employees the opportunity to purchase minimum value coverage on a post-tax, 100% self-pay basis.

If a new employee placed in an initial measurement period does not average at least 30 hours of service per week during the initial measurement period, the stability period associated with the initial measurement period must end no later than the end of the first full standard measurement period (plus associated administrative period) during which the new employee was employed.

C. Identification of Full-Time Employees—Measurement Periods

The “Ninety-day look-back” measurement method will be used to identify employees as full-time or not for reporting purposes, and to identify full-time employees who should be offered coverage with the Alternative Subsidy during their stability period if they are not eligible for the Maximum State Subsidy.

Standard Measurement Period. The following standard measurement period will be used:

Standard Measurement Period

Standard Measurement Period (SMP) 12 months beginning on 10/15 and ending the following 10/14	Administrative Period: 10/15 to 12/31	Stability Period 12 months beginning January 1
---	---	--

- **Standard Measurement Period.** October 15 through October 14 (12 months)
- **Administrative Period.** October 15 through December 31 (77 days)
- **Stability Period.** January 1 through December 31 of the following year (12 months)

Initial Measurement Period for Certain New Hires (Part-time, Seasonal, & Variable Hour Employees Only)

Initial Measurement Period

Initial Measurement Period (IMP) 11 months beginning on the employee’s start date	Administrative Period: (2 calendar months plus possible partial month)	Stability Period 12 months
---	---	--------------------------------------

- **Initial Measurement Period (IMP).** 11 months beginning on the employee’s start date.
- **Administrative Period.** From end of the IMP until the end of the second calendar month following the end of the IMP (2 calendar months plus partial month, if employee does not start work on the first day of the month). If the employee starts on the first day of a month, the administrative period will last only two calendar months.
- **Stability Period.** 12 months following administrative period.

➤ **D. Counting Hours of Service**

General rule. Hours of service include both hours paid based on performance of duties as well as paid time for vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty, or leave of absence.

Forms of paid leave that must be counted as hours of service under both the monthly measurement method and the look-back measurement period include:

- Accident Leave
- Annual Leave
- Bereavement Leave
- Compensatory Leave
- Disaster Service Leave
- Examinations and Interviews for State Positions
- Holiday Leave
- Jury Service Leave
- Leave Bank
- Legal Actions Leave
- Military Leave
- Organ Donor Leave
- Personal Leave
- Sick Leave, including occupational injury
- Special unpaid leave for which an averaging method must be used during look-back measurement periods:
 - Family and Medical Leave Act
 - Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA)
- Unpaid jury duty

When special unpaid leave occurs during a measurement period, the agencies must credit the employee with hours of service during such special unpaid leave at a rate equal to the average weekly rate at which the employee was credited with hours of service during the rest of the

measurement period. There is no limit on the amount of special unpaid leave that must be credited or excluded during a calendar year.

Exclusions from Hours of Service. The following **are not counted** as hours of service:

- Hours of service worked by employees whose primary residence and worksite are outside of the United States. Hours of work performed by an employee whose primary residence and worksite are in the United States at a worksite outside of the U.S. must be counted. Please contact the Employee Benefits Division for employees who move to a permanent position either from outside of the U.S. to a U.S. based position or from inside the U.S. to a foreign country.
- Hours of service by bona fide volunteers.
 - The term bona fide volunteer means an employee of the State or another government entity or tax-exempt organization, whose only compensation from that entity or organization is in the form of (i) reimbursement for (or reasonable allowance for) reasonable expenses incurred in the performance of services by volunteers, or (ii) reasonable benefits (including length of service awards), and nominal fees, customarily paid by similar entities in connection with the performance of services by volunteers.
 - For example, hours of service performed by volunteer firefighters and emergency medical providers are not counted, and would not count toward full-time status for those individuals. Hours of service performed by Board members who are not regularly paid a salary or wages (but may be paid expenses such as mileage, travel, meals, etc.) are also not counted.
- Hours of service in work-study programs subsidized through the federal work-study program or a substantially similar program of the State or other governmental unit.
- Hours of service by an intern or extern, to the extent that the student does not receive and is not entitled to payment in connection with those hours. **Paid internships or externships hours worked are counted.**
- Hours of service by a student who is not subsidized through a work-study program are counted.

Hourly employees. For hourly employees, hours of service are calculated from actual records of hours worked or for which payment is made or due. This is the only method allowed for hourly employees.

Non-hourly employees. For non-hourly employees, hours of service are calculated using one of the following methods:

- **Actual records.** Actual records of hours worked or for which payment is made or due.
- **Days-worked equivalency.** For each day in which the employee works or is credited with at least one hour, the employee is credited with eight hours of service.
- **Weeks-worked equivalency.** For each week in which the employee works or is credited with at least one hour, the employee is credited with 40 hours of service.

In general, for the purposes of this policy, all non-hourly employees who are eligible for and offered coverage with the Maximum State Subsidy under Program eligibility rules will be credited with 40 hours of service for each week in which the employee works or is credited with at least one hour.

Adjunct faculty. Hours of service for adjunct faculty will be based on credit hours taught. An adjunct faculty member will meet the ACA full-time definition if he/she teaches a course load that is the equivalent of 75% of the course load expected of full-time non-tenure track instructional faculty in that adjunct faculty member's department, school or institution.

Special categories. Hours of service for employees in special employment categories including adjunct faculty members and graduate assistants may be credited in accordance with a reasonable method that will be consistently applied to all persons within that category who are not paid hourly and who work in the same employment category within the same entity, department, or division. Note, however, that if an employee in one of these special categories is paid by the hour, actual hours for which payment is made or due will be used to track the employee's hours, not an alternative method.

The State may change the method of calculating a non-hourly employee's hours of service for one or more categories of non-hourly employees once per calendar year.

E. Break-in-Service rules—In General

The following rules apply if an employee is rehired or resumes service after an absence. If the period during which no hours of service are credited is at least 13 consecutive weeks, the returning or rehired employee may be treated as a new employee.

- If the period for which no hours of service are credited is less than 13 weeks, the employee will be considered a continuing employee.

- If the period with no credited hours of service is between 4 and 13 weeks and is longer than the employee's period of employment preceding that break, the employee may be treated as a new employee.
- For educational institutions and organizations, where this rule states 13 weeks, the time period shall instead be 26 weeks.

F. Employment Break Rule—Educational Organizations

When determining whether an employee is a full-time employee under this policy, including application of the look-back measurement method, educational institutions and organizations must use the following averaging method with respect to employment breaks that occur during measurement periods.

An “employment break period” means a period of at least four consecutive weeks (disregarding special unpaid leave), measured in weeks, during which an employee of an educational institution or organization is not credited with hours of service. An example is a summer break in an academic year.

The employment break rule applies to all employees of educational institutions and organizations, not just teaching employees.

These special rules are intended to prevent employees' hours of service during a measurement period from being distorted due to the inclusion of summer months, or other employment break periods, during which they may have no hours or receive no pay.

When an educational break period occurs during a measurement period, the agency must credit the employee with hours of service at a rate equal to the average weekly rate at which the employee was credited with hours of service during the rest of the measurement period.

The Agency need not exclude or credit more than 501 hours of service per calendar year.

G. Adjunct Faculty

Each entity to which this policy applies will credit adjunct faculty with hours of service in accordance with this policy. This method is intended to credit adjunct faculty with hours of service in a reasonable manner that takes into account all of their required duties.

During a given term, an adjunct faculty member will be considered a full-time employee and credited with 30 hours of service per week (130 hours of service per month) if the adjunct faculty member teaches the equivalent of 75 percent of the course load required of full-time non-tenure track instructional faculty at the adjunct's school, department, or institution.

For example, the full-time non-tenure teaching load at many institutions is typically four three-credit courses per term. In this example, if the teaching load of a full-time non-tenure teaching track faculty member at the institution where the adjunct faculty is employed is four three-credit classes per term, an adjunct faculty member would be considered a full-time employee if he or she teaches the equivalent of three three-credit classes. In this situation, the Agency will credit the adjunct faculty member with 30 hours of service per week (130 hours per month) and will treat the adjunct faculty member as a full-time employee immediately eligible for coverage with the Alternative Subsidy.

If the adjunct faculty member teaches the equivalent of one or two three-credit classes (and has no other employment with the Agency), he or she would be considered a part-time employee. The adjunct faculty member would be credited with 20 hours of service per week for teaching the equivalent of two three-credit classes, and would be credited with 10 hours of service per week for teaching the equivalent of one three-credit class.

When first hired, an adjunct faculty member expected to teach only the equivalent of one or two three-credit classes would be considered a part-time employee under the ACA and would be placed in an initial measurement period to determine full-time status (and eligibility for the Alternative Subsidy during a subsequent stability period).

The employee's offer of coverage and subsidy level, if any, should be included in the appointment letter.

If an adjunct faculty member works for more than one university or college for the Agency, or has another position in addition to serving as an adjunct faculty member, his or her combined hours of service must be used to determine full-time status.

Employment break rules will be taken into account in calculating the hours of all employees of educational organizations, including adjunct faculty members, during measurement periods.

An adjunct faculty member may be treated as a new employee after a period of 26 weeks during which the adjunct faculty member does not work and is not credited with an hour of service.

For adjunct faculty members who are not exclusively employed as instructional faculty, non-instructional duties will be credited in the same manner as they are for full-time non-tenure track faculty, e.g., non-instructional adjunct faculty will be deemed to 30 hours/week if they work the equivalent of 75% of the expected workload of full-time non-instructional non-tenure track faculty.

H. Graduate Assistants.

This policy applies to individuals with graduate assistantships (graduate assistants) if they are determined by the Agency to be employees for purposes of the ACA. A graduate

assistant treated as an employee under this policy is not necessarily an employee under other policies or laws.

In general, a graduate assistant receives either a 20-hour appointment or a 10-hour appointment.

There are multiple entities covered by this policy, the University of Maryland, College Park, University of Maryland, Eastern Shore, University of Maryland, Center for Environmental Science, University System of Maryland Office by regulation may treat graduate assistants with 20-hour appointments as eligible for the Maximum State Subsidy. This practice may continue at the University of Maryland- College Park, University of Maryland - Eastern Shore, University of Maryland - Center for Environmental Science, University System of Maryland Office and any other entity where it existed before the beginning of the fall 2014 academic year. See Exhibit B. A graduate student with a 20-hour appointment who is eligible for and offered coverage with the Maximum State Subsidy will be credited with hours of service using the weeks-worked equivalency for each week in which the employee works or is credited with at least one hour.

Unless a graduate assistant has a 20-hour appointment covered by the previous paragraph, new graduate assistants with 20-hour or 10-hour appointments will be treated as a part-time or variable hour employee (see definitions of these terms) and placed into 11-month initial measurement period to determine their status as full-time or not under the ACA during a subsequent stability period.

If graduate assistants' average hours of service during their initial measurement period meet the 30-hour or more (130 hours per month) standard during their initial measurement period, they will be treated as full-time and offered coverage with the Alternative Subsidy during the subsequent stability period.

Each entity covered by this policy must have a system in place to record and retain hours of service for graduate assistants.

Employment break rules will be taken into account in calculating the hours of all employees of educational organizations, including graduate assistants, during measurement periods.

A graduate assistant may be treated as a new employee after a period of 26 weeks during which the graduate assistant does not work and is not credited with an hour of service.

I. Post-Doctoral Fellows/Trainees

This policy applies to post-doctoral fellows and trainees determined by the Agency to be employees for purposes of the ACA. A post-doctoral fellow or trainee treated as an employee under this policy is not necessarily an employee under other policies or laws.

A new post-doctoral fellow or trainee who is reasonably expected to work 30 or more hours per week will be treated as a new full-time employee and offered Program coverage with the Alternative Subsidy. The determination of the employee's status must be based on the facts and circumstances that exist at the employee's start date.

New post-doctoral fellows and trainees who are not expected to work 30 or more hours per week, or whose hours are variable (see definition of variable hour employee) will be classified as part-time or variable hour employees and placed into an 11-month measurement period. If the employee averages 30 hours per week or more (130 hours per month) during the initial measurement period, he or she will be offered coverage with the Alternative Subsidy during the subsequent stability period.

Employment break rules will be taken into account in calculating the hours of all employees of educational organizations, including post-doctoral fellows and trainees, during measurement periods.

A post-doctoral fellow or trainee member may be treated as a new employee after a period of 26 weeks during which he or she does not work and is not credited with an hour of service.

If it does not already have one, each college or university must have a system in place to record and retain hours of service for these employees.

J. Residence Hall Advisors and Assistants (RAs)

This policy applies to residence hall advisors or assistants (RAs) determined by the Agency to be employees for purposes of the ACA. An RA who is treated as an employee under this policy is not necessarily an employee under other laws or policies.

Students who serve as RAs are expected to have scheduled and on-call hours that total no more than 20 hours per week on average, taking into account their RA position as well as any other employment for the Agency, if any additional employment is permitted.

To the extent any RA position is funded through a federal, state, or local work-study program, the RA will not be credited with hours of service under this policy because work-study program hours do not count as hours of service under the ACA.

A newly-hired RA who is reasonably expected to work fewer than 30 hours per week, or whose expected hours are variable, will be classified as a part-time or variable hour employee and placed in an initial measurement period. This determination will be based on the facts and circumstances that exist at the RA's start date. The RA will be eligible for the Alternative Subsidy in a subsequent stability period only if the RA achieves full-time status by averaging 30 hours or more per week (or the monthly equivalent) during the initial measurement period or a subsequent standard measurement period.

A newly-hired RA who is reasonably expected to work 30 or more hours per week on average based on the facts and circumstances at the RA's start date will be treated as full-time employee and offered Program coverage with the Alternative Subsidy. However, no RA should receive this classification because their combined employment with the Agency should not exceed 20 hours per week.

Service as an RA will not make the RA eligible for an offer of Program coverage with the Alternative Subsidy unless he or she is a full-time employee under the ACA definition.

Even though it is anticipated that few, if any, RAs will be eligible for Program coverage with the Alternative Subsidy, the hours of RAs must be recorded and tracked so that the Employer can fulfill its responsibilities under the ACA.

RAs who are paid an hourly wage must be credited with hours of service based on actual records of payments made or due.

RAs who are not paid an hourly wage must be credited with an hour of service for every hour for which payment is made or due, including on-call hours, and a record must be made and retained of these hours.

If it does not already have one, each college or university that hires RAs must have a system in place to record and retain records of RA's hours of service.

K. Other Student Employees

Undergraduate and graduate students who work in other positions within the university will be treated under this policy's general principles, if they are determined to by the Employer to be employees under this Policy.

Hours worked in a federal, state, or local work-study position are not counted as hours of service.

L. Change in position (e.g., job transfer, promotion)

In general, employees who qualify for an offer of subsidized coverage during a measurement period are eligible for coverage during the subsequent stability period, even if they do not work sufficient hours in the stability period to maintain the coverage.

If an employee experiences a change in status during an initial measurement period to a position that would have resulted in his or her being considered a full-time employee had he or she been hired into that position, the employee should be treated as a full-time employee and offered coverage with a subsidy in accordance the standard eligibility process.

If an ongoing employee who is in a stability period with full-time status and the appropriate State subsidy experiences a change in employment status resulting in reduced hours of

service, the employee will continue to be treated as a full-time employee and to be eligible for the applicable subsidy during the remainder of the stability period, subject, however, to the special rule described in the following paragraph.

Special rule for certain employees to whom minimum value coverage has been continuously offered. This rule applies to employees who have full-time status in a stability period but whose status changes so they are no longer reasonably expected to be employed 30 or more hours per week and if they have been continuously offered minimum value coverage since the beginning of their employment. (For example, it could apply to a full-time contractual employee working 30 hours per week or more who transfers to a contractual position that requires only 10 hours of service per week after the first contract ends.) Provided that the employee has been continuously offered minimum value coverage since first employed,³ the employee does not have to be treated as a full-time employee for the duration of the stability period. The employee can be measured instead under the monthly measurement method beginning on the first day of the fourth full calendar month following the change in status, if the employee actually averages less than 30 hours of service per week for each of the three full calendar months following the change in employment status. During those three months, the employee would continue to have full-time status. Once the employee no longer has full-time employee status, he or she would no longer be required to be offered coverage with a subsidy.

M. Transfers to and from Positions Outside of the United States

Transfer to position outside of the U.S. An employee who transfers to a position with the Employer outside of the United States may be treated as having terminated employment under this policy if the position is anticipated to continue indefinitely or for at least 12 months, and if substantially all of the compensation received after the transfer is treated as foreign-source income.⁴

Return to U.S. from position outside of the U.S. Employees who transfer from a position with the Employer outside the U.S. for which they are not credited with hours of service under this policy to a position inside the U.S. will be treated as a new employee when they begin working in the U.S. They will be considered continuing employees, not new employees, only if they earned hours of service in the U.S. before starting work in the foreign position and the period during which they earned no hours of service (including the time in the foreign position) was less than 13 weeks (or was less than 26 weeks if they are returning to an educational organization).

³ If an employee was offered minimum value coverage by the first day of the fourth full calendar month of employment, and was continuously offered coverage since then, this rule may apply.

⁴ In general, compensation received for work performed outside of the U.S. is treated as foreign-source income.

EXHIBIT A—ENTITIES TO WHICH POLICY APPLIES

This policy applies to the following entities:

State of Maryland and Other Entities

The State of Maryland (including the Maryland Department of Transportation)

Maryland Automobile Insurance Fund

Maryland Environmental Services

Northeastern Maryland Waste Disposal Authority

Higher-Educational Organizations

Baltimore City Community College

University of Baltimore

Bowie State University

University of Maryland-Baltimore

Coppin State University

University of Maryland-Baltimore
County

Frostburg State University

Maryland School for the Deaf/Columbia

University of Maryland-Center for
Environmental Science

Maryland School for the Deaf/Frederick

University of Maryland-College Park

Morgan State University

University of Maryland-Eastern Shore

Salisbury University

University of Maryland-University
College

St. Mary's College of Maryland

Towson University

University System of Maryland

**EXHIBIT B—EMPLOYEES ELIGIBLE
FOR THE MAXIMUM STATE SUBSIDY**

This is a brief summary of employees eligible for the Maximum State Subsidy:

A permanent full-time or part-time active (working 50% or more of the workweek) State employee who is regularly paid salary or wages through an official State payroll center, including but not limited to:

- Central Payroll Bureau
- Maryland Transit Administration
- University System of Maryland

An elected State official

Register of Wills or an employee of the Register of Wills

Clerk of the Court or an employee of the offices of Clerks of the Court; or

A State Board or Commission member who is regularly paid salary or wages and works at least 50% of the workweek

Graduate students with 20-hour appointments at the following universities have historically been considered eligible for the Maximum State Subsidy:

- University of Maryland-College Park
- University of Maryland, Eastern Shore
- University of Maryland, Center for Environmental Science
- University System of Maryland Office

**EXHIBIT C—EMPLOYEES WHO MAY QUALIFY FOR OFFERS COVERAGE WITH THE
ALTERNATIVE SUBSIDY UNDER THIS POLICY**

- Contractual employees who meet the ACA full-time employee standard.
- Temporary employees who meet the ACA full-time employee standard.
- Emergency employees who meet the ACA full-time employee standard.
- Any other employee, no matter how classified, who meets the ACA full-time employee standard.
- Graduate assistants (who are not already eligible for the Maximum State Subsidy) and other student employees who meet the ACA full-time employee standard
- Any other individuals determined to be the Employer’s common law employees who may not have been treated as such as in the past and who meet the ACA definition of full-time employee.
- Employees whose combined hours of service for more than one entity covered by the policy meets the ACA full-time employee standard.

Questions concerning this policy may be directed to Anne Timmons, Director, Employee Benefits Division, at anne.timmons@maryland.gov.