

Review of Contractual Employee Guidelines

Prepared for University System of Maryland

The Basics

Under the ACA, benefits subsidy eligibility is based on contract language and actual hours worked.

- Contractual and temporary employees with a contract for 30+ hours per week or 75% of course load (ex. teaching three three-credit courses equals 30 hours per week) for non-tenure track faculty **AND** for more than 90 days are considered FT under ACA and eligible for the 75% subsidy for medical and drug coverage, immediately upon hire with coverage effective the first of the month coincident with or following date of hire.
- Temporary and contractual employees with contracts for less than 30 hours per week and/or less than 90 days are not immediately eligible for subsidized benefits, and are instead assessed during the “administrative period” to determine if they worked enough hours during the measurement period (12 month period spanning 10/15 and 10/14) to be eligible for subsidized benefits in the following plan year.
- An employee approved for the ACA subsidy remains eligible for the subsidy for the duration of the calendar year, provided his/her hours do not drop to zero for greater than 30 days.
- When an education break period occurs during the measurement period, as in the summer, 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. If the agency does not send recorded hours for the summer months and the break is more than 30 days the faculty or adjunct faculty employee would lose subsidy eligibility during that time. COBRA would be offered during that period

Time when no hours are worked

- Less than 30 days - employee pays employee portion of premium only (25%)
- Greater than 30 days
 - Agency should update % FTE to match hours worked
 - Benefits terminate at the end of the month and the employee is offered COBRA (102% of the premium)
- Greater than 30 days but less than 26 weeks
 - Agency should update % FTE to match hours worked
 - COBRA is offered
 - Employee returns with a contract of at least 30 hours/week or 75% FTE for 90+ days and is treated as a continuation of the previous employment and previous benefits are restored when the employee confirms and submits those coverage elections via SPS Benefits.
- Greater than 26 weeks
 - Agency should update % FTE to match hours worked
 - COBRA offered

- Employee returns with a contract of at least 30 hours/week or 75% FTE for 90+ days and is treated as a new employee and receives a new hire benefit event to enroll in benefits
- **Note:** 26 week break rule applies to **ALL** employees in educational institutions; not just teaching employees.

Contract Start and End Dates

Continuity of benefits may be impacted by the contract start and end dates.

- Fiscal year contracts with no gap (12-month contract), should have a contract end date equal to the following fiscal year end
 - Eligibility for subsidy continues
- Fiscal year contracts with gaps (specific to course or semester)
 - Subsidy eligibility varies by length of gap with no hours

Example: If the contract ends 12/21/2018 and the new contract begins 1/2/2019, the employee will have a break in coverage for the month of January. The new effective date of coverage will be 2/1/2019. If you send a contract renewal that has no break, the benefits continue without interruption – provided the renewal is updated before the end of the current contract.

SPS System Benefits Administration

Shell Record Coding for Contractual Employees

- New Hire
 - Send as *01-Hire + Employee Type = Contractual or Temporary*, and include:
 - Original Contract Number
 - Contract Start Date
 - Contract End Date
 - Effective Date of the Hire must equal Contract Start Date
 - The difference between the Contract Start Date and the Contract End Date must be at least 90 days for the employee to be eligible for benefits

- Contract End Date Extension/Update
 - Send as *03–Data Change + Contract Data Change Flag = 1*, and include:
 - Original Contract Number
 - Contract Start Date (must be the original date you sent)
 - Contract End Date (updated/new end date)
 - **Workday does not allow the Contract Start Date to be changed for an existing contract**
 - The 03-Data Change Effective Date in this scenario will always be later than the Contract Start Date
 - To send the contract extensions before the current contract expires, please:
 - Use an Effective Date that matches the Delta file date

- If you have another 03-Data Change included in the same Delta file that requires a specific Effective Date (such as an FTE or Employee Type/Sub-Type change), then use the specific Effective Date

Special Employee Codes:

Employee Sub-type 06: Subsidy Eligible due to Multiple Contracts code is used to designate an employee with multiple contractual jobs at a single institution who is eligible for the same subsidy as a full-time contractual employee receiving benefits under the Program.

Employee Sub-type 07: Non-Tenure Track Faculty code is used to designate full or part-time non-tenure track faculty who are eligible for the contractual employee benefits under the Program. This code does not include adjunct faculty.

Shell Record File Processing

- Delta files are sent to SPS by the universities every other Thursday and loaded into Production on Friday. Error files are returned to the universities that same Friday.
- Requests to permit enrollment outside of the 60-day enrollment window are sent separately via the Mojo ticketing system for review. **Approval is not automatic and requests may be denied.**
- Multiple Action Codes may be submitted for the same W#. In that event, we process the codes in the following order:
 - Action Code 04 – *Terminations* will always be processed first
 - Action Code 01 – *Hire* is processed next
 - Action Code 05 – *Additional Job* is processed next
 - Action Code 02 – *Transfer* is processed next
 - Action Code 06 – *Absence* is processed next
 - Action Code 03 – *Data Change* is processed next

NOTE: Please be sure both HR and IT understand this order.

Effective Dates

New Hires

- Benefits are effective on the first of month coincident with or immediately following date of hire
 - The Effective Date of an 01-Hire event must be the employee's official start date in the job/position
 - Do not send the employee's original start date with your Agency or their Entry on Duty date
 - The Hire Date is used to determine the Coverage Begin Date of benefit elections and to determine the 60 day window to make elections
 - If this date is incorrect a benefit event may not get created which will affect employees' ability to enroll in benefits

Data Changes

- Do not send the employee's original start date with your Agency or their Entry on Duty date for data changes (Contact, Personal Data)
- Instead use the Delta file date, except:
 - you have another 03-Data Change included in the same Delta file that requires a specific Effective Date (such as an FTE or Employee Type/Sub-Type change) use the specific Effective Date

Life Status Change

- Benefits are effective on the first of month following date of **event** unless it is a birth or adoption (then it is the date of the event)
- The 60 day window to complete the benefit event for all events is based on the **event date** (not the benefits effective date)
 - Example: if date of marriage is April 10th, spouse is added with a benefits effective date of May 1st, the employee has until June 10th to complete the benefit event for the May 1st effective date
- Retroactive Adjustments
 - Automatic process managed in EBD

Helpful Tips

- It is always safe to send a 01-Hire for both Hires and Additional Jobs. If you use a 01-Hire you must send all 01-Hire fields per the IDD.
- Eligibility files are sent to the carriers every Wednesday – data from the delta file is loaded every other Friday – use these dates to know when data changes will be received by the carriers
- Use the 60-day Exception queue in the ticketing system to submit 60-day exception requests for data on your delta files – not necessary to mark urgent

Best Practices

- Ensure constant communication between HR and IT
- To ensure benefits events trigger timely and accurately:
 - Eliminate backdating new hires
 - Be aware of employee start dates
 - Timeliness of transactions
 - Ensure departmental supervisors and managers timely notify HR of employee events
 - Ensure HR data is accurate and not missing or incomplete
- Share your IT solutions across Schools/Institutions
- Reliance on SPS Shell Record Website as a master source of Benefits Shell Record information center

Resources

State of Maryland Policy for Identifying Full-Time Employees Under the Affordable Care Act Play or Pay Mandate, as amended in 2014 and 2016.

Practical Guidance – Contractual (Adjunct Faculty) - SPS presentation, April 4, 2018

SPS website: <https://dbm.maryland.gov/sps/Pages/default.aspx>

SPS Support: <https://spshelp.dbm.md.gov/>