



Snohomish County Human Resources

Affordable Care Act (ACA) Summary & FAQ

Updated October 25, 2017

This guide is presented in summary form. Please refer to the references provided and official rules for specific terms, conditions, and exclusions. If any conflict ever arises between this guide and official rules, the official rules will apply in all cases. This guide is not a contract for the purpose of payment of benefits. Contact Human Resources (HR) for assistance.

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Overview

Snohomish County's medical insurance plans are specifically designed to comply with all of the required Affordable Care Act (ACA) requirements, including affordability and "minimum value" standards for employees who are working 30 or more hours per week. As long as you are enrolled in a Snohomish County medical plan, your coverage will meet the ACA mandated affordability and coverage requirements.

If you choose to enroll in a marketplace insurance plan through www.healthcare.gov instead of enrolling in a County medical insurance plan, you're most likely not eligible for a premium tax credit. To learn more, please visit www.healthcare.gov or the Washington marketplace at www.wahealthplanfinder.org.

Frequently Asked Questions

1. How does the ACA impact the County's benefits eligibility rules?

Effective April 1, 2015, the [Employer Shared Responsibility \(ESR\)](#) provision of the Affordable Care Act (ACA) requires the County to provide affordable "minimum value health coverage" to employees who work (or are expected to work) an average of 30 hours or more per week (or 130 hours per month; 1,560 per 12-month measurement period).

2. What are the categories of employment per ACA regulations?

For newly hired employees, there are full-time, part-time, variable hour, and seasonal employees under the ACA; the law does not define 'temporary'. An employee who has been with the County for at least one full standard measurement period is considered an "ongoing employee", regardless of the classification at the time of hire as full-time, part-time, variable hour, or seasonal.

3. How does the ACA define a full time employee?

A full-time employee works or is expected to work 30 hours or more per week. (130 hours per month)

4. How does the ACA define a variable hour employee?

A newly hired variable hour employee would be an employee in which the County cannot determine at the time of hire whether they were reasonably expected to be employed on average 30 or more hours per week due to variable or uncertain hours.

If the employee meets the definition of a variable hour employee, s/he will not be offered benefits at the time of hire, but will be monitored through a 12-month initial measurement period to see if the employee averaged at least 30 hours per week (or 130 hours per month; 1,560 per 12-month measurement period). Then, if it was determined s/he worked an average of 30 hours or more per week, s/he must be offered medical insurance benefits for a 12-month stability period.

5. What is a seasonal employee per ACA regulations?

The ACA defines a newly hired Seasonal Employee as one who is hired into a position for which the customary annual employment is six months or less, and the employment period begins each calendar year in approximately the same part of the year. For example, a seasonal employee may be a fair worker who is employed for only 3 months of the year and is hired at roughly the same time each year.

If the employee meets the definition of a Seasonal Employee, s/he will not be offered benefits at the time of hire, but will be monitored through a 12-month initial measurement period to see if the employee averaged at least 30 hours per week (or 130 hours per month; 1,560 per 12-month measurement period). Then, if it was determined s/he worked an average of 30 hours or more per week, s/he must be offered medical insurance benefits for a 12-month stability period.

If an offer to hire is made to an employee who is expected to work more than six months and is expected to work 30 or more hours per week, then s/he shall be offered medical benefits at their time of hire.

If a seasonal employee was hired for a six month period, and that period got extended, coverage should be offered as soon as administratively possible.

6. How does the ACA ESR impact our temporary employees (including provisional employees)?

A temporary employee who is reasonably expected at the time of hire to work 30 hours or more per week must be offered medical insurance benefits at their time of hire. If the employee is expected at the time of hire to work less than 30 hours per week or have varying hours, s/he will not be offered benefits, but will be monitored through a 12-month initial measurement period.

Hiring officials must determine if the employee will be expected to work more than 30 hours per week. If you are unsure if the employee will be working 30 or more hours per week, look at the “facts and circumstances” at employee’s start date:

- Whether employee is replacing an employee who was or was not a full-time employee,
- Extent to which employees in same or comparable positions are or are not full-time employees
- Whether job was advertised, or otherwise communicated to the new hire or otherwise documented (for example, through a contract or job description), as requiring an average 30 (or more) hours of service per week or less than 30 hours of service per week.

If the answer is “yes” to any of the above (and this is not a Seasonal position), then coverage must be offered to the employee.

Note: County Code, Section 3A.02.370, defines a temporary appointment as “an appointment of less than six months (1,040 hours in a 12-month period) duration to fill a temporary, emergency or short term need”.

7. What is the “13 week re-hire rule”?

An employee who has a break in service of 13 consecutive weeks or more may be treated as a new hire upon the resumption of service and their benefits eligibility “restarts”.

An employee who has a break in service of less than 13 consecutive weeks must be treated as a continuing employee and their benefits eligibility “resumes” and s/he must be given back the status s/he had prior to the break in service. If s/he was benefit eligible prior to termination, s/he must be offered coverage by the 1st of the month following the resumption of services.

8. What benefits are available to eligible temporary/seasonal employees?

Eligible temporary and seasonal employees are eligible for medical insurance coverage only.

9. Which dependents may an eligible temporary/seasonal employee enroll?

Biological and adopted children are the only eligible dependents. Spouses, domestic partners, foster children, and stepchildren are excluded and are not eligible for benefits.

10. How do eligible employees enroll in medical insurance?

Submit the [Benefits Enrollment/Change Form](#) available online at www.snohomishcountywa.gov/872/forms and required supporting documentation (i.e. birth certificates) to HR by one of the following methods within 30 days from your date of hire.

- Fax: 425-388-3579 (If you fax, it is recommended that you call HR to verify receipt of your forms.)
- Hand deliver: Human Resources | Administration West Building | 1st floor
- Mail/Interoffice Mail: Snohomish County Human Resources | 3000 Rockefeller Avenue Mailstop 503 | Everett, WA 98201

11. Can eligible employees waive medical insurance benefits?

Yes, if the employee is eligible but would like to waive coverage, they must submit a [Waiver of Health Care Coverage](#) to Human Resources within 30 days from becoming eligible.

12. Is there a cost to employees and departments for these benefits?

If benefits are offered and accepted, the employee is responsible for paying monthly [employee premiums](#), and the department will pay the monthly employer premiums. If the employee works between 30 and 34 hours per week, they will pay pro-rated monthly premiums.

Note: If benefits should be offered but are not offered, the department will be responsible for paying the ESR penalty, which is \$3,000 (\$250 per month) if the employee goes to the state health insurance marketplace and receives a subsidy.

13. What is the Look-Back Measurement Method?

The measurement period is always a 12-month timeframe. For ongoing employees, the standard measurement period (SMP) occurs annually from January of the previous year to January of the current year. The initial measurement period (IMP) for newly hired part-time, variable hour or seasonal employees begins the 1st of the month after their date of hire. To determine whether an employee worked 30 or more hours per week during the measurement period, the total hours worked is divided by 12 months (Example: 1,536 hours worked/12 months = 128 hours per month). Examples:

Ongoing Employee	Standard Measurement Period Starts	Standard Measurement Period Ends	Benefits Start: (Stability Period)	Benefits End: (Stability Period)
Ongoing Employees	1/16/2014	1/15/2015	4/1/2015	3/31/2016

New Part-Time, Variable Hour, or Seasonal Employees (Hired in July)	Initial Measurement Period Starts	Initial Measurement Period Ends	Benefits Start: (Stability Period)	Benefits End: (Stability Period)
July	8/1/2014	7/31/2015	9/1/2015	8/31/2016

14. What hours of service count towards eligibility?

Hours of service that count towards eligibility for health benefits are: (1) those hours for which employees are paid or entitled to payment for work, and (2) the hours for which employees are paid or entitled to payment for vacation, holiday, illness, incapacity (including disability), layoff, or leave of absence, including unpaid/paid jury duty, unpaid military duty, unpaid FMLA. Bona fide volunteers, Federal work study program, unpaid internships or externships do not need to be included in the hours of service count.

15. What is a Stability Period?

If an ongoing employee or newly hired part-time, variable hour, or seasonal employee averages at least 30 hours per week (or 130 hours per month) during the standard or initial measurement period (respectively), the employee must be offered medical insurance for the upcoming stability period. For ongoing employees, the stability runs concurrently with our plan year, which is April 1st through March 31st. For new part-time, variable hour, or seasonal employees, the stability period is determined by their initial measurement period. If coverage is offered and accepted during the “stability period” the employee will continue to be eligible for medical insurance as long as s/he remains employed by Snohomish County, regardless of the number of hours s/he works during the “stability period”. An employee must elect coverage, pay the employee share of premiums, and continue to be an employee during this period in order to maintain coverage. However, if the employee experiences a break in service of at least 13 consecutive weeks, upon resumption of services, you are able to treat the individual as a new hire and conduct a new hire assessment.

16. What does the ACA deem affordable?

A plan is considered unaffordable if the employee's (who is working 30± hours per week) required contribution exceeds 9.5% of taxpayer's household income for the taxable year. Affordability is based on cost of self-only coverage, even if the employee elects family coverage. Example: If the household income is \$100k, the required contribution for self-only coverage cannot exceed \$9,500 per year (\$100k * 9.5%) or \$791.67 per month (\$9,500/12 months).

17. What is minimum value coverage?

The plan must pay at least 60% of total covered expenses for essential health benefits. Essential health benefits fall into ten service categories as outlined under the ACA (e.g., prescription drug coverage, maternity and newborn care, emergency services).

Scenarios

1. What happens if a full-time temporary employee is transferred to a seasonal position?

If during the initial new hire assessment it was determined that a temporary employee is expected to work 30 hours or more per week or 130 hours per month at the time of hire, they are offered benefits. When they come back as a seasonal employee, the length of their break in service determines benefits eligibility:

Less than a 13 week break - If their temporary assignment ends and the employee is immediately moved (less than a 13 week break) to a seasonal assignment and expected to work 30 hours or more per week or 130 hours per month consistently, the employee must be offered benefits as soon as administratively possible (typically the 1st of the month following rehire).

If their temporary assignment ends and the employee is immediately moved (less than a 13 week break) to a seasonal assignment and expected to work less than 30 hours per week or 130 hours per month consistently, the employee's benefits will end at the end of the temporary assignment.

More than a 13 week break - If their temporary assignment ends and the employee is moved (more than a 13 week break) to a seasonal assignment, they can be treated as a new employee and their benefits eligibility "restarts".

2. What happens if seasonal employee moves to another seasonal assignment?

If during the initial new hire assessment it was determined that the employee met the definition of a seasonal employee under the ACA, benefits are not offered. When they move to a different seasonal position, the length of their break in service determines benefits eligibility:

Less than a 13 week break - If their first seasonal assignment ends and the employee is immediately moved (less than a 13 week break) to another seasonal assignment and expected to work 30 hours or more per week, the employee must be offered benefits as soon as administratively possible (typically the 1st of the month following rehire) based on the initial new hire assessment.

More than a 13 week break - If their seasonal assignment ends and the employee is moved (more than a 13 week break) to another seasonal assignment, they can be treated as a new employee and their benefits eligibility "restarts".

3. What happens if a temporary employee is hired to work under 30 hours per week but their hours increase or begin to vary?

If the new temporary employee is expected to work less than 30 hours at their time of hire, but their hours end up fluctuating and they work more than 30 hours per week on occasion, they would be considered a variable hour employee and their hours would be monitored during an initial 12 month measurement period. It is at the

point of hire that you must determine what is expected of this employee and then based on that determination treat them as a full-time employee or as a variable hour employee.

If a temporary employee is hired to work less than 30 hours per week and they end up working more than 30 hours for a few weeks, and then back to under 30 hours per week – they would be considered a variable hour employee and benefits are not offered at their time of hire. Their hours are measured over their 12 month measurement period. Then, if it is determined that they worked the 30 hours per week (1,560 during the 12 month measurement period) they are offered medical benefits during their stability period.

4. What happens if a temporary employee is hired to work 30 or more hours per week (offered medical benefits) but their hours decrease below 30 hours per week or begin to vary?

It depends on whether the employee is a “new” or “ongoing” employee:

New Employee - If they are a “new employee” and the hours they work and/or are expected to work drop below 30 hours per week or begin to vary, coverage would end on the last day of the month in which the change in hours began.

Ongoing Employee - If they are an “ongoing employee” when their hours drop below 30 hours a week, they would retain coverage until the end of the current stability period.

5. What is the impact on the stability period if an employee has a 13 week break in service?

If the employee was an ongoing employee (i.e. been employed for one whole standard measurement period) and worked at least 1,560 hours during the standard measurement period (SMP), then s/he must be treated as full-time from an ACA penalty perspective for the full duration of the subsequent stability period so long as s/he is an active employee.

Appendix A - Determining Benefits Eligibility Quick Overview – New Hire Assessment

Healthcare Benefits – Who is Eligible?				
	Regular Full Time	Regular Part Time	Temporary (ACA)	Seasonal (ACA)
Quick Definition	Employee who receives a regular appointment in budgeted position who will work 35+ hours per week	Employee who receives a regular appointment in a budgeted position who will work 20 – 34 hours per week	Employee hired into a temporary position who is reasonably expected at the time of hire to work 30 hours or more per week are eligible at their time of hire	Seasonal employees, as defined by the ACA, are hired to work 6 months or less and are hired at the same time each year. If they are hired to work more than 6 months, they are not hired at the same time each year, and they are reasonably expected to work 30 hours or more per week, they are eligible at their time of hire
Hours Expected to Work Per Week	35+	20 - 34	30+	
Healthcare Premiums	Pay established monthly healthcare premiums	Pay established pro-rated monthly healthcare premiums – the County’s contribution toward the monthly medical insurance premium for regular part time employees will be pro-rated in an amount equal to the F.T.E.	<ul style="list-style-type: none"> ○ Working 30 – 34 hours per week: Pay established pro-rated monthly healthcare premiums ○ Working 35+ hours per week: Pay established monthly healthcare premiums 	
Eligible Dependents	<ul style="list-style-type: none"> ○ Spouse ○ Domestic Partner ○ Biological, step, adopted child, or child legally placed with employee for adoption, court appointed legal guardianship, children that the employee is required to provide coverage by QMCSO, and who is under the age of 26. 		<ul style="list-style-type: none"> ○ Biological children ○ Adopted children 	
Eligible Healthcare Plans	Medical, Vision, & Dental Insurance		Medical Insurance	
Re-hire Rules*	N/A		Contact Human Resources if the employee has worked for the County in the last 13 consecutive weeks as rehire rules may apply*	
Reference	SCC 3A.06.010 & SCC 3.68.060		ACA ESR FAQ & Guide	

*An employee who has a break in service of 13 consecutive weeks or more may be treated as a new hire upon the resumption of service and their benefits eligibility “restarts”. An employee who has a break in service of less than 13 consecutive weeks must be treated as a continuing employee and their benefits eligibility “resumes” and they must be given back the benefits status they had prior to the break in service.