

## Determining Eligibility for Medical Benefits - Examples Employer Shared Responsibility Under the Affordable Care Act

*Note: These examples are intended to be illustrative only and are subject to change as new information becomes available. Last update 07/01/2016.*

### A. Full-Time Temporary Employment

Tim is hired to provide temporary coverage when a regular employee who works 40 hours per week goes on a planned medical leave for eight months. Tim is **eligible** for medical benefits under ESR because:

- At the time of hire, he is expected to consistently work more than 30 hours per week for the entire duration of his appointment, which is longer than three months. His position is not seasonal.
- He is replacing an employee who previously worked full time.

The hiring unit will need to complete the ESR Eligibility Certification form and return it to HRRIS within 60 days of Tim's hire so that an offer of medical coverage can be made.

### B. Short-Term Temporary Employment

Kerry is hired into a temporary position for 10 weeks to assist with a large event. She works 40 hours per week from March to May, and then ends her employment. Kerry is **not eligible** for medical benefits under ESR because:

- Her appointment is less than three months.
- She is not employed at the end of a 12-month measurement period.

### C. Temporary Employment With Variable Hours

Carl is hired as a temporary research associate. His hours vary significantly by week. Tracking shows that he works 1,750 hours over the course of a 12-month measurement period, for an average of 33.7 hours per week. Carl is **eligible** for medical benefits under ESR because:

- He averages more than 30 hours per week during the measurement period.

The Benefits Office will extend an offer of health coverage to Carl within 30 days after the measurement period. This offer will be valid for the next 12 months as long as he remains employed, regardless of hours worked.

#### **D. Multiple Appointments**

Tonya averages 15 hours per week in a temporary position as well as 18 hours per week in a regular position in a different department for more than a year. Tracking shows that she works 33 hours per week on average during a 12-month measurement period. Tonya is **eligible** for medical benefits under ESR because:

- Eligibility under ESR is tracked at the university level, and she averages more than 30 hours per week total during the measurement period.

The Benefits Office will extend an offer of medical coverage to Tonya within 30 days after the measurement period. This offer will be valid for the next 12 months as long as she remains employed, regardless of hours worked. Each of Tonya's departments will be responsible for paying a share of the university contribution to medical benefits proportional to her earnings from that department on a per-paycheck basis.

#### **E. Recurring Employment**

Jane periodically works as a temporary employee for a U-M research center. Over the course of one year she provides support to different projects from January to May and again from September through December. Her employment on the second project continues into the next year. Tracking shows that she works 1,900 hours during a 12-month measurement period, for an average of 36.5 hours per week. Jane is considered **eligible** for medical benefits under ESR because:

- She averages more than 30 hours per week during the measurement period.
- Her break in service between projects is less than 26 weeks.

The Benefits Office will extend an offer of medical coverage to Jane within 30 days after the measurement period. This offer will be valid for the next 12 months as long as she remains employed, regardless of hours worked.

#### **F. Break in Service Less Than 26 Weeks**

Dan has worked in a regular benefits-eligible position at 40 hours per week for two years. His appointment ends in May and he does not work during the summer. In September, he is hired in a temporary position working 15 hours per week. Dan is **eligible** to resume medical benefits under ESR when he starts working again in September and continue them through the end of the calendar year because:

- He worked through the previous standard measurement period (October 15 – October 14) and averaged more than 30 hours per week.

- His break in service was less than 26 weeks.

Dan would have been offered COBRA when his employment ended in May. Upon resuming employment at the university, the Benefits Office would notify him that he would be eligible to resume medical benefits under ESR. The university contribution to these benefits would come from his new employing department.

### G. Seasonal Employment

Every year, a department hires temporary summer employees to work 35 hours per week from May through August. These positions are considered seasonal because:

- They begin in the same part of each calendar year, and
- They last less than 6 months.

Seasonal employees are treated like variable hour employees under the regulations and their hours are tracked over a 12-month measurement period. The hiring unit does not need to complete the ESR Eligibility Certification Form at the time of hire.

### H. Student Employment – Work Study

Neil, an undergraduate, works 15 hours per week in a cafeteria for his work-study job. He also averages 15 hours per week as a research assistant for one of his professors. Neil is considered **ineligible** for medical benefits under ESR because:

- ESR does not apply to students with federal work-study, and Neil's research assistant position hours alone will not meet the 30 hour per week threshold for eligibility.

### I. Waive Coverage Under ESR

Rachelle is hired to work 37.5 hours per week in a temporary administrative support position for seven months. Rachelle is considered **eligible** for medical benefits under ESR because:

- She is expected to consistently work more than 30 hours per week for the duration of her appointment, which is longer than three months.

Rachelle **waives** the offer of medical benefits under ESR. After three months, she is hired into a full-time regular benefits-eligible position. Because she initially waived coverage under ESR, Rachelle will be able to enroll in medical benefits (along with other benefits) at the start of her new regular position. *Note:* If Rachelle had enrolled in a medical plan under ESR, her plan election would remain in effect until the next Open Enrollment period.