STUDENT WORKERS AND THE AFFORDABLE CARE ACT (ACA) – WHAT DEPARTMENTS NEED TO KNOW

System Benefits Administration

The ACA requires anyone working 30 hours or more, per week, for more than 90 days, to be offered insurance benefits. Like many laws that appear simple, it is slightly more complex.

The A&M System has established measurement periods to identify any workers, including students, who may not appear to be eligible for benefits, but, when all actual hours worked in all jobs have been reviewed, may actually need to be offered benefits. These people are often variable-hour or part-time workers.

As mentioned, we use a measurement period for all employees. People who were already on payroll on or before 8/1/14 are measured via our standard measurement period, 8/1/14 through 7/31/15, to determine whether they will be eligible for benefits on 9/1/15. The hours worked per month during that period are divided by the number of months to see if the total is equal to or greater than the 30-hour-a-week threshold.

If an employee was hired after 8/1/14, he/she is measured via a 12-month initial measurement period starting with the first of the month after the hire date to determine benefit eligibility. If the employee is determined to be eligible at the end of that 12-month measurement period, benefits are offered for the following twelve month stability period.

You will want to be more conscious of the number of hours you allow your students to work over the period of 8-01 through 7-31 and whether or not they have additional jobs, to be aware of whether or not the student may, for the following year, become eligible for insurance benefits.

The Human Resources office receives monthly reports that will highlight these individuals and their possible eligibility for benefits.

STUDENT WORKER Q&A

Can a student work full-time during the summer?

Yes. The hours worked during the summer will be included in the hours for that person’s measurement period and averaged. For most students who are likely not working more than 20 hours a week during the school year, the full-time hours will average out to be less than 30 hours a week for the year.

What if the student will be working over 30 hours for 90 days?

Generally speaking, an employee must have an expectation of working 30 hours or more for more than 90 days to be offered benefits at the time of hire. This would not be the expectation of a student worker. Therefore, most students, even if working full-time for 90 days in the summer are still considered variable-hour employees, since the intent is not for them to continue in a full-time capacity. In addition, typically a student will take some time off for vacation, so the 90 days may not even be met.
What if the student works in an A&M System position for 20 hours but also works at a local restaurant for 15 hours per week? Will we have to offer benefits?

No. We only need to count the hours worked in an A&M System job. We count all jobs across the System, so if a person is working in multiple System positions, even in another System part, those hours will be combined for the purposes of offering benefits.

Do I need to reduce the hours for my student workers?

Not necessarily. There are many factors that go into whether a student will need to be offered benefits, and whether a student will enroll in benefits after they are offered.

What about Graduate Student Employees?

Most Graduate Student Employees are offered benefits as part of their appointment if it is 50% effort for 4.5 months or more. They are still being measured, even if their appointment is not currently over 50%. After the measurement period, we will determine if we need to offer benefits.

Do I need to keep track of their hours during the measurement period?

No, the System Benefits office is doing this in conjunction with the Human Resources Offices. If they identify an eligible employee, they will let you know.

Do I have to make sure my student has health insurance?

No. Most taxpayers and their dependents need to have health insurance, but that is not the employer’s responsibility.

Does my department have to pay the cost of the insurance if they are found eligible?

Some of the details on this are still being discussed in the Texas Legislature and with System CFOs. They will be eligible for SGIP (state contribution toward health benefits), but we are waiting for the Legislature to determine if we can use State funds for the difference between ½ SGIP and full SGIP for those working between 75% and 100% effort.

If a student is working for my department for 20 hours and for another department for 15 hours, who is responsible for benefits if they are found eligible after the measurement period?

If the student is eligible due to multiple jobs, both employing departments will be responsible for coordinating the employer insurance payment.