



ADMINISTRATIVE REGULATION AND PROCEDURE

Title: SYSTEM IMPLEMENTATION OF AFFORDABLE
CARE ACT

Code: CC0903

Policy Reference: C0900

The Affordable Care Act (ACA) requires employers to offer affordable health coverage to employees who work an average of thirty (30) hours per week over a defined measurement period. The purpose of this Administrative Regulation and Procedure is to set for the process by which MATC determines eligibility for coverage in compliance with the ACA. This Procedure is not intended to and does not modify, delete, amend or affect the terms of eligibility set forth in MATC's benefit plans. Where plan documents set forth eligibility for coverage for employees working less than thirty (30) hours per week, benefits will be administered in accordance with the MATC plan document.

Definition of Terms:

Administrative Period: The Administrative Period is the 90-day period following expiration of the Measurement Period. During this time, MATC Human Resources will extend offers of coverage to previously non-benefit eligible employees who have worked an average of 30 hours per week during the Measurement Period, and enroll eligible participants who elect coverage under the MATC benefit plan.

Measurement Period: The Measurement Period is a six-month period of time that MATC will measure the hours worked to determine if a previously non-benefit eligible employee qualifies for benefits under the ACA. The Measurement Period is a "look back" period. For newly hired employees, the Measurement Period begins on the employee's first date of employment with MATC. For existing employees, the Measurement Period begins on the first day of the pay period that includes April 15 each year.

Stability Period: The Stability Period is a six-month period of time that MATC following the earlier of: 1) expiration of the Administrative Period; or 2) the first date of enrollment in MATC's health benefit plan of a previously non-benefit eligible employee who was offered benefits based upon the outcome of the Measurement Period. During the Stability Period, the employee will maintain eligibility for continued participation in the MATC health benefit plan, even if the employee's hours of work during such period fall below 30 hours per week, on average.



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Hours of Work: In calculating hours of work for purposes of the Measurement Period, MATC will include all hours for which the employee receives pay, using MATC's payroll records as the supporting documentation. Hours paid to student workers through use of Federal Work Study allocated funds are not included as hours worked for purposes of this program. In the event that MATC is required to measure hours of work of an employee classified as Part-Time Faculty, MATC will apply the following formula approved by the Internal Revenue Service for determining hours of work: credit 2.25 hours of service per week for each hour of teaching and classroom time, plus 1.0 hour per week for each additional hour outside the classroom which the instructor is required to perform (including office hours, departmental meetings, etc.)

Implementation Guidelines

A. Employees Expected to Work 30 Hours or More

If an employee is hired for or placed in a position classified as "full-time" by MATC, or if the employee is reasonably expected to work an average of 30 hours or more at the time of hire, then the employee will be provided benefits enrollment information at the time of hire. If the employee elects coverage, the coverage will be effective upon conclusion of the waiting period.

Employees hired as Part-Time Faculty classification are not expected to work more than 30 hours per week.

B. Employees Hired in Part-Time Benefits Eligible Positions

If an employee is hired in a benefits-eligible part-time position, but the employee is not expected to work more than 30 hours per week, the employee will be offered benefits coverage at the part-time employee contribution rate established by MATC. Part-time employees who are offered benefits enrollment are considered "benefits eligible" and not subject to the Measurement Period analysis due to the fact that such individuals are already offered coverage under the MATC benefit plan.

C. Variable Hour Employees

If the number of hours an employee will work cannot be determined at the time of hire, then the employee is considered a "variable hour employee." Under these



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circumstances, benefits enrollment will not be offered at the time of hire. Instead, MATC will begin the Measurement Period to determine eligibility for benefits.

Variable hour employees may include, but not be limited to, individuals in the following classifications and/or titles:

- Athletics Coach
- Activity Facilitator
- Student Worker (non-Work Study funded)
- Casual Employee

For existing variable hour employees, MATC will utilize the Measurement Period, Administrative Period and Stability Period defined above to govern enrollment in the MATC health benefit plan. If a variable hour employee works an average of 30 hours or more per week during the Measurement Period, he/she will be offered enrollment in the MATC-sponsored benefit plan for, at minimum, the duration of the Stability Period.

D. Part-Time Non-Benefits Eligible Positions

Employees hired into or currently performing work in positions that are classified as “part-time” for which the hours of work are not expected to satisfy the eligibility requirements of MATC’s health benefit plan, and are expected to work less than 30 hours per week will not be offered benefits enrollment at the start of employment.

MATC will utilize the Measurement Period described above to determine eligibility for coverage of non-benefits eligible employees, including those hired into or performing work in positions classified as part-time.

Miscellaneous

Separation. If an employee’s employment has ended but the individual is later rehired after a period of separation lasting 26 weeks or more, the employee begins a new Measurement Period. If the separation period is less than 26 weeks, the separation period shall be treated as a break in service.

Break in Service. If there is an employment break period of at least four consecutive weeks during which the employee performed no services and received no pay, that period of time shall be excluded from the Measurement Period.

FMLA Leave. If an employee is absent from work during the Measurement Period due to leave under the FMLA or worker’s compensation leave, such periods are considered



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special unpaid leave, and MATC will exclude such periods of special unpaid leave from the Measurement Period.