

| | | |
|---|-----------|-------------|
| Payroll Shared Services Procedures | | |
| Payroll Process for Tracking and Administering ACA Benefits | Draft V.1 | BK 12/26/14 |

Summary

Documenting payroll’s process of recognizing, notifying, and tracking employees who qualify for Affordable Care Act benefit coverage under State of Oregon benefits.

ACA

Federal Government requires employers to provide health benefits to employees who work an average of 30 or more hours per week or 1560 hours in a 12 month look-back period (Nov 1 to Oct 31 for state employees), regardless of employment status.

Temporary and Impermanent Employees

Work Flow

| | |
|-----------------|---|
| Human Resources | <p>Based on the information provided by the hiring manager, determine the employee’s eligibility for ACA benefits.</p> <ul style="list-style-type: none"> • Back fill behind a full time employee – temporary employee eligible at time of hire • Work full time for at least 4 months – temporary employee eligible at start of 4th month of employment • Unable to determine hours – will have to review total hours worked during look-back period (Nov 1 to Oct 31) if eligible |
|-----------------|---|

| | |
|---------|--|
| | Provide notification to newly hired employees of the possibility of benefits, the requirements, and the restrictions during New Employee Orientation |
| | Complete the “ACA Newly Hired Temporary Employee Offer of Coverage Worksheet” (attachment A) |
| | Set up the temporary employee in the state’s personnel system with the appropriate benefit package indicating ACA status. |
| | Forward copy of worksheet along with the Personnel Action form to payroll. |
| Payroll | <p>Review the worksheet and Personnel Action for accuracy. Based on the HR determination regarding possible benefit coverage, do the following:</p> <ul style="list-style-type: none"> • Back-fill of a full time position. Send enrollment forms (attachment B) to the employee along with the completed cover letter (attachment C). Add employee information to Tracking Worksheet (U: OSPS/Payroll/ACA Materials) • Work full time for at least 4 months. Add employee information to the Tracking Worksheet. Send enrollment forms to employee, stipulating that they will become active if still employed by the fourth month. • Unable to determine hours. Add employee information to Tracking Worksheet, check hours at 6 months of employment to review status. |
| | Document date enrollment forms sent to the employee and the date they are expected to be returned. If no forms are returned it is determined that the employee has chosen not to enroll. Document this on the worksheet for reference. |
| | Enrollment documents received, enter them into PEBB.Benefits (PDB). Provide a copy of the Benefit Summary to the employee for their records. |

Permanent Employees on Leave without Pay

Work Flow

| | |
|-----------------|---|
| Human Resources | Review employee's request and determine protection and length of protected time. Notify employee, manager, and payroll of information. |
| Payroll | Work with employee and manager to map out future timesheets and use of leave. Calculate if or when employee will be in leave without pay (LWOP) status. Complete the Tracking Worksheet (U: OSPSPayroll/ACA Materials) to set up notification timeline. Provide employee information regarding self-payment of benefit premiums. |
| | Track employee's use of time monthly. Determine when protected time exhausts and the employee enters ACA stabilization period coverage <ul style="list-style-type: none">• Permanent employees who qualify are eligible for a maximum of 12 months covered benefits. State continues to require the employee to pay their benefit premiums in order to maintain coverage.• For employees who go out on LWOP later in the calendar year, review look-back period (Nov 1 to Oct 31) each year to determine if status changes and they now qualify. |
| | Track employee's payment of premiums. If the employee does not pay the total amount by the 20 th of each month, send out non-payment letter (attachment D). |
| | Document date non-payment letter sent on Tracking Worksheet. Employee has approximately 10 business days to respond. If no contact from the employee, begin termination of coverage process. |
| | Work with PEBB to terminate coverage for the employee retroactively to last eligible month. Clear necessary deduction entries from payroll system. |
| Employee | When return to work, notify payroll. If coverage had been terminated due to non-payment, must work at least 80 hours in a month to become eligible for coverage the following month. |

| | |
|---------|---|
| Payroll | Work with employee terminated due to non-payment to re-enroll and notify them of new coverage date. |
|---------|---|

This process will be reviewed annually.

SAMPLE

State of Oregon – DAS OSPS

New Hire Employee Benefit Eligibility Determination Worksheet
(Affordable Care Act (ACA) Benefit Coverage)

This document is used to determine the “ACA full-time” status of a newly hired employee.

Agency Number / Name:

Employee Name:

Date of Hire:

Expected Duration of Employment:

1. Is the new employee’s position permanent and either full- or part-time?

- YES – **STOP**. Immediate PEBB benefit eligibility.
- NO – Proceed to #2

2. Did the newly hired employee work for another State of Oregon agency in the last 12 months* and work 1,560** or more ACA eligible hours during that time?

- YES – **STOP**. Immediate PEBB benefit eligibility.
- NO – Proceed to #3

**Answer NO if employee had a 13-week break in service during that time.*

***If you are unsure, contact prior State agency or run the ACA report on the OSPA Datamart.*

3. Is the new employee’s position temporary and either filling in behind a full-time employee or expected to work an average of 30 hours per week at the time of hire?

- YES – **STOP**. PEBB benefit eligible on the 1st day of the fourth month after hire.
- NO – Proceed to #4

4. Was the position advertised as or otherwise documented (through contract or job description) as requiring hours of service that would average 30 or more per week?

- YES – **STOP**. PEBB benefit eligible on the 1st day of the fourth month after hire.
- NO – Proceed to #5

5. Is the temporary position considered variable hour? (Variable hour is when the agency cannot reasonably determine, based on the facts and circumstances at date of hire, that the employee will work an average of 30 or more hours per week.

Example: The temporary employee will work 15 hours one week, 30 hours the next week and 20 hours the following week.

- YES – The agency will measure the employee’s hours over the first 12 month Initial Measurement Period. When 1,560 hours are met the employee is PEBB benefit eligible on the 1st of the following month.
- NO – Employee is considered a “part-time” temporary employee (works under 30 hours/week or 130 hours/month) and is not eligible for PEBB benefits.

Definitions

Full-time employee - Someone who works, on average, 30 hours or more per week. Or the equivalent of 1,560 hours in a rolling 12 month period.

Variable hour employee – **If it cannot be pre-determined**, based on the facts and circumstances at the date the employee begins employment (the start date), that the employee is reasonably expected to work on average at least 30 hours per week then the employee would be considered a variable hour employee.

Standard Measurement Period (SMP) – For the State of Oregon the standard measurement period is November 1 – October 31 of each year.

Initial Measurement Period (IMP) - The first 12 month period of employment with the State is used to determine newly hired employees “full-time” status for the subsequent Stability Period. The IMP is used for employees hired outside of the SMP. It begins on the date of hire and continues through the employee’s 12 month anniversary.

Stability Period – After the IMP or SMP have been met, this is the 12 month period going forward for which a current employee remains PEBB benefit eligible. The State’s standard Stability Period for insurance coverage is January 1- December 31. If an employee has met the 1,560 hour minimum requirement during the previous SMP (or IMP) the employee is benefit eligible for the next full 12 months unless employment is terminated.

13-week Separation of Service – An employee is considered a “New Hire” to the state if there has been a full 13-week separation from State employment. (Seasonals are not included under this category. Check with CHRO if unsure of ‘seasonal’ status.)

State of Oregon Employer Entities -

- Executive
- Legislative
- Judicial
- Oregon Correctional Enterprises
- Oregon State Lottery
- Oregon Health Insurance Exchange Corporation, aka, Cover Oregon
- Semi-Independent agencies listed in ORS 182, including:
 - The Appraiser Certification and Licensure Board.
 - The State Board of Architect Examiners.
 - The State Board of Examiners for Engineering and Land Surveying.
 - The State Board of Geologist Examiners.
 - The State Landscape Architect Board.
 - The Oregon Board of Optometry.
 - The Oregon Patient Safety Commission.
 - The Oregon Wine Board.
 - The State Board of Massage Therapists.
 - The Physical Therapist Licensing Board.
 - The State Landscape Contractors Board.
 - The Citizens’ Initiative Review Commission
- Film and Video Office
- Tourism Commission
- Commissions that are established as state commissions:
 - The Oregon Dairy Products Commission.
 - The Oregon Hazelnut Commission.
 - The Oregon Dungeness Crab Commission.
 - The Oregon Salmon Commission.
 - The Oregon Albacore Commission.

- The Oregon Sheep Commission.
- The Oregon Potato Commission.
- The Oregon Alfalfa Seed Commission.
- The Oregon Blueberry Commission.
- The Oregon Clover Seed Commission.
- The Oregon Fine Fescue Commission.
- The Oregon Hop Commission.
- The Oregon Mint Commission.
- The Oregon Orchard Grass Seed Producers Commission.
- The Oregon Processed Vegetable Commission.
- The Oregon Raspberry and Blackberry Commission.
- The Oregon Ryegrass Growers Seed Commission.
- The Oregon Strawberry Commission.
- The Oregon Sweet Cherry Commission.
- The Oregon Tall Fescue Commission.
- The Oregon Trawl Commission.
- Oregon State Marine Board
- Oregon State Fair



Oregon

Kate Brown, Governor

Department of Administrative Services

DAS Shared Payroll Services
Fiscal Business Services
Enterprise Goods and Services
155 Cottage St NE U20
Salem, OR 97301
PHONE: 503-378-5091
FAX: 503-378-2901
E-MAIL: OSPS*Payroll@oregon.gov

Date

With the passage of the Affordable Care Act (ACA) you appear to be eligible for health benefits through the Public Employees Benefit Board (PEBB).

The following information applies:

- You are projected to work an average of 30 or more hours per week. You need to submit the attached enrollment information by (date). **IF** you are still **ACTIVELY** employed on the first day of the fourth month following your hire date, you will be enrolled.
- An offer of coverage and/or enrollment in no way alters the temporary status of your assignment. Your employment may be ended at any time.
- PEBB's employee benefits are in whole month increments for coverage. Employees work one month to earn coverage for the following month. To continue your coverage for each month following enrollment, you must meet the requirement of 80 paid hours earned in the month.
- If you work less than 80 hours in a month, you will not receive coverage and a COBRA notice will be sent to you.

Please review this information carefully. In order to become covered for benefits you need to complete the enclosed enrollment forms and return them to DAS Payroll by (date).

Failure to submit your PEBB enrollment by (date) will be considered a rejection of the offer of coverage. You will not be eligible for benefits again unless you accept a more permanent position or you have worked 1560 or more hours during the initial measurement period (12 months following your start date).

The forms can either be emailed to OSPS*Payroll@oregon.gov , faxed to 503-378-2901, dropped off or mailed to

**DAS Payroll
155 Cottage St NE
Salem OR 97301.**

ACA Tracking

| Agency # | OR# | EE Name | | Status | Hire Date | Temporary EE Term Date | PEBB Eligibility Date | Benefit Start Date |
|----------|-----------|-----------|----------|--------|-----------|---------------------------|-----------------------|-----------------------|
| | | Last | First | | | | | |
| 12345 | OR0000001 | Dunkin | Heather | wait | 2/9/15 | 5 months | check hours 5/9/15 | |
| 12345 | OR0000002 | Cowan | Kevin | wait | 2/9/15 | 8/9/15 | 6/1/15 | |
| 12345 | OR0000003 | Kolterman | Don | wait | 3/2/15 | 9/2/15 | 7/1/15 | |
| 12345 | OR0000004 | Kercher | Jed | Wait | 3/9/15 | 9/9/15 | 7/1/15 | |
| 12345 | OR0000005 | Gaines | Beth | wait | 1/5/15 | 7/5/15 | 5/1/15 | |
| 12345 | OR0000006 | Simpson | Michael | wait | 2/9/15 | 5 months | check hours 5/9/15 | |
| 12345 | OR0000007 | Goos | Jennifer | wait | 1/5/15 | 6 months | check hours 4/5/15 | |
| 12345 | OR0000008 | Davis | Dave | wait | 9/22/14 | on going | 1/1/15 | |
| 12345 | OR0000009 | Webber | Heather | wait | 3/9/15 | 9/9/15 | 7/1/15 | |
| 12345 | OR0000010 | Ibsen | Dwayne | wait | 2/9/15 | 5 months | check hours 5/9/15 | |
| 12345 | OR0000011 | Warnock | Steve | wait | 3/2/15 | 6/2/15 | | |



Oregon

Kate Brown, Governor

Department of Administrative

Services DAS Shared Payroll

Services Fiscal Business Services

Enterprise Goods and Services

155 Cottage St NE U20

Salem, OR 97301

PHONE: 503-378-5091

FAX: 503-378-2901

E-MAIL: OSPS*Payroll@oregon.gov

Date: (Date)

TO: (EE name and address)

FROM: (PR Name)
Payroll and Benefit Specialist

Subject: Self-paying the employee portion of core benefit premiums (Medical, Dental, Vision, and Employee Basic Life), optional insurances, and voluntary deductions while in a current benefit eligible stability period and on leave without pay

Keep this for your records.

The Affordable Care Act required an employer to continue to pay its premium share of an eligible employee's monthly core insurances while the employee is in a current benefit eligible stability period. In order for the employee's core benefits to continue, the employee must also continue to pay their monthly core benefit premium share percentage to the agency. Additionally, you remain responsible to pay any monthly plan year surcharges and if you choose to continue optional insurance must also pay those monthly premium costs.

You are currently benefit eligible and are on or about to begin leave without pay while in a current benefit stability period. Payroll has been notified that beginning_____, you will be on leave without pay (LWOP) status. In order for you to continue your core benefit insurance and optional insurances, you must continue to pay your core benefit premium share percentage, optional insurance premiums and all plan year surcharges. Your optional self-pay coverages can continue for up to 12 months only if you make arrangements to pay the premiums to your agency on the same due date as your core benefit premium share.

NOTE: Flexible Spending Accounts (FSA's) cannot be continued unless you are on approved FMLA and you have received approval from PEBB to pay all monthly contributions in advance of your leave. Commuter account contributions cannot be continued while on any LWOP.

Section 1 of this letter explains your options for making monthly premium and surcharge payments.

Section 2 explains payment options for your optional insurances.

Section 3 is a form for you to complete and return to the agency outlining your choices for making your payments.

If upon your return to work you are in a current benefit eligible stability period, your eligibility for insurance will continue/resume.

If you terminate employment while in the stability period, or you become ineligible for continued benefits and/or are no longer eligible to have the agency pay a portion of premiums, you will receive information about continued health and dental insurances through self-pay Consolidated Omnibus Budget Reconciliation Act (COBRA) coverage. The Public Employee's Benefit Board's (PEBB) third-party administrator for COBRA will send you this information.

Section 1: Payment Options for Core Benefit Plan Premiums and Surcharges

In order to maintain continuous coverage of your core benefits while in leave without pay, **payroll must receive payment no later than the 20th of the month.** You must choose one of these options:

Send a cashier's check, money order, or personal check made payable to DAS Joint Payroll for your portion of the premium payment, including surcharges. This option is after taxes. Premium payments are due no later than the 20th of the month.

1. Pre-pay your portion of the premium, including surcharges, through payroll deduction prior to commencing leave without pay. This option is before tax.
2. Make a private agreement with DAS Payroll for how you will pay your insurance premium. For example, you may agree that the insurance and surcharge premium payments will be taken out of your pay check on a monthly basis following the date you return to work.

When you elect to have your insurance cancelled while on leave without pay, you will receive a COBRA Election Notice. If you work more than 80 hours in the month you cancel coverage, coverage will end the last day of the following month. If you work less than 80 hours in the month you cancel coverage, coverage ends the last day of that month.

Attached is a form for you to complete verifying how you would like to make your premium/surcharge payments. Please sign the form and return it prior to commencing your leave or within 15 days of receipt of this letter.

Payments sent by an employee for a premium payment must be in the form of a cashier's check, money order, or personal check made payable to DAS Payroll by the 20th of the month. Send payment to the attention of DAS Shared Payroll Services. If a personal check is returned from the bank, any costs incurred by the agency will be collected from the employee.

If you do not make timely insurance premium payments, your insurance will retro terminate to the last day of the month that full premium payments were made. However, we recognize that your situation may change while you are on leave. If you need to negotiate different payment terms, please notify DAS Payroll before the due date of your next premium payment. The employer has the right to recover the employee's share of any premiums and/or surcharge payments the employer makes on the employee's behalf.

Section 2: Payment Options for your Optional Insurances

If you are on leave without pay (LWOP) while in a current benefit eligible stability period and want your **optional** PEBB insurances to continue, you may be able to self-pay premiums to DAS Payroll. The table below provides a summary of the optional PEBB insurances you are eligible to self-pay. **Note:** Only the insurances that are eligible as self-pay and were in effect before the start date of your LWOP status may be self-paid.

If the agency is paying a portion of the premiums for health or dental insurance coverage for your domestic partner and/or your partner's eligible children, and they are not tax dependents for the purpose of receiving pre-tax health benefits, you must still pay the federal and state taxes on the imputed value of the domestic partner's insurance. See the table below. You may only self-pay any of the allowable optional premiums up to 12 months. Some of the optional insurances may be converted privately with your plan for longer coverage. Contact your insurance plan for more information.

| Optional Insurance Plan | Benefit Eligible Permanent Employee Full/Part-time/ Limited Duration/Job Share | Benefit Eligible Temporary/Seasonal Employee | Monthly Premium Amounts |
|---|--|---|-------------------------|
| Optional Employee Life | Yes | Yes | |
| Spouse or Domestic Partner Life | Yes | Yes | |
| Dependent Life | Yes | Yes | |
| Accidental Death and Dismemberment | Yes | Yes | |
| Long Term Care | Yes | Yes | |
| Short Term Disability | Yes (if not on STD claim) | No *not eligible | |
| Long Term Disability | Yes | No *not eligible | |
| Domestic Partner Insurance Tax Liability (this may be limited to the plan year for pre-payment) | Yes, if DP insurance for partner or children who are not tax dependents | Yes, if DP insurance for partner or children who are not tax dependents | |

Yes= you may self-pay premiums

No= you may not self-pay premiums

Self-Pay Premiums of Optional PEBB Benefits or Domestic Partner Insurance

If you choose to continue your optional PEBB benefits or the medical and dental coverage for your domestic partner, your total monthly payment is \$_____. You may pay for more than one month at a time.

Please pay the exact amount. **The monthly due date for payments is no later than the 20th of each month.**

To prevent a break in your optional insurance coverage you need to make the premium payment to the agency. This is the only notice you will receive. Please keep this notice for your records.

If you choose to self-pay the above optional insurances, you must send payment to DAS Shared Payroll Services. Your payment must be received no later than the 20th of the month. Send payment to attention DAS Shared Payroll Services.

If you have short-term or long-term disability and Standard approves your claim, your premiums for those insurances are waived. Upon approval from Standard, your agency will refund premiums paid by you from the time of the claim filing to the approval.

Deferred Compensation

If you have a deferred compensation deduction, you will need to contact the deferred compensation coordinator at 503-378-3730.

(Union Name)

If you have union deductions, you will need to contact the union directly at (phone #) for more information about self-paying these deductions to the union, or to request a waiver of payment.

Section 3: Choices for Making Premium Payments Form

DATE:

TO: DAS Shared Payroll Services

FROM: (name of employee)

Subject: Selection of Premium Payment Option

Complete and return this form to the DAS Shared Payroll Services office by (Date)

The Affordable Care Act requires an employer to continue to pay its monthly premium share of an eligible employee's monthly premium payments while an employee is in a current stability period and the employee elects to continue the coverage.

I understand that in order for my core coverage to continue I am required to pay my portion of the premium share (3% or 5% for the core benefit plan premium plus any monthly surcharges I was assessed for the plan year.) I understand that if I am in leave without pay status and in a current stability period, whether by choice for because I have exhausted my accrued paid leave, I am responsible to pay my monthly core benefits premium share and any monthly surcharges. Additionally, I understand that while in leave without pay I must make a payment each month, for those voluntary deductions that I choose to continue.

A. COVERAGE FOR CORE INSURANCE BENEFITS (Health, Dental, Vision, and \$5000 Life) I elect the following option: (check one option)

- 1. I will send a cashier's check, money order, or personal check made payable to DAS Shared Payroll Services for my portion of the premium share and surcharges. The premium/surcharge payment must be received no later than the 20th of each month.
- 2. I will pre-pay my portion of the premium, which includes surcharges, through payroll deduction prior to commencing leave without pay.
- 3. I want to make a private agreement with the agency for how I will pay my insurance premium. I can be reached at (phone) _____ (email) _____.
- 4. I elect to have my insurance discontinued while I am on leave without pay.

B. COVERAGE FOR OPTIONAL INSURANCE/DOMESTIC PARTNER IMPUTED VALUE TAX (check one Option)

- 1. I will self-pay the premiums of my optional PEBB benefits/domestic partner imputed value tax by sending in payment to be received no later than the 20th of each month
- 2. I elect to have my optional PEBB benefits/domestic partner insurance discontinued while I am on leave without pay.

(Employee's Signature)

(Date)



Oregon

Kate Brown, Governor

Department of Administrative Services

DAS Shared Payroll Services

Fiscal Business Services

Enterprise Goods and Services

155 Cottage St NE U20

Salem, OR 97301

PHONE: 503-378-5091

FAX: 503-378-2901

E-MAIL: OSPS*Payroll@oregon.gov

April 14, 2015

Dear _____,

This is to notify you that payment of _____ for your health benefits for the month of _____ has not been received as of _____. If payment is not received in the next 10 business days, your health coverage will be terminated as of _____.

Once coverage is ended by the state, you will receive COBRA information from Benefit Help Solution, the state's administrator.

Any further coverage will be through them. If you return to work you will need to either be in a stability period (12 consecutive month period after the measurement period, November 1 to October 31, during which employees are entitled to keep coverage, no matter what their hours of service are) or have worked 80 or more hours to be eligible again for the following month.

Please contact DAS Payroll with any questions at the number above.

Regards



Oregon

Kate Brown, Governor

Department of Administrative Services

DAS Shared Payroll Services
Fiscal Business Services
Enterprise Goods and Services
155 Cottage St NE U20
Salem, OR 97301
PHONE: 503-378-5091
FAX: 503-378-2901
E-MAIL: OSPS*Payroll@oregon.gov

April 14, 2015

TO:

FROM: DAS Shared Payroll Services

SUBJECT: IMPORTANT HEALTH BENEFIT INFORMATION

The Affordable Care Act (ACA), allows some employees of the State of Oregon to continue their active employee health benefits offered through the Public Employees Benefit Board (PEBB) during periods of leave without pay. Please read this letter and enclosures carefully to understand your rights and responsibilities.

You are receiving this letter because you are on a non FMLA Leave without Pay (LWOP) and are in a current Stability Period. As such, you are entitled to continue to receive coverage under the state's health benefits.

Your Leave Without Pay began on: _____

Your Stability Period begins on: _____

You Stability Period ends on: _____

The agency will reinstate your active employee health benefits effective: _____

As long as you remain an employee of the State of Oregon, are in LWOP status and in a current stability period, the agency will pay its portion of the premiums through: _____

IMPORTANT

- In order for you to continue your core benefit insurance and optional insurances, you must continue to pay your core benefit premium share percentage and any plan year surcharges during the Stability Period.
- You must make arrangements to pay the premium to your agency
- Premiums are due on the same date as your core benefit premium share.
- If your employment terminates while in the Stability Period, or you become ineligible for continued benefits and/or are no longer eligible to have the agency pay a portion of the premiums, you will receive information about continued health and dental insurances through self-pay COBRA coverage. The Public Employee's Benefit Board's (PEBB) third-party administrator for COBRA will send you this information.