

## The Affordable Care Act (ACA) – FAQs

### 1. What is the Affordable Care Act?

- A health care reform law (sometimes known as ACA, PPACA, or “Obamacare”)
- A way for the government to ensure all individuals have health (medical) insurance.
- Employers **MUST** offer affordable minimum health coverage to ALL ELIGIBLE employees.

### 2. Who are the **eligible employees**?

- ALL employees who work 30+ hours per week - **whether they are scheduled to or not**.
- ALL employees with a change in status from 30+ Hours.
- Re-hire or transferred employees *may* qualify if previously *benefit eligible* and did not have a long enough **break in service** to be considered a “new hire”

### 3. How long is a **break in service** to be considered a “new hire”?

- Schools: 26 or more consecutive weeks
- Parishes/Catholic Charities/Cemeteries: 13 or more consecutive weeks

### 4. Why would “re-hire, transfers, and change in status” employees qualify if they are **scheduled to work under 30+ hours per week on a permanent and customary basis**?

The ACA established several methods to identify which under 30+ employees would qualify for medical coverage. Our Diocese adopted the “lookback method,” in which a 12-month *measurement period* is used to aggregate and count each employee’s worked hours.

- New employees’ 12-month measurement period begins on their hire date.
- Current employees’ measurement period begins on April 1<sup>st</sup> and ends on March 31<sup>st</sup>.

If the average worked hours is 130 or more per month over the measurement periods mentioned above, the employee is “ACA eligible” and must be offered medical coverage for 12 months.

### 5. When would coverage start if an employee is found “ACA eligible”?

- For new employees, coverage begins immediately after completing the 12-month measurement period. For example, if an employee’s hire date was 1/2/2025, their coverage would be effective 2/1/2026.
- Current employees’ coverage begins with the new plan year, July 1<sup>st</sup>.

### 6. What coverage must be offered to an “ACA eligible” employee?

ACA eligible employees must be offered medical coverage. Our Diocese does not provide dental and vision coverage to this group.

### 7. Is dependent coverage offered to “ACA eligible” employees?

Yes, dependents coverage is available to “ACA eligible” employees.

### 8. Can coverage be extended beyond the required 12 months for “ACA eligible” employees?

ACA eligible employees could qualify for health coverage beyond the required 12 months if they are deemed eligible during the next measurement period.

## 9. Example of Scenarios:

- a) Change in status from 30+ hours (health benefits eligible) class to a non-eligible class (either 20 to 29 hours or Under 20 hours).
  - There is no break in service; hence, employees must be offered health coverage. Their medical coverage continues for 12 months only if the employee chooses to enroll.
  - Employee's new classification in Reta/BAS is "ACA eligible" as of their change of status date," and at the end of their 12-month coverage, they must be reclassified to the appropriate work class based on the hours they are scheduled to work at a permanent and customarily basis.
- b) Rehire employees with a break in service of less than 26 consecutive weeks for schools or 13 consecutive weeks for no-school sites.
  - Employee is "ACA eligible" as of their rehire date, and coverage must be offered immediately.
  - Employee's classification in Reta/BAS is "ACA eligible."
- c) Rehire employees after a break in service of more than 26 consecutive weeks for schools or 13 consecutive weeks for no-school sites.
  - Employee is considered a "new hire," and the new hire measurement period applies.
  - No coverage must be offered.
- d) Employee transfers to another site. Even though sites are administratively separate entities from each other, health benefits are provided under the umbrella of the Diocese of Santa Rosa; hence, they are classified as an Applicable Large Employer (ALE) as defined by the Affordable Care Act (ACA). Therefore, if an employee *was classified at 30+ hours* (benefits eligible) at the previous site and hired at the new site at a non-eligible class (either 20 to 29 hours or Under 20 hours):
  - There is no break in service; hence, employee must be offered health coverage.
    - If the employee chooses to enroll, their medical coverage continues until the end of the plan year, and they could be eligible for the next plan year if the average hours worked are 130 hrs. per month (see question 8).
  - Employee is classified as "ACA eligible" in Reta/BAS until the end of the plan year and reclassified to the appropriate work class when no longer "ACA eligible."

As a reminder:

All health benefits-eligible employees, including "ACA eligible," are **required** to indicate their choice to enroll or waive the coverage offered to them **online** at [www.RetaTrust.org](http://www.RetaTrust.org)

- No paper form is available to indicate "waive of coverage."
- Employees may waive the Diocesan coverage if covered under their spouse or parent's employer-offered benefits.
- Employees cannot waive the Diocesan health coverage to enroll in a Covered CA health plan.
- As an ACA rule, employers must collect proof of their current coverage from the employee.
  - Please verify that coverage isn't provided by Covered CA and save these records with your payroll files. If needed, the Benefits Office will request copies.