

Administrative Supplement II-I

The Lookback Measurement

Background: As part of the Affordable Care Act, employers are mandated to set standards for determining eligibility for employer-sponsored group health insurance. UC chose a lookback measurement period to assess eligibility for employees eligible for the Faculty/Staff Benefits Program and postdoctoral scholars¹ eligible for the Postdoctoral Scholar Benefits Program. This administrative supplement describes the components of the lookback measurement, as well as circumstances where the lookback measurement is adjusted.

Failure to follow these procedures could result in employees or postdoctoral scholars erroneously losing employer-sponsored group health insurance, resulting in penalties levied and collected by the Internal Revenue Service (IRS).

Initial Measurement Period

The Initial Measurement Period applies only to employees who, upon hire or re-hire, are ineligible for the Faculty/Staff Benefits Program or the Postdoctoral Scholar Benefits Program. The Initial Measurement Period starts on the day the employee or postdoctoral scholar is initially hired or re-hired, and ends on the eve of their 1 year anniversary of their hire or re-hire.

Standard Measurement Period

The Standard Measurement Period applies to employees who have been employed for the duration of a Standard Measurement Period. The Standard Measurement Period for monthly employees starts on November 1 and concludes on October 31 of the following year. For bi-weekly employees, the start and end dates vary year over year, but generally start on the first week of November and conclude on the last week of October.

Administrative Period

The Administrative Period is the timeframe when benefit eligibility is calculated, reviewed, and re-run based on the events that occur during the IMP or SMP. The duration of the Administrative Period varies depending on whether it occurs after an IMP or an SMP. For employees or postdoctoral scholars who undergo an IMP, the Administrative Period begins on the first of the month following the employee's or postdoctoral scholar's first anniversary of hire or re-hire, and concludes at the end of that month. For employees or postdoctoral scholars who undergo an SMP, the Administrative Period begins on the first day following the end of the SMP and concludes on December 31.

¹ Postdoctoral Scholar Fellows, Postdoctoral Scholar Paid-Directs, Graduate Student Research Fellows, and Graduate Student Research Paid-Directs are excluded from this process. Benefit eligibility for Postdoctoral Scholar Fellows and Postdoctoral Scholar Paid-Directs is based solely on FTE and duration and is not subject to the lookback measurement. Effective XXXX, Graduate Student Research Fellows and Graduate Student Research Paid-Direct job codes are categorically ineligible for the Faculty/Staff Benefits Program.

UCPath will send notifications regarding eligibility to employees and postdoctoral scholars during the Administrative Period. Employees and postdoctoral scholars who move from ineligible to eligible will receive a notification during the Administrative Period to enroll in benefits. Employees and postdoctoral scholars who move from eligible to ineligible will be notified during the Administrative Period of their upcoming disenrollment from benefits. Employees and postdoctoral scholars whose ineligibility and/or eligibility remains unchanged based on the SMP will not receive any notifications.

Average Weekly Hours of Service Calculation

Per the ACA, UC must determine the Average Weekly Hours of Service for **all** employees and postdoctoral scholars during the Administrative Period. To calculate the Average Weekly Hours of Service, the sum of all hours that an employee or postdoctoral scholar worked throughout the IMP or SMP is divided by the number of weeks in a year. The resulting quotient is the employee's Average Weekly Hours of Service (AWHS). This number will be compared to the Average Weekly Hours of Service threshold that the employee or postdoctoral scholar is held to (17.5 hours for Group A employees and postdoctoral scholars, 30 hours for Group B employees).

Employees or postdoctoral scholars who were ineligible for benefits prior to the IMP or SMP and who clear their applicable threshold will be offered benefits for the following Stability Period. Employees who were eligible for benefits prior to the SMP and who clear their applicable threshold will remain eligible for benefits for the following Stability Period. Employees or postdoctoral scholars who were eligible for benefits prior to the SMP and who do not clear their applicable threshold, will have benefits terminated at the end of their current Stability Period.

IMP and SMP calculations are performed by UCPath. The applicable employee or postdoctoral scholar information must be entered into or provided to UCPath by the location prior to the running of the measurement period. Failure to do so will result in an incorrect benefit eligibility determination.

Hours that are included in the Average Weekly Hours of Service Calculation

The ACA defines the hours that must be included in the Average Weekly Hours of Service calculation. All hours that the employee has worked on behalf of UC, including overtime hours and hours worked at different locations, are considered "hours worked". All paid vacation hours, paid holidays, and paid sick time are also included in the "hours worked" calculation. Additionally, any paid time off, such as a Paid Leave of Absence or a Paid Sabbatical are included in the calculation of "hours worked" so long as the information is entered into UCPath prior to running of the measurement period. The accumulation of these hours is automatically tracked and accounted for within UCPath. Location users can run the Cognos Report R-054 ACA Accumulator Data to view ACA Accumulator hours per pay check or for a specific timeframe. The report is configured such that it can be run for an individual employee or Pay Run ID.

Employees who are paid By-Agreement (i.e., by flat amount rather than salaried with an FTE or hourly) do not have their by-agreement working hours automatically tracked and accounted for in UCPath. Instead, those hours must be reported to UCPath by the locations via the [I-181 Time and Attendance file](#) throughout the Stability Period. Locations also have the opportunity to submit lump sum hours using Earn Code BYH during the Administrative Period and must do so by the payroll deadline of the last payroll of the measurement period. Locations may also submit BYH hours on the Location Review

Report prior to the running of the measurement period. Failure to report these hours may result in an employee erroneously losing eligibility for benefits, and could result in an IRS penalty.

The ACA also requires all paid and unpaid hours that are associated with USERRA Leave, FMLA, and/or Jury Duty also be included in the number of “hours worked” for employees. These hours are automatically calculated and included Average Weekly Hours of Service calculation, so long as the information is entered into UCPATH prior to the running of the measurement period.

501 Hours Credit

As an “educational institution”, the ACA allows UC to credit additional “hours worked” towards the Average Weekly Hours of Service calculation. Specifically, UC is allowed to credit up to an additional 501 hours to any employee or postdoctoral scholar who experiences an “employment break” of 4 weeks or more.

An employee is eligible for a credit of up to 501 hours worked once a Short Work Break of 4 weeks or more has been entered into the employee’s job record. UCPATH will automatically calculate the additional credit of hours if all of the employee’s HR active records reflect concurrent Short Work Breaks. If the employee is placed on Short Work Break on one record but has an active payroll record, the employee will not earn any additional hours.

The number of hours credited to the employee or postdoctoral scholar will correspond to the duration of the SWB, allotting 8 hours per work day and paid holidays, up to a maximum of 501 hours.

Reducing the Number of Weeks for the Average Weekly Hours of Service Calculation

As a standard, 52 weeks per year is used as the basis when determining the Average Weekly Hours of Service during an IMP or SMP. However, the number of weeks is reduced during the following circumstances:

- Leave Without Pay
- Time between Separation and Rehire if Rehire is within 26 Weeks

When the measurement period is run, the number of weeks is automatically reduced by the duration of the Leave Without Pay and/or the time between separation and rehire. No adjustment to the number of hours worked (i.e. adding 501 hours) is granted in these scenarios.

- Average Weekly Hours of Service= [(All eligible ACA hours-LOA hours + Credit)/(52 weeks-LOA weeks)]
- The credit is calculated by multiplying the number of weeks the employee was on Short Work Break by a personalized factor. The factor is determined by dividing all of the ACA eligible hours (minus any hours earned in a pay period where the employee experienced an unpaid LOA) divided by the weeks the employee was on pay status (52 weeks minus weeks of unpaid LOA and weeks on Short Work Break).
- Factor=[(All eligible ACA hours- LOA hours)/(52 weeks – LOA weeks – Short Work Break weeks)]

UCPATH is configured to exclude the pay period(s) during which the employee experienced an unpaid leave of absence.

For employees who are on intermittent leave, UCPATH is not configured to tally up the number of weeks and then exclude those weeks from the AWHs calculation. Locations must complete the I-181 report to identify and request UCPATH to manually re-evaluate eligibility for these employees or postdoctoral scholars.

Concurrent Appointments

Employees with concurrent appointments will not have their AWHs adjusted unless all appointments correspond to the event. For instance, if an employee has one appointment that is on a Leave Without Pay for 10 weeks, but there is another concurrent appointment that remains active, the number of weeks will not be reduced by 10 weeks due to the continuation of the active appointment. Both appointments must be placed on a Leave Without Pay in order for the number of weeks to be reduced. Another example is an employee who is placed on SWB for 12 weeks but has an active appointment for the duration of the SWB. The 501 hours credit would not be awarded due to the presence of an active appointment.

Employees off Pay Status and AWHs Results

Employees or Postdoctoral Scholars who are off Pay Status when the AWHs results are calculated and become effective will not see any changes to their eligibility and can continue benefits via Direct Pay. When the employee or postdoctoral scholar returns to Pay Status, eligibility based on the AWHs results will be effective the day the employee returns to Pay Status. If applicable, the employee's record will also be reviewed to determine if the employee has 750 or 1000 hours in the previous 12 months, as of the date the employee returns to Pay Status. If both processes deem the employee or postdoctoral scholar ineligible, the employee will be disenrolled from benefits upon their return to Pay Status.

1000 Hour/750 Hour & Falling Below AWHs

Eligible Employees who failed to meet the AWHs threshold during the measurement period, but accumulated 1,000 eligible hours (750 hours for Non-Senate Instructional Unit) over a rolling 12-month period on the last month of the Administrative Period, will retain their current benefit package for the following Stability Period. Any Open Enrollment elections made during the current Stability Period will go into effect for the following Stability Period.

As an example, an employee who has an AWHs of 13.4 and is scheduled to have their eligibility terminate on 12/31/22, but who has accumulated 1032 hours when the 1000 hour report is run in December 2022, will have their current benefit package continue for the 2023 Stability Period. Any Open Enrollment elections made in 2022 become effective during the 2023 Stability Period.

Gaining or Re-gaining Eligibility

Eligible Employees and Eligible Postdoctoral scholars who gained or re-gained eligibility based on the AWHs will be notified of their eligibility during the Administrative Period. They will be granted a PIE on the first of the month during of their new Stability Period.

Expectation of Locations

Locations can submit the BYH hours for By Agreement (flat amount) appointments throughout the year through the [I-181 Time and Attendance file](#). Each location will receive a report of employees who are

projected to not meet the AWHs threshold for their eligibility group prior to the finalization of the Standard Measurement Period. There is a dedicated tab on the report for locations to submit BYH hours for employees who are included on the report as well as for other employees who have missing BYH hours. No negative hours should be included on this report. The locations can use the report to ensure that Job Data updates have been submitted for impacted employees so that UCPATH can recalculate their hours based upon the job record updates. The reports should be submitted back to UCPATH prior to the date when the SMP is finalized so that any applicable updates can be made by UCPATH Benefits Department to ensure that employees not lose eligibility in error.

Report to log BYH hours**Job Aid: I-181 Form Submission for Reporting BYH Hours**

https://sp.ucop.edu/sites/ucpathhelp/LocationUsers/LOCjobaids/UCPC_PHCMABML201JA_BYH_I181_A CA_D2Rev00.pdf

Links to recommend how to enter records:**Job Aid: Extended Absence Request Leaves and Description**

https://sp.ucop.edu/sites/ucpathhelp/LocationUsers/LOCjobaids/UCPC_PHCMABML200JA_AbsenceRequest_LeaveDescriptions_D2Rev01.pdf

Submit Multi-Row Leave of Absence Request

<https://sp.ucop.edu/sites/ucpathhelp/LocationUsers/LOCplayer/index.html?Guid=35cb0953-ece0-4fef-9f71-bc01188a7ee9>