

**HUMAN RESOURCES ADMINISTRATIVE PRACTICE MANUAL (HRAPM)
EMPLOYEE CATEGORIES POLICY**

Frequently Asked Questions

1. *Why must changes be made to the policy on Employee Categories?*

Revisions are necessary to the Employee Categories Policy in the HRAPM to comply with the federal regulations in the Patient Protection and Affordable Care Act (PPACA), hereto after referred as “the ACA.”

2. *What are the key changes to the Employee Categories Policy?*

The key changes are:

- A revised “Definitions” section refining the definitions of *Regular* and *Temporary* employment.
- A revised section on “Types of Employment,” which details the specific requirement of Regular and Temporary employment for faculty, staff and students.

3. *What are the rules defining benefits-eligibility concerning hours worked and FTE?*

There are three definitions pertaining to benefits eligible, which are described below:

Full Benefits Eligible: This is defined as 30 or more hours per week or .75 FTE and greater, which applies to regular faculty and regular staff employees. Full benefits include all benefits in accordance with University System of Georgia of Board of Regents policy.

Partial Benefits Eligible: This is defined as 20 to 29 hours per week or .5 FTE to .74 FTE. Partial benefits eligible may apply to regular faculty and regular staff employees. Partial benefits include retirement and pro-rated leaves.

Non Benefits Eligible: This is defined as 19 or less hours per week (.49 FTE or less), which applies to regular faculty and staff employees. Non-benefits eligible also includes temporary faculty, staff and student employees who may not work more than 1,300 in a 12 month period as defined in FAQ #9. Students may not be placed into a regular status.

4. *How should we treat employees classified currently as Limited Term?*

Some positions are limited term in nature with an expectation of employment for more than six months but generally not more than two years. This has been identified previously as an employment category in and of itself; for purposes of our new policy it is part of the “regular” employment classification. Benefits eligibility is based on hours worked, with full, partial or no benefits offered depending on FTE. Due to the

nature of these positions, as well as the need on occasion to fill them quickly, an institution's HR organization should be contacted if there is a need to waive the competitive hiring process to obtain approval based on a justifiable business reason. If it appears that the position will become more than a term employee, conducting a search is considered best practice.

5. Under the ACA, is there a requirement for employees (Faculty or Staff) who are not health benefits eligible to record and report all hours worked?

Yes. Under the ACA, all employees, including faculty and staff, regular or temporary, who are not health benefits eligible shall record and report hours worked (inclusive of paid employer leaves) to determine health benefits eligibility.

6. Do Regular Staff Employees working less than 30 hours per week or less than .75 FTE have to record and report hours worked?

Yes. Under the ACA, all regular staff employees who work less than 30 hours per week or less than .75 FTE shall record and report all hours work to determine health benefits eligibility.

Temporary Employment

7. What is the definition of Temporary employment?

Temporary employment is short in duration to address business needs. Typically, the duration of temporary employment should not exceed 12 months. If employment exceeds 12 months, discuss employment options with the institution's Human Resources office.

8. Are there new requirements on the employment of Temporary employees?

Yes. The requirements are specified in the HRAPM Employee Categories Policy.

9. What are the rules for Temporary employment?

- A temporary is non-benefits eligible (see NOTE below for exception).
- A temporary does not have an expectation of long-term employment.
- A temporary may be fulltime or part-time and may not exceed a total of 1,300 hours worked in a 12-consecutive month period.
 - A temporary must have a 26-week break-in-service if they have worked 1,300 hours in a 12-consecutive month period from their hire date. The 1,300 hours can be accumulated in any combination during the 12 month period; however, once an employee has worked 1,300 hours

or worked for 12 consecutive months, whichever is first, the temporary employee must have a break in service of 26 weeks or be converted to Regular.

▪ Examples:

- Example 1: An employee is hired on January 1st and reaches the 1,300-hour cap within 12 consecutive months on September 30th shall be required to have a 26-week break-in-service, and their 1,300 hour cap will reset effective April 1st of the following year.
- Example 2: An employee is hired on January 1st and reaches the 1,300-hour cap within 12 consecutive months on July 1st; then the 1,300-hour cap shall reset effective January 1st of following year.
- Example 3: An employee is hired on March 1st and reaches the 1,300-hour cap within 12 consecutive months on December 1st; then the 1,300-hour cap shall reset effective June 1st of the following year.
- Example 4: An employee is hired on January 1 and reaches the 1,300-hour cap at the end of the 12 consecutive months on December 31st; then the 1,300-hour cap shall reset effective July 1st of the following year.
- Example 5: An employee is hired on January 1 and does not reach the 1,300-hour cap by the end of the 12 consecutive months on December 31st; then the employee must have a break of service of 26 weeks or be moved to Regular.
 - A temporary who is dually (within single institution) or jointly (across multiple institutions) employed in more than one position must have all hours worked counted towards the 1,300-hour worked limit from the date of hire on the first position.
- A temporary may be separated at any time for any reason without notice and either the employer or the employee can quit the employment relationship.
- A temporary is typically considered *non-exempt* under the federal Fair Labor Standards Act's overtime provisions and must receive overtime pay for hours worked over 40 in a workweek at a rate not less than time and one-half their regular rates of pay, except as the employee exemption states for Information Technology Professionals under Sections 13(a)(1) and 13(a)(17) of the FLSA.
NOTE: An exception may be a Temporary Professional who is hired and paid a guaranteed dollar amount on a pay period by pay period basis which meets the "salary basis test" of the FLSA. The duties of the position must be considered "exempt" and they must meet the salary basis test.

10. How many hours may a Temporary work?

A temporary may not exceed a total of 1,300 hours worked in a 12-consecutive month period.

11. Previously, the USG has allowed a temporary employee to work full time as long as this employee takes a 30 day break in service every 12 months. Will this option still be allowed under the new Employee Categories policy?

No, temporary employees must follow rules documented in FAQ #9.

12. Why does there have to be a 26-week break-in-service for Temporary employees?

The IRS issued new guidance in February 2014, defining *breaks-in-service* on when an employee is considered a new hire versus a rehire for resetting their stability period (lookback) determining health benefits eligibility. The IRS has stated that all employers except for higher education have a 13-week break-in-service for an employee to be treated as a new hire again resetting the health eligibility determination period.

For an employee to be treated as a new hire, the break-in-service must be 26-weeks. Therefore, only after a 26-week break-in-service may an employee resetting the clock to zero in determining health benefits eligibility.

13. What happens if an employee who does not have health insurance is rehired within a 26-week period?

Under ACA, the employee must be treated as a Rehire into a Regular position. If the employee is rehired into a Regular benefits eligible position, no further action is needed.

However, if the employee is rehired into a non-health benefits eligible position, hours must be taken into account. The USG has chosen 12 consecutive months as its look back period. Consequently, the employer must look back 12 months from the date of rehire and pull forward any hours in determining health benefits eligibility. For example, a temporary employee is hired on January 1, 2014 and works 1,300 hours through December 31, 2014. The employee is rehired April 1, 2015. Because this is only 12 weeks into the IRS' prescribed 26 week break-in-service, the employer must look back 12 months from the date of the rehire and pull forward any hours worked. In this example, if the temporary employee was rehired on April 1, 2015, the employer must look back 12-months to May 1, 2014. If the temporary employee worked 800 hours since May 1, 2015, this total would be subtracted from the 1,300-hour policy cap, and the rehired temporary employee would only be permitted to work 500 hours in coming 12 consecutive month period ending March 31, 2016.

Faculty Employment

14. How are Faculty defined?

The Faculty consists of the Corps of Instruction and the administrative officers as defined in Section 3 of the Policy Manual of the Board of Regents of the University System of Georgia. Also note there are several new requirements under the Types of Employment section of the Employee Categories Policy, which institutions must implement to comply with the ACA.

15. In terms of hours worked and FTE, what are the requirements for Regular Faculty?

The key requirements for Regular Faculty are:

- Regular Faculty shall have an expectation of continuous employment greater than 6 months and a work commitment of half-time (20 hours per week or .5 FTE) or greater to be benefits eligible.
- Regular faculty who work 30 or more hours per week or .75 FTE or greater are fully benefits eligible.
- Part-time regular faculty working 20 to 29 hours per week or .5 FTE to .74 FTE are partially benefits eligible.
- Part-time regular faculty working less than 20 hours per week or less than .5 FTE are non-benefits eligible.

16. Is it permissible for Regular Faculty to work less than 20 hours per week and be in a position that is less than .5 FTE?

Yes, depending on each institution's practices, Regular Faculty are permitted to work less than 20 hours per week or less than .5 FTE; however, they are not benefits eligible. Please see FAQ#3 above concerning hours worked, FTE and benefits eligibility requirements of part-time regular faculty.

A. Is it permissible for institutions to hire Temporary Faculty who work 30 hours a week or more?

Yes. Temporary Faculty are employed for one academic semester through a written appointment.

Temporary Faculty shall not be employed on an academic year contract.

In addition, the following employment scenarios may apply:

1. Temporary Faculty may be hired for the Spring Semester and may be extended to work the Summer Session.
2. Temporary Faculty may be hired for the Summer Session and may be extended through written agreement to work the Fall Semester.

Temporary Faculty are not benefits-eligible.

B. How long can you employ them in that Temporary Faculty position?

Under the ACA, the USG may not employ Temporary Faculty more than one Academic Semester and consecutive Summer Session. If a Faculty member will be employed more than one Academic Semester and consecutive Summer Session, they must be considered Regular Benefits Eligible through a written agreement.

Examples:

1. Employee works in the Spring as a full time temp >30hrs, and comes back for the Fall Semester, make Regular Benefits Eligible.
2. Employee works in the Fall as a full time temp >30hrs, and comes back for the Spring Semester, make Regular Benefits Eligible.
3. Employee works in the Summer as a full time temp >30 hrs, and comes back for the Fall Semester, employee can remain a full time temp >30 hrs.
4. Employee works in the Summer as a full time temp >30 hrs and comes back for the Fall Semester as a full time temp >30 hrs, must make employee Regular Benefits Eligible if employed for Spring Semester.

17. Should temporary faculty only teaching one semester receive benefits?

No, see FAQ #9.

18. Do Part-time Regular Faculty who are not health benefits eligible have to record and report hours worked?

Yes. Part-time Regular Faculty who work less than 30 hours per week or less than .75 FTE shall record and report all hours work to determine health benefits eligibility, unless they perform “teaching-only” duties. See FAQ #20.

19. Do Part Time Faculty who “Teach-Only” have to record and report hours worked?

No. Institutions with “Part-time Regular Faculty Who Teach-Only” shall refer to the “Contact Hours to Standard Hours Worked Conversion Chart,” which defines teaching course load/hours worked in-the-classroom and out-of-the-classroom, referred to as “prep time.”

Release time may be used if faculty member has been approved to do research or lab work in lieu of teaching. The conversion chart should be used to determine hours worked per week, i.e. released from 1

course would be equivalent to 8.25 hours per week research or lab work, released from 2 courses would be equivalent to 16.5 hours per week of research or lab work

20. Do Faculty, who in addition to teaching, perform other duties outside the classroom, which is not considered “out-of-classroom work/prep-time” have to record and report hours worked?

Yes. Part-time Regular Faculty assigned to perform other duties, which are not part of classroom teaching or prep-time shall record and report hours worked each week that are in excess of standard hours as determined by the “Contact Hours to Standard Hours Worked Conversion Chart”. An example of other duties outside the classroom and not considered prep-time include formally advising students, clinical work, serving on committees, etc. Grading is considered to be part of out-of-classroom work/prep-time.

What is the Contact Hours to Standard Hours Worked Conversion Chart?

Contact Hours to Standard Hours Worked Conversion Chart for Non-health Benefits Eligible Faculty – for purposes of ACA

Proposed Conversion: 1.25 Prep/Grading hours + .5 Office/Meeting hours per each Classroom/Contact hour per week

Contact Hours per Week	Class room/ Contact Hours	Prep/ Grading	Office/ Meeting Hours	Standard Hours Worked	FTE/ Effort
1 Contact Hour	1	1.25	0.5	2.75	0.07
2 Contact Hours	2	2.5	1	5.5	0.14
3 Contact Hours (e.g. 1 course)	3	3.75	1.5	8.25	0.21
4 Contact Hours	4	5	2	11	0.28
5 Contact Hours	5	6.25	2.5	13.75	0.34
6 Contact Hours (e.g. 2 courses)	6	7.5	3	16.5	0.41
7 Contact Hours	7	8.75	3.5	19.25	0.48
8 Contact Hours	8	10	4	22	0.55*
9 Contact Hours (e.g. 3 courses)	9	11.25	4.5	24.75	0.62*
10 Contact Hours	10	12.5	5	27.5	0.69*
11 Contact Hours	11	13.75	5.5	30.25	0.76**
12 Contact Hours (e.g. 4 Courses)	12	15	6	33	0.83**

21. So is the University System of Georgia telling part-time faculty that they are required to do their prep within a specific period of time?

The University System of Georgia is required to comply with the federal ACA and therefore we are required to track the number of hours part-time employees work in order to determine health benefit eligibility. The Federal Guidelines allow educational organizations to use reasonable method for crediting Faculty hour of service so tracking time is not necessary. The University System of Georgia has decided to use 1.25 hours of prep or out-of-classroom work and .5 hours of office/meeting hours for each hour in the classroom as the

method for calculating hours worked. The IRS has provided guidance on out of classroom prep time and the need to account for other activities such as office/meeting time as specified above.

22. What happens if a faculty member claims that s/he should be eligible for benefits?

Institutions should use the University System of Georgia Standard to determine total contact hours and prep/out-of-classroom hours worked for each part-time employee. If an employee believes that s/he should be eligible for benefits and an administrative review has been conducted by the institution HR department that determines s/he is not eligible, the employee may file an appeal to the BOR University System of Georgia Human Resources office for review and final determination.

23. What if a faculty member is willing to work many hours but is not interested in benefits?

Under ACA, the USG is obligated to offer health insurance benefits, but the faculty member may decline. The declination does not relieve the employer from the Federal mandate to track hours worked. The USG Employee Categories policy must be followed.

Student Employees

24. Who are Student Employees?

Student Employees are considered temporary and include graduate assistants and student workers. Graduate Administrative Assistants are considered non-exempt under the FLSA. Graduate Teaching Assistants and Graduate Research Assistants are considered exempt under the FLSA.

25. How many hours may a Student Employee work?

Student Employees may not exceed 1,300 hours in a 12-consecutive month period from their original hire date, which averages out to 25 hours per week. Student employees' **are not** subject to the re-employment restriction requiring a break-in-service after 12-consecutive months of employment.

Other Questions

26. Is there an ACA requirement that affects the competitive process of hiring employees?

No. Existing Federal, State and Board policies are not affected by ACA.

27. What is the definition of FTE?

Please reference the Business Procedures Manual (BPM) Section 22.3.2 for the definition of Full Time Equivalency.

28. What do I do with my joint staffed employee?

Changes to the current Joint Staffing policy are being addressed by a working group. Under the ACA, all institutions are considered an “employer-control group” for determining health care eligibility; therefore, employees who work more than one job at one or more institutions, shall combine all hours worked for determining health care eligibility. As a reminder, all employees that work for the USG should be paid by one institution through a joint staffing agreement. If an employee becomes eligible for health benefits due to a joint staffed agreement, the home institution is responsible for covering the health care costs.

29. What impact will this have on IPEDS reporting and/or BCATs?

The University System of Georgia will be working on IPEDS reporting issues related to the ACA. If job codes or BCATS change, then reporting would be impacted in the next IPEDS reporting period.