

ACA Designation Guide & Flow Chart

This purpose of this guide and flow chart is to assist agencies with properly designating employees with an ACA code in HRIS.

In order to comply with ACA regulations and to avoid any potential fines or penalties, agencies must now designate each employee with a proper ACA Designation. This designation must be determined when the employee is initially hired by an agency, when an employee has a job change (e.g. promotion or demotion), or when there has been a change to an employee's FTE status.

Further, at the end of each defined Standard Measurement Period, the ADOA Benefit Services Division will calculate all hours that have been processed for each active employee and determine the appropriate ACA designation at that time.

The ACA designation will be saved on the HRIS Employee Record (HR11) under the User Field tab.

In order to update the ACA Designation, please use Personnel Action (XP52) form. ACA Designation can be found on App Hire / Rehire 2 as well as the User Field Action.

The first step is to determine if the employee is considered an Ongoing employee or a New Hire employee based on the State of Arizona's Lookback Measurement period.

- **New Hire:** An employee is considered a new hire, if the hire date is on or after 10/10/2014 and the employee has less than one year of service. Please see ACA [New Hire](#) Employee for next steps.
- **Ongoing:** An employee is considered an ongoing employee, if the hire date is prior to 10/10/2014 and the employee has a full year of service. Please see ACA [Ongoing](#) Employee for next steps.

ACA NEW HIRE EMPLOYEE

The ACA designation code must be identified when an agency is hiring a new employee or if an employee returns to State employment after a 13 week break in service. If the employee returns to work within 13 weeks, then the previous ACA designation code must be used.

ACA designation **must** be based on the following criteria:

- Full-Time = FT
 - If the employee is regularly scheduled to work **at least** 30 hours per week for at least 90 days, the employee must be designated as **Full Time**.
- Part-Time = PT
 - If the employee is regularly scheduled to work **less** than 30 hours per week for at least 90 days, the employee must be designated as **Part Time**
- Variable = V
 - If the agency cannot determine whether the employee is expected to be scheduled regularly for at least 30 hours per week, including any paid leave, over the applicable 12-month measurement period because the employee's hours are variable or otherwise uncertain, the employee must be designated **Variable**.

Note: Variable: once an employee is considered an "ongoing" employee, they can no longer be considered "Variable" unless they have a break in state employment of greater than 13 weeks. Each employee must be considered Full-time or Part-Time (or Seasonal, if they meet the definition above).

- Seasonal = S
 - If the employee is employed for not more than 6 months of the year and whose employment is dependent on a specific and reoccurring season, the employee must be considered **Seasonal**.

Important Note on Rehired Employees and Job Changes

- If employee is rehired during 2016, and the break in service is less than 13 weeks, the ACA designation code should not change unless:
 - Employee is currently in a Variable, Seasonal or Part-Time position and employee is rehired into FT position
- If employee is changes position (either within same agency or transfers into another agency) during 2016, the ACA designation code should not change unless:
 - Employee was in a Variable, Seasonal or Part-Time position and employee is transferring into new Variable, Seasonal or Part-Time position

In other words, if employee ACA designation was as Full-Time and changes to a position that is no longer considered Full-Time, you must wait until 2017 plan year to change designation.

ACA ONGOINGEMPLOYEE

If the employee's hire date is prior to 10/10/2014 then the employee is considered an "ongoing employee".

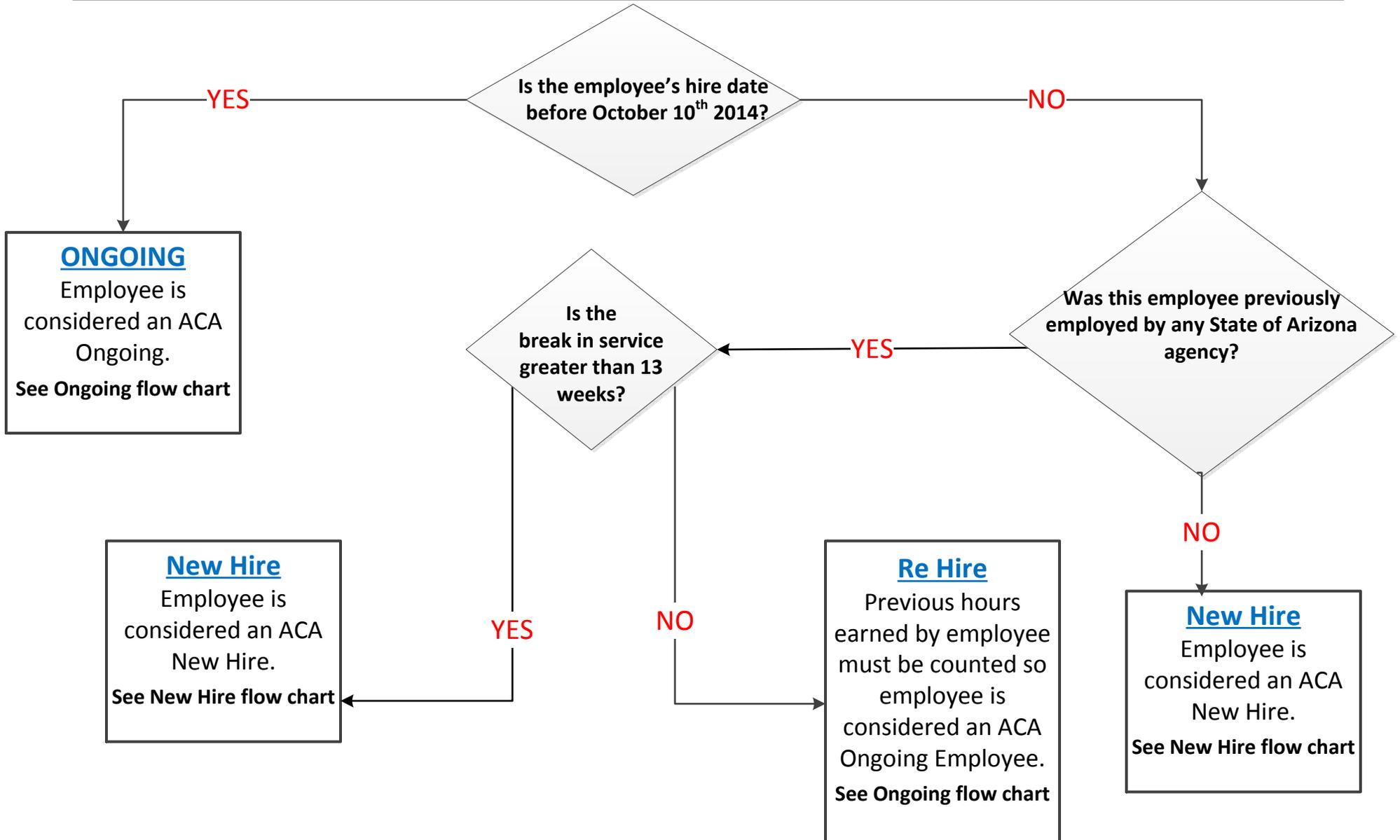
The ACA designation code will be automatically calculated by ADOA Benefit Services Division based on hours "worked" from 10/10/2014 through 10/09/2015 and the ACA designation code should be based on the following criteria:

- If "hours worked" is greater than or equal to 1560; than employee designation is **ACA Full-Time**
- If "hours worked" is less than 1560; than employee designation is **ACA Part-Time**
- The employee can be considered **Seasonal**, if the employee is not active for more than 6 months of the year and whose employment is dependent with a specific and reoccurring season. All employees designated as Seasonal when the employee was initially hired will remain as Seasonal.

Note: *Variable*: once an employee is considered an "ongoing" employee, they can no longer be considered "Variable" unless they have a break in state employment of greater than 13 weeks. Each employee must be considered Full-time or Part-Time (or Seasonal, if they meet the definition above).

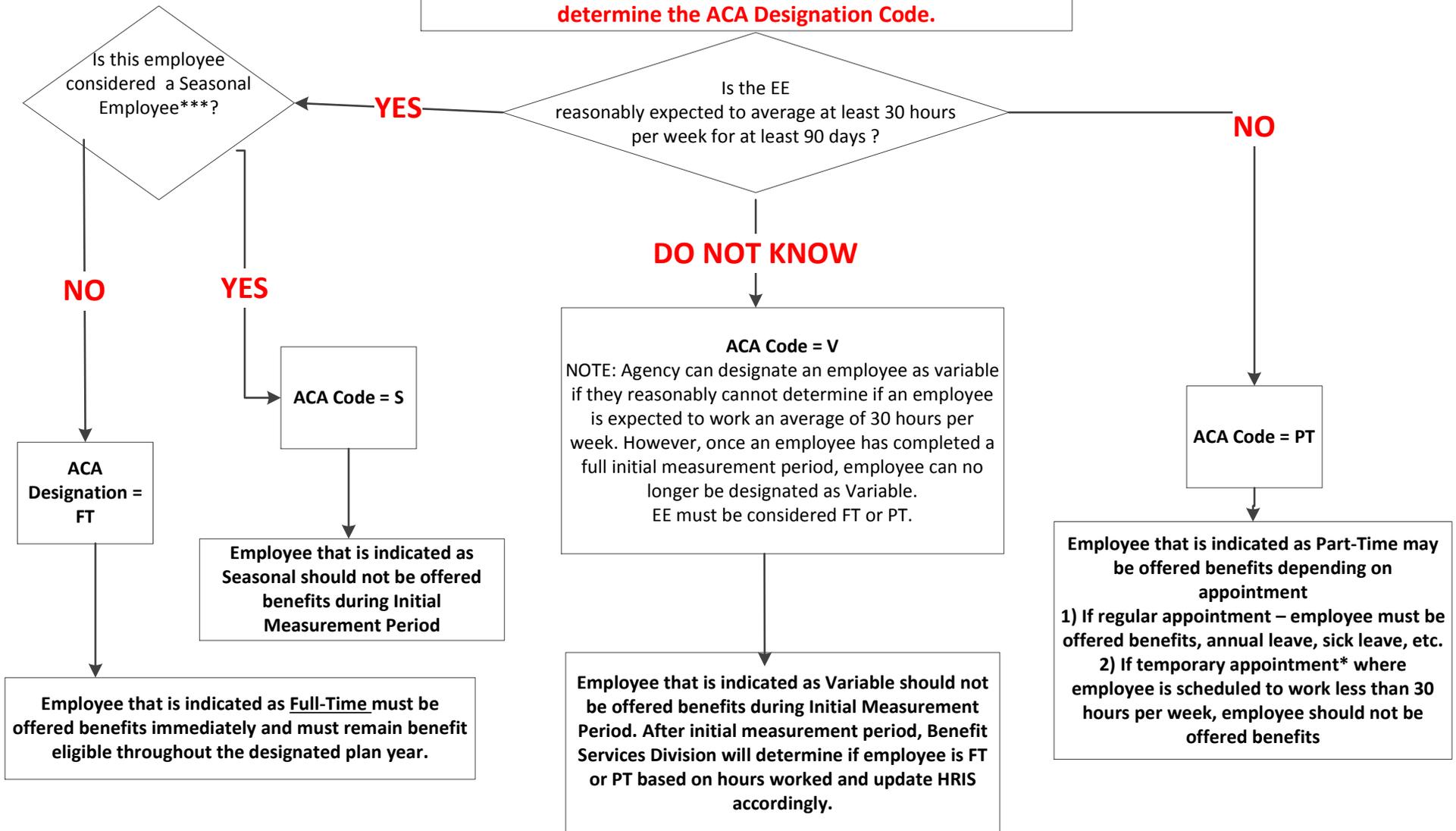
HOW TO DETERMINE ACA DESIGNATION
ONGOING, ACA NEW HIRE, or REHIRE
FOR PLAN YEAR 2016

For each new hire, rehire or interagency transfer, you must assign an employee with a proper ACA Designation Code.
The first step is to determine if employee is considered a New Hire or Ongoing Employee.



**NEW HIRE FLOW CHART
HOW TO DETERMINE ACA EMPLOYEE DESIGNATION
“ACA New Hire”**

If employee is considered a New Hire, the second step is to determine the ACA Designation Code.



***Temporary Appointment** – employees that are considered temporary cannot exceed 1500 hours per year and cannot be regularly scheduled to work but may be scheduled to work for a portion of the year, intermittently, on a seasonal basis, or on an as needed basis. Examples of temporary employees are nurses, substitute teachers, and clerical pool.

*****Seasonal Employees** - employment cannot be longer than 6 months and work hours must be associated with a specific and reoccurring season, and not interspersed throughout the year. Examples of seasonal workers are firefighters, State Fair employees, agriculture inspectors.

**“ONGOING EMPLOYEE” FLOW CHART
HOW TO DETERMINE ACA EMPLOYEE DESIGNATION
“ACA Ongoing”**

If employee is considered an Ongoing Employee, the ACA Designation Code has been determined during the 2015 Administrative Period.

Since employee has been employed for the entire Standard Measurement Period (SMP), the ACA code was determined during the 2015 Administrative Period by calculating hours during the SMP of **10/10/2014 – 10/09/2015**.

To review current ACA designation, look up employee record in HRIS.
ACA Designation Code is found in
HRIS on Employee Record (**HR11**) / Employee **User Fields**

REHIRE (special note)

If employee is rehired within 13 weeks of leaving State, then they are considered an Ongoing employee and previous ACA designation code must be used.

IMPORTANT NOTE ON TRANSFERS or JOB CHANGES DURING PLAN YEAR 2016

If employee transfers or is rehired into a position during 2016, ACA designation code cannot change unless:

- Employee is currently in a Variable, Seasonal or Part-Time position and employee is transferring / rehired into Full-Time position
- Employee is currently in a Variable, Seasonal or Part-Time position and employee is transferring / rehired into another Variable, Seasonal or Part-Time position

In other words, if employee is ACA designated as Full-Time and changes to a position that is no longer considered full time, you must wait until 2017 plan year to change designation.