

ADOA Benefit Eligibility Designation Guide

The purpose of this guide is to determine if your employee is benefits eligible based on the Affordable Care Act and to determine the ACA designation code.

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.

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 **October 10th of the previous calendar year** and the employee has less than one year of service. Please see ACA [New Hire](#) Employee for the next steps.
- **Ongoing:** An employee is considered an ongoing employee if the hire date is before **October 10th of the previous calendar year** and the employee has a full year of service or more. Please see ACA [Ongoing](#) Employee for the 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. In that case, 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 below).

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

ACA ONGOING EMPLOYEE

An employee is considered an ongoing employee if the hire date is prior to **October 10th of the previous calendar year** and the employee has a full year of service or more. Please see ACA [Ongoing](#) Employee for the next steps.

- If “hours worked” is greater than or equal to 1560; then employee designation is **ACA Full-Time**
- If “hours worked” is less than 1560; then 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).

Job Changes and Rehired Employees

- If employee is rehired during the plan year, and the break in service is less than 13 weeks, the ACA designation code should not change unless:
 - o Employee is currently in a Variable, Seasonal or Part-Time position, and employee is rehired into FT position.
- If employee changes position (either within same agency or transfers into another agency) during the plan year, the ACA designation code should not change unless:
 - o 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 an employee’s ACA designation was as Full-Time and changes to a position that is no longer considered Full-Time, you must wait until the **following** plan year to change the designation.