This purpose of this guide and flow chart is to determine if your employee is benefit 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.

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 10/10/2018 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 10/10/2018 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 2019, 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 changes position (either within same agency or transfers into another agency) during 2019, 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

**ACA ONGOING EMPLOYEE**

If the employee’s hire date is *prior* to 10/10/2018 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 10/10/2017 through 10/09/2018 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).
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.

Is the employee’s hire date before October 10th 2018?

- **YES**
  - **ONGOING** Employee is considered an ACA Ongoing. See Ongoing flow chart

- **NO**
  - Is the break in service greater than 13 weeks?
    - **YES**
      - **Re Hire** Previous hours earned by employee must be counted so employee is considered an ACA Ongoing Employee. See Ongoing flow chart
    - **NO**
      - **New Hire** Employee is considered an ACA New Hire. See New Hire flow chart

Was this employee previously employed by any State of Arizona agency?

- **YES**
  - **Re Hire** Previous hours earned by employee must be counted so employee is considered an ACA Ongoing Employee. See Ongoing flow chart

- **NO**
  - **New Hire** Employee is considered an ACA New Hire. See New Hire flow chart
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.

Is this employee considered a Seasonal Employee***?

- YES
  - Is the EE reasonably expected to average at least 30 hours per week for at least 90 days?
    - YES
      - ACA Code = V
        - Employee that is indicated as Variable can no longer be designated as Variable. EE must be considered FT or PT.
        - NOTE: Agency can designate an employee as variable if they reasonably cannot determine if an employee is expected to work an average of 30 hours per week. However, once an employee has completed a full initial measurement period, employee can no longer be designated as Variable.
    - NO
      - ACA Code = S
        - Employee that is indicated as Seasonal should not be offered benefits during Initial Measurement Period.
        - ACA Designation = FT
          - Employee that is indicated as Full-Time must be offered benefits immediately and must remain benefit eligible throughout the designated plan year.

- NO

DO NOT KNOW

ACA Code = PT

- Employee that is indicated as Part-Time may be offered benefits depending on appointment
  1) If regular appointment – employee must be offered benefits, annual leave, sick leave, etc.
  2) If temporary appointment* where employee is scheduled to work less than 30 hours per week, employee should not be offered benefits

---

*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.
If employee is considered an Ongoing Employee, the ACA Designation Code has been determined during the administrative period.

Since employee has been employed for the entire Standard Measurement Period (SMP), the ACA code was determined during the 2017 Administrative Period by calculating hours during the SMP of 10/10/2017 – 10/09/2018.

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 2019
If employee transfers or is rehired into a position during 2019, 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