

**Sent:** Tuesday, May 21, 2013  
**To:** HR Newsletter Distribution  
**Subject:** NO-BENEFIT employees

Good morning. I apologize for the length of this email. But need to share important news with you.

### **Our office is auditing all benefit-ineligible employees.**

We are looking at the duration of their employment and number of hours they are working to ensure their NO-BENEFIT status is appropriate. If we identify any current or potential issues in your department, we will let you know and will work with you to resolve.

### **What determines benefits eligibility?**

We go by the **1,000 hours rule**. Simply put, if you hire someone to work over 1,000 hours in a 12-month period, they should be in a regular title and receive benefits. Please refer to [policy](#), which outlines criteria established by the UA Board of Trustees and our benefit plan documents.

The 1,000 hours rule can be applied in many ways. If you hire someone to work for less than six months, maybe for the summer or for a special project, that is an appropriate use of a temp or extra help position. A PRN nurse who works year-round, but only an occasional shift such that s/he is working less than 20 hours a week on average – also a legit use of extra help. An employee in a regular title who drops to two days a week, which equates to 40% part-time, is another example. All of these scenarios fall under 1,000 hours, meaning the employee is not eligible for insurance, employer retirement contributions, or vacation and sick leave.

It's important to note that Arkansas code – the one restricting extra help employees in higher education to 1,500 hours a fiscal year – has nothing to do with their eligibility for benefits. The UA Board of Trustees determines benefits eligibility, not the state. UAMS applies the 1,000 hours limit to extra help and temporary employees on a "real-time" 12-month basis, whereas the state only tracks hours worked on a fiscal year basis. Therefore the 1,500 hours limit only comes into play when employees work multiple temp assignments. They can work one temp job for less than 1,000 hours, then change to a different temp job. Each new temp job restarts the 1,000 hours clock. But combined and cumulatively their hours cannot exceed 1,500 hours in a fiscal year.

It's important to be fair and equitable to our employees. We especially want to avoid a disparate situation where two employees work the same number of hours, but one isn't eligible for benefits just because they happen to be in an extra help position, while the other in a regular position (maybe at 50%) does receive benefits.

### **The Affordable Care Act is the compelling reason for the audit.**

Per the Affordable Care Act, employees working an average of 30 or more hours a week (equates to 1,560 hours worked in a year) must receive benefits. In particular, employers must offer them health insurance, regardless of their employment status. This takes effect in January.

In November we will do another "look-back 12 months" audit to capture hours worked by NO-BENEFIT employees. If anyone is over 1,560 hours, we must make them benefits-eligible in December and start

their health insurance by January 1. And they must remain benefits-eligible for 12 months, called the “stability period.” This is true even if they cut their hours significantly. [We will actually perform this audit each month... starting now, before the Affordable Care Act provisions take effect... and on an on-going basis.]

As long as we follow the 1,000 hours rule, we are fully compliant with the new provisions of the Affordable Care Act, and with state and UA policy. Our campus is in pretty good shape. However, we have found some problems that must be corrected immediately.

### **What action will be taken to remedy?**

The options to correct NO-BENEFIT employees who are working excess hours include: (1) hire them in a regular posted job opening, one with benefits; (2) reduce the hours they work going forward; or (3) terminate their employment. Placing them on unpaid leave of absence is not an option, as the Affordable Care Act requires that the average number of hours they usually work be applied to their LOA.

I will soon be contacting the divisions or departments who have NO-BENEFIT employees working excessive hours. If you don't hear from me, no news is good news! Thank you in advance for your prompt action and cooperation.

Becky Goins | Senior HR Director for Benefits and Employee Support Services  
UAMS Office of Human Resources  
Phone: (501) 686-6552 | Fax: (501) 686-5386

Benefit or HR questions? Check out [www.hr.uams.edu](http://www.hr.uams.edu).  
Or contact HR Employee Services at (501) 686-5650 or [askhr@uams.edu](mailto:askhr@uams.edu).