



Health Care Reform Challenges for Educational Institutions

11.06.2014

BY: BRYDON M. DEWITT

Educational institutions will face some unique challenges as the Affordable Care Act's "employer shared responsibility" requirement becomes effective next year. Beginning January 1, 2015, large employers that do not offer adequate health coverage to "full-time employees" may face penalties. A full-time employee for purposes of the coverage mandate is an employee who works at least 30 hours per week. Identifying "full-time employees" can be complicated for schools employing adjunct faculty members, student employees and resident assistants.

Student Employees

Schools may be required to offer health insurance to certain student employees. Hours of service worked by students employed in positions subsidized by the federal work study program or by similar state programs are not taken into account for purposes of determining if the student is a "full-time employee". In addition, hours worked by unpaid interns and externs do not count toward the 30-hour threshold. Schools, however, must track hours of service performed by students employed in positions not subsidized by a federal or state work study program. A student who works, on average, at least 30 hours per week in a non-work study position would be entitled to health coverage.

Adjunct Faculty

Regulations provide a safe harbor method for calculating the hours of service performed by adjunct faculty. Under the safe harbor, an adjunct faculty member is credited with:

- 2 ¼ hours of service (representing teaching or classroom time, preparation and grading exams and papers) per week for each hour of teaching or classroom time; and
- an hour of service per week for each additional hour outside of the classroom that the faculty member spends performing duties he or she is required to perform such as office hours or attending faculty meetings.

Until further guidance is issued, schools may use any other method of crediting hours to adjunct faculty members that is reasonable based on the facts and circumstances.

Resident Assistants

Resident assistants (RAs) must be credited with hours of service for their paid on-call hours. Any paid hour for which an RA is (a) required to remain on-call; (b) required to remain on campus; or (c) subject to substantial restrictions that prevent the RA from using the time for his or her own purposes must be counted.

The Williams Mullen Education Industry Team will continue to monitor this and other issues affecting educational institutions. Please contact any member of the practice group if you have questions regarding this article.

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- Brydon M. DeWitt ? 804.420.6917 ? bdewitt@williamsmullen.com

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