



Northern Illinois University

Affordable Care Act

Academic Affairs, Student Affairs and Personnel Committee
August 27, 2015

Overview of Affordable Care Act



- Requires that employers offer health insurance to all employees working “Full-Time”
 - “Full-Time” is defined as 30 hours of service per week or 130 per month
- Requires that the insurance plan is affordable
 - Affordability is 9.5% of W-2 box 1 wages
- Requires that the insurance plan provide “minimum value”
 - Designed to (1) pay at least 60% of total cost for medical services for standard population; and (2) provide substantial coverage for hospital and physician services.

Employer Shared Responsibility Penalties



- **Penalty A** - No coverage offered or failure to offer to 95% of full-time employees
 - \$2,000 per full-time employee (excluding the first 30)
- **Penalty B** - Coverage is offered to the 95% but is not affordable or provide minimum value
 - \$3,000 per employee who receives a premium tax credit
 - Penalty is capped at the number of Full-Time employees (excluding the first 30)

Employee Health Care Coverage



- Employee Benefits at NIU are provided by the State of Illinois through Central Management Services (CMS).
- Employee premiums are based on medical option selected, FTE, salary band, and number of covered dependents.
- Eligibility for participation is defined by the Pension Code and the State Employees Group Insurance Act of 1971.

Employees Not Eligible for Coverage through CMS



- Employees not eligible for coverage (also known as “gap employees”) through CMS include:
 - Student Employees
 - Graduate Assistants
 - Extra Help Employees
 - Affiliates
 - Civil Service, SPS, and Faculty less than 50% or less than 4 months

Overview of Activities



- Discussed respective responsibilities and gap employees with CMS.
- In collaboration with the other State universities, utilized two consultants, issued one Request for Information (RFI), and three Requests for Proposals (RFP). No bids were received.
- Began taking steps, along with the other universities, to implement policy change options for gap employees to ensure compliance.
- Currently working on an Emergency Procurement that is not yet finalized.

Planning Steps for Compliance



- Reviewed processes to enhance reporting requirements
- Extra help will be limited to 25 hours per week
- Affiliate category will be eliminated
- HRS will work with departments to report FTEs for all employment categories.
- Student Employees:
 - Negotiated rate will no longer be available
 - Extra hours will be limited to 5 for a total of 25 hours per week
- Graduate Assistants:
 - Limited to 20 hours per week
 - Extra employment will be available only to those graduate assistants on less than 20 hour assistantships