

COMPENSATION AND BENEFITS
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INSURANCE BENEFITS	The rules and regulations of the Employees Retirement System Benefits (ERS) of Texas, <u>and the Group Benefits Program, and the Affordable Care Act (the "ACA")</u> shall be followed in providing basic group life, accident, health, and dental insurance coverage for all active full-time employees.
<u>ACA SUMMARY</u>	<u>The Affordable Care Act (the "ACA") is federal legislation passed in 2010. The employer mandate provisions of the ACA became effective in 2015. The ACA rules are complex, multi-faceted, and impact both employers and individual employees.</u>
<u>EMPLOYEE IMPACT</u>	<u>The ACA requires most Americans to have medical insurance by January 1, 2014, and attempts to ensure that Americans have access to medical insurance they can afford, whether they get it from an employer, directly from an insurance company, or from an insurance company offering coverage through a government-sponsored exchange (i.e., a state exchange or, in states that don't have their own exchanges, like Texas, the Healthcare.gov website). Persons not having medical insurance in 2014 may have to pay a tax penalty ("individual shared responsibility payment").</u>
<u>EMPLOYER IMPACT</u>	<u>In general, the ACA requires that any employer that has 50 or more full-time equivalent employees offer to at least 95% of its full-time employees (and their dependents up to age 26) medical insurance coverage meeting certain minimum standards. Employers that do not offer such coverage must pay a monetary penalty each year to the Federal government, known as the "shared responsibility" payment. The ACA's definition of full-time is an employee whose actual average monthly hours of service are 130 or more.</u>
<u>MEASUREMENT PERIODS</u>	<u>Standard Measurement Period – This is the "look back" period during which Collin College must measure the hours of service of its ongoing employees in order to determine which of them qualify as full-time under the ACA. Ongoing employees are those who joined Collin College before the beginning of the Standard Measurement Period, so that they are employed for all 12 months of the Standard Measurement Period. Collin College has selected the following 12-month period as its Standard Measurement Period:</u> <u>July 1 of each year to June 30 of the next year</u>

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NEW
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Standard Administrative Period – This is the period after the end of the Standard Measurement Period during which Collin College must evaluate each ongoing employee's work record to determine whether he or she averaged 130 hours or more of service per month during the Standard Measurement Period. During the Standard Administrative Period, Collin College will make an offer of health insurance coverage to those ongoing employees determined to be full-time based on their hours worked during the immediately preceding Standard Measurement Period. Collin College has selected the following 2-month period, which coincides with Collin College's existing open enrollment period, as its Standard Administrative Period:

July 1 to August 31 of each year

Standard Stability Period – This is the period during which ongoing employees who were determined to be full-time based on their hours worked during the Standard Measurement Period must continue to be treated as full-time and therefore eligible for coverage during the Standard Stability Period, regardless of their actual hours worked. (See below under "REHIRED EMPLOYEES" for employees treated as having been terminated and rehired.) Collin College's Standard Stability Period coincides with the plan year of its medical plan. The following 12-month period is Collin College's Standard Stability Period.

September 1 of the each year to August 31 of the next year

The ACA does not permit an employer to wait until a new employee has completed a Standard Measurement Period to determine whether the employee is full-time. Thus, procedures are required to determine the full-time status of new employees under the ACA. These rules are similar to, but separate from, the rules for determining the full-time status of ongoing employees.

New Employees Hired to be Full-Time. A New Employee who at commencement of employment is reasonably expected to be full-time (i.e., averaging 30 or more hours per week), and who is not a seasonal employee, must be considered full-time for purposes of the ACA, beginning on his or her employment commencement date. (Note that for purposes of determining whether a new employee is full-time based on work expectation, the standard is 30 or more hours per week, not 130 per month.)

Once a new employee who is full-time has been employed for an entire Standard Measurement Period, the employee becomes an ongoing employee, and his or her status as full-time for purposes

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of the ACA is governed by the provisions of this Policy regarding ongoing employees.

New Non-Full-Time Employees. A New Employee who is hired as a part-time, seasonal, or variable-hour (i.e., who may reasonably be expected to sometimes work 30 or more hours per week and sometimes less) employee is not initially considered full-time, but his or her hours of service must be tracked during an Initial Measurement Period, as follows:

New employees who are part-time, seasonal, or variable hour (hereinafter, "new non-full-time employees") are tested for ACA full-time status based on an "Initial Measurement Period" that begins on the first day of the first month following their hire date and ends a year later. Immediately following the end of a new non-full-time employee's Initial Measurement Period there is a ~~two~~one-calendar-month Initial Administrative Period during which the new non-full-time employee's status as full- or part-time is determined and during which any new non-full-time employees who are determined to have averaged 130 or more hours per month are offered coverage.

A new non-full-time employee who averages 130 hours or more of service per month during his or her Initial Measurement Period and who is therefore determined to be full-time under the ACA will continue to be full-time for purposes of the ACA during his or her 12-month "Initial Stability Period," which is the 12-month period immediately following his or her Initial Administrative Period, regardless of his or her actual hours of service during the Initial Stability Period. (See below under "REHIRED EMPLOYEES" for employees treated as having been terminated and rehired.)

Note that unless a new non-full-time employee is hired in June (other than June 1st) or on July 1st, his or her Initial Measurement Period will partially overlap his or her first Standard Measurement Period. A new non-full-time employee who does not average 130 hours or more of service per month during his or her Initial Measurement Period, but who does average 130 hours or more of service per month during the Standard Measurement Period that starts during his or her Initial Measurement Period, will be considered full-time under the ACA during the Standard Stability Period following such Standard Measurement Period, even though the first months of such Standard Measurement Period would other-

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	<p><u>wise include the last months of the employee's Initial Stability Period. In such a case, the employee's Initial Stability Period is effectively cut short.</u></p> <p><u>New Non-Full-Time Employee's Change of Status to Full-Time During Initial Measurement Period.</u> If a new employee who is a non-full-time employee experiences a change in employment status before the end of his or her Initial Measurement Period, such that if the employee had begun employment in that new status he or she would reasonably have been expected to be full-time under the 30 hour week standard (see above under "New Employees Hired to be Full Time"), the employee will be considered full-time, and thus eligible for Collin College's medical insurance plan, beginning on the first day of the calendar month after the change in employment status to full-time.</p>
<p><u>REHIRED EMPLOYEES</u></p>	<p><u>An employee who is terminated and rehired will be treated as a new employee upon rehire only if he or she was not credited with an hour of service with Collin College for a period of at least 13 consecutive weeks immediately preceding the date of rehire. For purposes of applying this rule, whether an employee has an hour of service is determined after application of the rules for special unpaid leave (see "RULES FOR SPECIAL UNPAID LEAVE" below).</u></p>
<p><u>ACA DEFINITION OF HOURS OR SERVICE</u></p>	<p><u>Under the ACA, "hours of service" is a term that generally includes actual hours worked, determined from payroll records, and hours for which the employee is paid, but does not work, such as paid vacation, holiday, illness, or disability.</u></p>
<p><u>RULES FOR SPECIAL UNPAID LEAVE</u></p>	<p><u>Under a special ACA rule, adjunct faculty members must be treated as having 2.25 hours for each contact hour, plus their hours performing other required duties, such as attendance at meetings.</u></p>
<p>EMPLOYEE / RETIREE BENEFITS RESERVE FUND</p>	<p>The College's District's Employee/Retiree's Benefits Reserve Fund is established with the general intent to provide funding toward employee/retiree health insurance in the event of a reduction or elimination of state funding that would lower the benefit to less than 100 percent funded for employee-only coverage, and less than 50 percent funding for eligible-dependent coverage. Should the state impose a reduction in health insurance funding, the College President shall present a plan to the Board for utilizing the fund to help off-set the cost of health insurance formerly paid by the state for benefits-eligible employees and retirees of the College District.</p>

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TAX-SHELTERED ANNUITY	Tax-sheltered annuities are available to all benefits-eligible employees.
EDUCATIONAL BENEFITS	The Board shall provide educational benefits for full-time College District employees through a tuition reimbursement program described in the College's District's procedures and guidelines for faculty and staff.
TUITION WAIVER POLICY	<p>A full-time employee who resides outside Collin County shall, upon receipt submission of a written request and appropriate documentation to the College's District's financial aid office, receive a waiver of the difference between the out-of-county <u>or out-of-state</u> and in-county resident tuition for the employee, the spouse, and the employee's dependent children.</p> <p>Full-time teaching faculty, their spouses, and their dependent children shall also receive a waiver of the difference between the out-of-state and in-county resident tuition.</p>
RELOCATION	Full-time employees who must relocate to accept a position with the College District may be eligible for a relocation allowance. In no case shall the relocation allowance exceed actual documented expenses. Employees who received a relocation allowance reimbursement and who voluntarily terminate prior to completion of one year of employment shall reimburse the College District for all relocation monies received, in accordance with the relocation agreement signed by the employee. The amount shall be deducted from the final payroll check.
WELLNESS	Full-time faculty and staff may participate in any of the College's District's wellness programs and receive matched time for their exercise efforts to a maximum of 30 minutes of paid time per day to a maximum of one and one-half hours per week. Employees shall request approval from their supervisor prior to participation in a wellness program.