

**Crosslake Community School
Board Meeting
June 13, 2022**

Affordable Care Act - ACA

General Points - *these only effects the health insurance*

Current Plans 1.1.2022 and renewal highlights

10.1.2021 HITA bid year

Accepted MHC-RTS- 0% increase 10-1.2021 to 1.1.2023 15 months

Teachers Only

20 Hours per week

District Contribution \$520.00 per month

48 = Total Teachers

22 = On the Plan

18 = Not Eligible (Admin and Assist/Para Professional's/Business Manager/Coordinator and Asst of Food Services/Dirt Tech/ Building System Specialist/ Admissions/Interventionist)

\$6650 100% HSA (14 Single \$669.50) (3 Family \$1605.50)

\$3375 100% HSA (4 Single \$830.50) (1 Family \$2036.50)

Realignment suggested, tabled until 1.1.2023 renewal:

\$6650 100% HSA (14 Single \$675.50 .90% increase) (3 Family \$1619.89 .90% increase)

\$3375 100% HSA (4 Single \$817.64 1.55% decrease) (1 Family \$1960.74 3.72% decrease)

3 tier rates were reviewed and discarded because the effect was a 13% to 15% increase in the family rate.

\$6650 100% HSA (Single-14 \$640.07) (Single +1 – 1 \$1344.15) (Family -2 \$1856.20)

\$3375 100% HSA (Single-4 \$793.99) (Single +1 -0 \$1667.38) (Family-1 \$2302.58)

ACA Points

- Compliance employer with 50 FTE's (Full Time Equivalents).
Employees working 30 hours or more count as 1
Employees working 30 hours or less, add all hours and divide by 120, equals full time equivalents.
Add Full Time and Full time Equivalents for Total of FTE's
- Employees working average 30 hours per week.
- Employers are subject to ACA Penalties the following renewal when obtaining 50 FTS'.

- For variable employees (fluctuating hours under 30 average hours per week) an employer establishes a:
 1. Measurement Period – time frame of measuring hours worked (not less than 3 months not more than 1 year). There is a special rule for schools, only measure the 9 months for determining hours per month.
 2. Administrative Period- period to complete enrollment (typically 1 month)
 3. Stability Period – this must equal Measurement Period
- To avoid the ACA penalties: must offer to 95% of eligible employees working 30 + hours per week, must meet affordability (2022 is 9.61%), MEC (Minimal Essential Coverage) and Minimum Value (MV) the school's plans meet both MEC and MV criteria.
 - o 2022 per the school is now over 50 FTE's, therefore subject to ACA regulation 1.1.2023.
 - o Affordability 4980H 9.61% (changes each year), the employee can not pay more than 9.61% of their monthly gross wages towards health insurance, single coverage only of the lowest cost plan.

2022 Affordability threshold 9.61% EXAMPLES:

\$10/hr = \$124.93 (rate/hr X 130 hrs per month X .0961= Affordable ee premium portion/mo.)

\$11.20/hr = \$132.92

\$11.50/hr = \$143.66

\$15/hr = \$187.39

\$25/hr = \$312.32

\$35/hr = \$437.25

\$45/hr = \$562.18

- Employer must file 1094C and 1095C forms with the IRS
 - o Penalties determined by filings
- Per the Schools Lowest Cost SINGLE Plan (\$669.50 - \$530.00),
Employee Monthly contribution \$149.50.

Lower paid Employees Consideration:

- Spouse or Domestic Partners Group plan
- Parents Group Plan
- Individual Plan Direct
- Individual Plan MNSure Subsidy
- Penalty Employers not offering affordable coverage and the employee receives a MNSure subsidy
- Medical Assistance/MN Care/ MN Sure Subsidy
 - o These can all effect the employee's household expenses when moving to an employer sponsored group plan.
 - Possible effects are:
 - higher deductibles and out of pocket medical and pharmacy cost
 - higher premium cost
 - o Only the Employee is subject to the employer group plan, dependents generally remain on Medical Assistance/MN Care or MN Sure.

- Communicate with employees these are the laws per the federal government, employers must abide or face strict penalties.

Optional Classifications or Options:

- Employees Remain under 30 hours per week for certain classes, this is somewhat difficult with today's shortage of employees.
- Classing of Employees eligible for benefits:
 - o Teachers working 20 hours per week
 - o All other staff working 30 hours per week
- 9-month Employees are they terminated after 9 months or is their contract a 12-month contract
- Simplification – eligibility is through the summer months, however deduction are 9 months

Additional Support and information

Benefit Innovations retains the employer's behalf, a Benefit Specialist Attorney, Darcy Hitesman, for general support, of which was provided in part in this document. Ms. Hitesman is available to offer her expertise on matters that are out of the scope of the general retainers.

Benefit Innovations has available and on-line comprehensive legal compliance service that is in adjacent to our business relationship, this service is at no charge through our client arrangement.

Deb Holthaus, Benefit Innovations

The information contained in this document is subject to change and is only a general overview.