



**FOREST LAKE AREA SCHOOLS
FOREST LAKE, MN 55025**

June 4, 2015

AGENDA ITEM: 10.2

**TOPIC: APPROVE 2015-16 "30 HOUR EMPLOYEE" MEDICAL
INSURANCE PREMIUM CONTRIBUTION PURSUANT TO THE
AFFORDABLE CARE ACT**

BACKGROUND: The Affordable Care Act is federal legislation enacted a few years ago that impacts our employee medical insurance. The specific component of the legislation impacting the school district during the 2015-2016 school year is a requirement to offer coverage to all employees working 30 hours or more per week.

PROCESS: The Employee Benefits Committee and the Finance Committee have been focused on the requirements of the Affordable Care Act over the past couple of years. These committees have interacted with our benefits consultants from Corporate Health Systems and Darcy Hitesman, Benefits Attorney.

According to the federal law, the district must offer "affordable coverage" to employees that work 30 hours or more per week. While the rules surrounding this topic are voluminous, "Affordable coverage" must not cost the employee more than 9.5% of household income.

RECOMMENDATION: First Review "30 hour employee" medical insurance premium contribution level for the 2015-2016 school year.

Wages HCR ACA reform efforts (2)

Hourly	Annual Salary	9.50%	Salary Test	eeShare	erShare	Premium
\$13.34	20,810.40	11.8%	NO	\$205.00	\$571.92	\$776.92
\$16.65	25,974.00	9.5%	YES	\$205.00	\$571.92	\$776.92
\$17.77	27,721.20	8.9%	YES	\$205.00	\$571.92	\$776.92
Health Care Reform states employee's cannot pay more than 9.5% of the single premium towards health care costs. If they pay above 9.5% and fall in the range of incomes (138% - 400% of the federal poverty level) they would be eligible for a subsidy at the Exchange. This would put the Employer at risk for a potential penalty.						
	ER Contribution	EE Share				
Single	776.92					
	640.00	-136.92				
	571.92	-205.00				