

Resolution approving a safe harbor for determination of full time employee for health plan eligibility purposes as required under Affordable Care Act.

RESOLUTION

WHEREAS, the Affordable Care Act mandate requires employers provide health plan coverage to “full time” employees or be subject to a penalty tax, and

WHEREAS, the IRS has defined “full time employee” as an employee who is employed at least 30 hours of service per week, and

WHEREAS, IRS notice 2012-58 describes safe harbor methods that employers may use to determine which employees are considered full time employees for purposes of the mandate, and

WHEREAS, it is the recommendation of the Director of Human Resources to use the safe harbor method to determine “full time” status for health plan eligibility as that of 30 hours of service per week within an established measurement period of 12 months, and

WHEREAS, it is the recommendation of the Director of Human Resources to establish an administrative review period of one month following completion of the measurement period to determine eligibility, and

WHEREAS, as a result of the 12 month measurement period, employees determined to be “full time” shall be eligible for 12 months of coverage, known under the mandate as the stability period.

NOW THEREFORE BE IT RESOLVED by the Common Council that the City will establish a 12 month measurement period, 30 hours per week, for determination of health plan eligibility. For ongoing employees, the measurement period shall be October 15 through the following October 14, prior to the stability period for coverage.

BE IT FURTHER RESOLVED that the administrative period shall be defined as one month following completion of the measurement period.

BE IT FURTHER RESOLVED that the Department Head is responsible for monitoring their employee’s part-time hours worked to ensure the department does not exceed the number of budgeted positions eligible for health plan coverage within their respective annual operating budget.

BE IT FUTURE RESOLVED that the Director of Human Resources shall report to Finance and Personnel Committee any additional enrollments to the City's health plan that were not budgeted, however under the Affordable Care Act mandate, became eligible for coverage as a "full time" employee.

BE IT FURTHER RESOLVED that the Director of Human Resources and the Director of Finance are herewith authorized and directed to take any and all necessary steps to implement this agreement.