AFFORDABLE CARE ACT: HR PAPERWORK & PROCESS CHANGES

Chris Tondini, FASIS Trainer
tondini@northwestern.edu

ACA PROCESS UPDATES

1. New Special Pay Request Form & Process
2. Adjunct/Occasional Faculty Process
3. Independent Contractor Questionnaire
4. Special Circumstances
5. Questions?

(No ACA law or benefit plan information.)
SPECIAL PAY PROCESS

SPECIAL PAY

The Special Pay Request Form is used to provide single payments for pre-approved services to individuals *not* in an active paid appointment at the time of the request.
SPECIAL PAY

For appropriate tracking, reporting, and compliance, most existing Special Pay employees must be transitioned.

- Special pay has been overused in the past
- HR Compensation has approved specific services that may be classified as “Special Pay”
- All other individuals must be transferred, as appropriate, to:
  - Biweekly paid employees, (hours may be entered in Kronos by Employee or Supervisor/Admin)
  - Adjunct faculty, or
  - Independent contractors

SPECIAL PAY

Summary of Form Changes:

- Used only for pre-approved services listed on form
- Generic “Special Pay” job code is no longer used
- “Hours of Work Per Week” must be entered for ACA tracking
- Separate Special Pay Request Form must be submitted for each biweekly pay period
- Indicate if an additional payment for a future pay period will be submitted
- Contact HR Compensation for assistance transferring old Special Pay individuals
SPECIAL PAY

The Additional Pay Request Form is used to provide supplemental or short-term payment to NU employees in an existing, paid appointment.

- Now separated from the Special Pay Form
- Unrelated change for Employee Research Subject Fees:
  - New Account Code 60105
  - No OSR or ASRSP signature needed
- No other change to the Additional Pay process

ADJUNCT / OCCASIONAL FACULTY

(paid faculty members that are not benefits-eligible)
ADJUNCT FACULTY

We are now required to track hours per week for adjunct/occasional faculty to determine potential eligibility for ACA benefits.

ADJUNCT FACULTY

Federally-supplied formula for determining “hours worked” per week in the classroom:

\[
\text{(Classroom Hours per week) } \times 2.25 + \text{(Number of Classes) } \times 1 \text{ hour for office work} = \text{Total ACA-Eligible Hours Per week}
\]
Examples:

<table>
<thead>
<tr>
<th></th>
<th>Classroom Hours</th>
<th>Total Work Hours (Classroom x 2.25)</th>
<th>Office Work Hours</th>
<th>ACA-Eligible Hours (Standard Hours)</th>
</tr>
</thead>
<tbody>
<tr>
<td>One 3-hour/wk Class</td>
<td>3 / week</td>
<td>6.75 / week</td>
<td>1 / week</td>
<td>7.75 / week</td>
</tr>
<tr>
<td>Two 3-hour/wk Classes</td>
<td>6 / week</td>
<td>13.50 / week</td>
<td>2 / week</td>
<td>15.50 / week</td>
</tr>
<tr>
<td>Three 3-hour/wk Classes</td>
<td>9 / week</td>
<td>20.25 / week</td>
<td>3 / week</td>
<td>23.25 / week</td>
</tr>
<tr>
<td>Four 3-hour/wk Classes</td>
<td>12 / week</td>
<td>27.00 / week</td>
<td>4 / week</td>
<td>31.00 / week</td>
</tr>
</tbody>
</table>

Summary of Adjunct/Occasional Faculty Changes:

- Use the Standard Hours field on the Posn/Appt Form to enter the ACA-Eligible Hours

- Submit a new form to adjust Standard Hours if the faculty member’s classroom hours are adjusted

- When the employee is in unpaid status (i.e. not teaching) use Standard Hours = 1

- Contact facultyrecords@northwestern.edu for assistance
INDEPENDENT CONTRACTORS

Any **new** request to add an independent contractor vendor code must be pre-approved by HR Compensation to ensure the individual meets the true definition of an “independent contractor.”
INDEPENDENT CONTRACTORS

The Independent Contractor Questionnaire (ICQ) will help determine the individual’s status.

1. Must be completed and sent to HR Compensation for approval, for each new independent contractor
2. Responses will be reviewed and the form will be returned to the requestor with a final determination:
   – What is the classification of the individual?
   – Will your request be processed via Payroll or Accounts Payable?
3. Upon receiving the final determination, you may proceed with submitting payment as indicated.

ICQ Notes:

• The ICQ need only be completed for new independent contractor vendor code requests
• Once an ICQ is submitted, it does not need to be resubmitted for future payments to that individual – unless the nature of service changes
• Part 2 (checklist) may be skipped for Human Subject and Honoraria payments
• Existing vendors may be paid without the ICQ, but may be re-evaluated in the future by Compensation
SPECIAL CIRCUMSTANCES

PAST/FUTURE EMPLOYEES

Individuals with past/future employee status:

• If an individual has been paid from Payroll in the current calendar year, and held a benefits-eligible position, that individual is not eligible to be an independent contractor and must be paid from Payroll (e.g. Special Pay or Temp Employee)

• If it is anticipated that the individual will be hired as an employee within the current calendar year, the individual should not be paid as an independent contractor.
RESEARCH SUBJECTS

Paying Human Research Subject Fees

- If the individual is currently an active paid employee, use the Additional Pay Form
- If the individual is no longer a paid employee, but was paid by University payroll in the current calendar year, use the Special Pay Form
- Otherwise, submit an Independent Contractor Questionnaire to pay as an independent contractor

UNPAID FACULTY

Paying Faculty with Existing Unpaid Appointments

- If payment is in the same department as the unpaid appointment, you may temporarily add pay to that appointment.
  - Submit a Posn/Appt Form using codes PAY/SRT to adjust pay up, and again to return pay back to zero.
- If payment is not in the same department, create a new paid appointment in the additional department for that employee.
QUESTIONS?

RESOURCES

• Faculty or Adjunct Payments: facultyrecords@northwestern.edu
• Independent Contractor/Employee Questions: anniese-lemond@northwestern.edu
• ACA Law and Benefit Questions: aca@northwestern.edu
• Paperwork Assistance: fasistraining@northwestern.edu
  Chicago Open Lab: Tuesdays, 2:30-4:30pm (Tarry 1-730 / 1-731)
  Evanston Open Lab: Wednesdays, 2:30-4:30pm (Crown G593)