

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

## HUMAN RESOURCES & PAYROLL

# Healthcare law spurs state college to offer more faculty insurance coverage

The oldest public, state-run university in Oklahoma has made a determination on how to respond to the work-hour requirements of the Affordable Care Act, aka ObamaCare.

Isaac M. O'Bannon • May. 07, 2013

The oldest public, state-run university in Oklahoma has made a determination on how to respond to the work-hour requirements of the Affordable Care Act, aka ObamaCare.

The law requires that employers offer health insurance options to employees who work more than 30 hours per week, as well as full-time and salaried employees.

While some national retailers and other employers have suggested they will cut some or most part-time employees to under 30 hours so as not to have to incur the added cost of health insurance, the [University of Central Oklahoma](#) has taken a different route, announcing they will provide full benefits to all faculty working more than 27 hours per week.

Here is the full text of their email announcement on the issue, which is available at: <http://blasts.uco.edu/centralities/special-centralities-from-president-betz-and-provost-radke-for-monday,-may-6,-2013.html>

---

# Re: Affordable Care Act Update

Dear Members of the UCO Community:

Understandably, there have been many concerns expressed on college and university campuses throughout the country about the impact of the Affordable Care Act (ACA). Among those concerns is whether health care benefits would be made available to adjunct faculty members who work an average of 30 hours a week or more.

There have been no clear guidelines or definitions provided by the Internal Revenue Service (IRS) on this issue. Therefore after deep discussion, consultation with peer institutions as well as national higher education organizations, and consideration of several options, the President's Cabinet has made its recommendations to President Betz, which he has approved.

Rooted in UCO's belief in valuing our employees and in the best interest of our faculty, staff and, importantly, our students' progress to graduation, the following will be enacted at Central in compliance with the ACA:

- All adjunct faculty currently teaching 27 credit hours or more in the 10-month academic year will be re-classified as lecturers. These faculty members will be provided with the option of receiving full benefits from the university.
- All adjunct faculty teaching 26 credit hours or less in the 10-month academic year will remain classified as adjunct faculty and no benefits will be made available.

Due to the absence of guidance provided by the IRS, the number of annual credit hours of teaching by part-time faculty members has been most difficult to determine. Translating credit hours of teaching to work-hours-per-week has complicated the calculation. Because ACA is new to the nation, there are no best practices to follow, no history to guide us, and no IRS findings to consider.

In the middle of April, the American Council on Education (ACE), supported by multiple other national higher education organizations, [issued a letter to the IRS](#) asking for a more specific ruling on part-time faculty hours. As of today, there has been no response. Though clearly not a final declaration, UCO used the ACE recommendations in determining the

level of 27 or more credit hours in a year for re-classification of adjunct faculty as lecturers.

Though this change will create more than \$750,000 of new mandatory cost increases for UCO, we believe that it is the right thing for our students and for these important members of our teaching family. Please be aware that these conversions are made for FY 14 and additional lectureship re-classifications for the year will not be created. The scenario will be reevaluated for FY 15.

There is more work to be done on this issue, specifically in regard to how the ACA affects part-time staff here at Central. The president and the cabinet are continuing to work toward a timely resolution to this part of the issue and will update you as soon as the right solution is achieved.

It may be a few years until IRS regulations on this issue are fully vetted, additional guidelines written, rulings made, and court cases are tested regarding the application of the new ACA laws. UCO remains committed to responding with flexibility to the ever-changing set of rules and regulations.

Thanks to all of you for your patience as UCO and every university in the nation works to exercise our best judgment in response to the new law. We invite your thoughts and ideas at all times.

---

While this move does not include all part-time employees, such as maintenance and athletic event workers, it is somewhat surprising coming from one of the most conservative states in the nation.

CPAPA is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors.

© 2022 Firmworks, LLC. All rights reserved