April 11, 2013

MEMORANDUM

TO: Agency Human Resource Directors

FROM: Rue Collins White

Director, Agency Human Resource Services

SUBJECT: Immediate Policy Modification, Policy 2.20, Types of Employment

On March 23, 2010, President Obama signed the Affordable Care Act (ACA) into law. Beginning in 2014, the act will require employers with 50 or more employees to provide health insurance coverage to all employees who work, on average, 30 or more hours per week.

In response to this requirement, due to funding limitations, the Commonwealth has adopted a provision in the 2013 Appropriation Act that limits wage employees to working no more than 29 hours per week over the course of twelve months. The determination of whether or not wage employees average more than 29 hours per week will be based on the Common- wealth’s ACA measurement periods- initially, May 1, 2013 through April 30, 2014.

Currently, DHRM’s Types of Employment Policy (No. 2.20) applies to agencies with classified employees and it limits wage employees to working no more than 1500 hours per year, which is roughly equivalent to 29 hours per week. The purpose of the current limit has been to make a clear distinction between full-time, salaried employees and wage employees, who are intended to cover peak workloads and seasonal or short-term needs. To determine when the limit is reached, wage employees’ hours are currently counted from their hire dates. Policy 2.20 has allowed agency heads to approve exceptions to the 1500-hour limit.

The use of wage employees’ hire dates to count their work hours is no longer relevant. Effective May 1, work hours must be counted on the basis of the twelve-month period beginning on that date. Wage employees in all agencies (all branches of government) are limited to working no more than 1500 hours during each twelve-month period of May 1-April 30. Agencies are not authorized to grant exceptions to this limit; there will be no exceptions.

When a wage employee reaches 1500 work hours beginning on or after May 1, 2013 and before April 30, 2014, for example, the employee must not be allowed to work again until May 1, 2014. If a wage employee reaches or exceeds 1500 hours of work since their last hire date, that is okay so long as the May 1-April 30 limit is not exceeded.

You will find attached a list of Frequently Asked Questions. In some cases, the answers may be preliminary, depending on receipt of regulations from the federal government. If you have questions about any of this material, please contact me or your assigned DHRM human resources consultant. Policy 2.20, Types of Employment will be revised to reflect these changes.

Attachment

cc: Sara Redding Wilson

David A. Von Moll, State Comptroller