

University of Rochester Measurement and Stability Periods Guidelines

General

Under the ACA provisions of health care reform, an employee is generally treated as a “full-time employee” for a calendar month if the employee works/credited an average of 30 hours of service/week during the calendar month or completes 130 hours of service in the calendar month (known as the Monthly Equivalent Standard). Hours of service include hours worked/paid or hours not worked but entitled to payment, to include: paid vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty, or leave of absence. Hours of service also include all hours of service with all members of the UR’s controlled group. As of August 1, 2023, members of the controlled group of the University of Rochester include: Highland Hospital, Highlands at Pittsford, Highlands at Brighton, Highlands Living Center, Inc, UR Medicine Home Care (previously Visiting Nurse Service, Visiting Nurse Signature Care), Nicholas H. Noyes Memorial Hospital, Jones Memorial Hospital, F. F. Thompson Health System, Inc., St. James Hospital, and Finger Lakes Health.

The University of Rochester (“University”) has elected to use the Look-Back Measurement Method available under the Affordable Care Act (ACA) to determine full-time status for ACA information reporting purposes. The University also uses this method to determine eligibility to participate in the Health Care Plans for Faculty and Staff of the University of Rochester and SMH Residents and Fellows (“University Health Care Plans”) for employees working in a Temporary or Time-As-Reported (TAR) Status, who are otherwise ineligible for University Health Care Plans coverage.

The Measurement and Stability Periods described below will apply to determine University Health Care Plans eligibility for all regular common law employees, except as noted in this policy. In many cases, employees may be eligible for coverage even if they do not qualify under these Measurement Period rules, if they satisfy the more generous eligibility criteria for Regular Full-Time and Regular Part-Time employees outlined in the plan documents for the University Health Care Plans.

If a Temporary or TAR employee qualifies for health care benefits under these Measurement Period rules, health care benefits under the University Health Care Plans will be made available to the employee and his/her eligible dependents during the corresponding Stability Period under the terms and conditions described in this policy and in the University of Rochester Health Program Guide. The following exceptions apply:

- Travel at Home (TAH) Positions), although classified as TAR, are eligible for University Health Care Plans benefits regardless of whether they average 30 hours per week or 130 hours per month during a Measurement Period.
- Employees who were Time-As-Reported (TAR) faculty as of October 31 of the previous Standard Measurement Period, who remain active TAR faculty in current plan year, will not qualify for benefits as active employees under the University Health Care Plans for the current Plan Year. Such individuals may become eligible under the terms of this policy for the following Plan Year.

- Graduate students whose employment is incidental to their education at the University, and active SEIU-represented employees who are eligible for benefits through the 1199SEIU National Benefit Fund for Rochester-Area members, do not qualify for benefits under the University Health Care Plans.

Measurement, Administrative, and Stability Periods

The University has elected to use twelve consecutive months as its Measurement Period to determine if a TAR or Temporary employee is eligible for University Health Care Plan benefits, and twelve consecutive calendar months as the Stability Period during which benefits are offered to employees who averaged 30 hours of service per week or 130 hours of service per month during the applicable Measurement Period.

Standard Measurement and Administrative Periods

The Standard Measurement and Stability Periods will apply to determine University Health Care Plans eligibility for all TAR and Temporary employees who have been employed by the University for at least an entire Standard Measurement Period. These periods will also be used to determine full-time status for Regular Full-Time and Part-Time employees for purposes of IRS information reporting.

The Standard Measurement Period starts on November 1 each year and ends October 31 of the following year. The Standard Administrative Period, during which the University determines whether an employee is eligible for benefits and during which the employee's enrollment takes place, shall take place from November 1 to December 31 each year.

However, the above dates may be adjusted based on payroll dates, in accordance with applicable regulations. For example, the University may exclude the entire payroll period that includes November 1 (the beginning of the Standard Measurement Period) if it includes the entire payroll period that includes October 31 (the end of the Standard Measurement Period), or, alternatively, could exclude the entire payroll period that includes October 31, if it includes the entire payroll period that included November 1 of the prior calendar year. The University may make this determination annually in order to ensure that its Administrative Period does not exceed 90 days.

Standard Stability Period

The Standard Stability Period is the calendar year, which is also the Plan Year: January 1 – December 31.

Crediting Service During a Measurement Period

Credited hours of service are defined by applicable regulations, and will include all hours for which the employee is paid, or entitled for payment for:

- (1) the performance of duties for University of Rochester or any member of its Controlled Group; and

(2) each hour for which an employee is paid, or entitled to payment by University of Rochester (or a Controlled Group member) on account of a period of time during which no duties are performed due to vacation, holiday, illness, incapacity (including disability and workers' compensation), layoff, jury duty, military duty, leave of absence, or on-call time.

Professional, Administrative or Supervisory (PAS) employees and Faculty employees paid on a salary basis whose hours are not tracked will be credited with 40 hours of service per week through October 31 of the previous Standard Measurement Period.

After October 31, of the previous Standard Measurement Period, Full-Time and Part-Time PAS and Faculty employees who are paid on a salary basis and whose hours are not tracked will be credited with 40 hours of service per week. PAS and Faculty employees paid on an hourly basis whose hours are tracked will be credited with the number of hours worked and other hours of service in accordance with the rules above. TAR Faculty with an Appointment specifying a weekly hours' arrangement will be credited with the number of hours indicated in their Appointment.

When computing average hours during a Measurement Period, the University will credit the employee with hours of service for any periods of unpaid Family and Medical Leave (FMLA), military leave under the Uniformed Services Employment and Reemployment Rights Act (USERRA), and jury duty time, at a rate equal to the employee's average weekly hours of service during the weeks in the Measurement Period that are not part of the unpaid leave period. For example, if an employee averaged 33 hours of service for weeks during which the employee was not on an unpaid FMLA, USERRA or jury duty leave, then the employee will be credited with 33 hours of service for each week during such leave. The same method will be used to credit hours of service during any employment break period of at least four (4) consecutive weeks (disregarding FMLA, USERRA and jury duty leave) during which an employee accrues no hours of service, up to 501 hours per year.

During paid periods of incapacity (e.g., while the employee is receiving sick time, short-term or long-term disability, or workers' compensation), employees will be credited with hours of service equal to their standard work hours. To the extent an employee does not have standard work hours, the University may utilize the same method as described above for FMLA, USERRA and jury duty time to calculate hours of service. However, if an employee has no other hours of service during a Measurement Period on which to base the calculation, the University may impute hours of service based upon the employee's average hours of service in the last year during which the employee had hours of service other than for paid periods of incapacity.

Credit will also be given for on-call time when the employee is required to remain on-call on the employer's premises, or for which the employee's activities while remaining on-call are subject to substantial restrictions that prevent the employee from using the time effectively for the employee's own purposes.

The total hours of service during the applicable Measurement Period will be divided by 52 weeks or 12 months. If the result is that the employee's average hours during the Measurement Period were 30 hours per week or 130 hours per month or higher, then University Health Care Plans benefits will be made available to the employee for the duration of the corresponding Stability Period.

New Hires and Initial New Hire Measurement, Administrative, and Stability Periods

If, at the time of hire, an employee is classified as Temporary or TAR, and if the employee is not reasonably expected to accrue at least 30 hours of service per week or 130 hours of service per month (e.g., in the case of TAR employees with a regular schedule of fewer than 17.5 hours per week) or if it cannot be determined whether an employee is reasonably expected to work 30 hours of service per week (e.g., in the case of TAR employees with no regular schedule, or in the case of Strong Staffing employees whose assignments are expected to fluctuate above and below 30 hours per week and/or who are anticipated to have multiple periods of less than four (4) weeks during which they have no assignment), the employee will be subject to an Initial New Hire Measurement Period to determine University Health Care Plans eligibility.

If, at the time of hire, an employee is eligible for health coverage as a Regular Full-Time or Part-Time employee, then the employee will become eligible for University Health Care Plans coverage the first day of the calendar month following or coincident with the hire date (the date of hire in the case of Residents and Fellows). If, at the time of hire, a Temporary or TAR employee is reasonably expected to accrue 30 hours of service per week or 130 hours of service per month, then the employee will become eligible for University Health Care Plans coverage on the first day of the calendar month following or coincident with the hire date.

The University of Rochester has elected twelve consecutive calendar months as the Initial New Hire Measurement Period to determine if a Temporary or TAR employee is eligible to participate in the University Health Care Plans, and twelve consecutive calendar months as the Initial New Hire Stability Period for Temporary and TAR employees who averaged 30 hours of service per week or 130 hours of service per month during the Initial New Hire Measurement Period. If the employee did not average 30 hours of service per week or 130 hours of service per month during the Initial New Hire Measurement Period, then the employee will be ineligible for University Health Care Plans coverage during the Initial New Hire Stability Period, but only until the point that the employee has completed a Standard Measurement Period and Standard Administrative Period. From that point on, the employee's eligibility shall be determined under the Standard Measurement Period and Standard Stability Period rules. However, if it is determined that a new Temporary or TAR employee worked on average 30 hours or more each week during his/her Initial New Hire Measurement Period, the Temporary or TAR employee would be eligible for health care coverage under the University's Health Care Plans for the coinciding Initial New Hire Stability Period.

Absences of 26 or more weeks:

If an employee is rehired following a separation from service with the University, then the employee may be subject to a new Initial New Hire Measurement Period in accordance with this policy if the employee was separated for a period of 26 weeks or more. If the employee has not been separated for 26 weeks or more, then the employee shall resume the same Initial New Hire Measurement Period or Standard Measurement Period that the employee was in prior to the separation, and if the employee was in Initial New Hire Stability Period or Standard Stability Period, shall resume coverage immediately upon rehire without serving a new Waiting Period, effective the first day of the calendar month following or coincident with the rehire.

However, in the event that the employee's separation from service was at least four consecutive weeks, during which the employee was not credited with any hours of service, and the length of that break exceeds the number of weeks of that employee's immediately preceding period of

employment with University (or its Controlled Group members), then the employee may be treated as a new hire and subject to a new Initial New Hire Measurement Period if the employee is not reasonably expected to accrue at least 30 hours of service per week or 130 hours of service per month at the time of rehire. For purposes of the preceding sentence, the duration of the immediately preceding period of employment is determined after crediting the employee with service for FMLA, USERRA and jury duty leave, as well as any school break periods in excess of four (4) weeks.

Special rules apply if, during the Initial New Hire Measurement Period, an employee changes from Regular Full-Time or Part-Time status to Temporary or TAR status, or vice versa.

Job Status Changes during the Initial New Hire Measurement Period

Regular Full-Time or Part-Time Status to Temporary or TAR Status

If during the Initial New Hire Measurement Period an employee changes from Regular Full-Time or Part-Time status to a new Temporary or TAR position or status that, if the employee had begun employment in the new position or status, the employee would have reasonably been expected not to be employed on average at least 30 hours of service per week or 130 hours per month, then the University will test the employee's eligibility using the Monthly Measurement Method for the employee until the beginning of the employee's Initial New Hire Stability Period, and the employee will lose eligibility for University Health Care Plans coverage the first day of the fourth calendar month following the change in status, if the employee actually averages less than 30 hours of service per week or 130 hours of service per month for each of the three full calendar months following the change to Temporary or TAR status. If the employee's average hours do exceed 30 hours per week or 130 hours per month in any of these three calendar months following the change in employment status, then the employee will remain eligible for University Health Care Plans coverage until the beginning of the Initial New Hire Stability Period, when the employee's eligibility will be determined by hours worked during the Initial New Hire Measurement Period. This rule only applies with respect to an employee to whom the University offered minimum value coverage by the first day of the calendar month following the employee's initial three full calendar months of employment, through the calendar month in which the change in employment status described in this section occurs.

Temporary or TAR Status to Regular Full-Time or Part-Time Status

If an employee changes from Temporary or TAR status to Regular Full-Time or Part-Time status during the Initial New Hire Measurement Period, then the employee will be offered coverage by the first day of the calendar month following or coincident with the change in status.

Job Status Changes during the Standard Stability Period or the Initial New Hire Stability Period

Regular Full-Time or Part-Time Status to TAR Status. If an employee changes from Regular Full-Time or Part-Time status to Temporary or TAR status during an Initial or Standard Stability Period, then the University will assess whether the employee is expected to work 30 hours per week as a Temporary or TAR employee and whether the employee actually averaged 30 hours of

service per week or 130 hours of service per month during the most recent Measurement Period. If the employee is expected to accrue 30 hours of service per week or 130 hours of service per month, or if the employee actually did average 30 hours of service per week or 130 hours of service per month during the most recent Measurement Period, then the employee may remain on coverage for the remainder of the Stability Period. If the employee is determined to be eligible for benefits, the cost for coverage will be consistent with the rates charged to any other Temporary or TAR employees who were determined eligible during a Standard Measurement Period. If the employee is not expected to accrue 30 hours of service per week or 130 hours of service per month in the new position or status, and the employee did not average 30 hours of service per week or 130 hours of service per month during the most recent Measurement Period, then the employee will lose eligibility for coverage effective the first day of the calendar month after the change to Temporary or TAR status.

TAR Status to Regular Full-Time or Part-Time Status. If an employee changes from Temporary or TAR status to Regular Full-Time or Part-Time status during an Initial or Standard Stability Period, the Temporary or TAR employee would not be required to be offered benefits under the ACA rules unless the Temporary or TAR employee had averaged 30 hours of service per week or 130 hours of service per month during the most recent Measurement Period. However, the University's more generous eligibility policy provides that the employee would be entitled to benefits effective the first of the month following or coincident with the change in employment status to Regular Full-Time or Regular Part-Time, regardless of how many hours the employee worked during the most recent Measurement Period.

Definitions

Administrative Period:

The Administrative Period is a period of not more than 90 days immediately following a Measurement Period and immediately preceding the associated Stability Period. There is an Initial New Hire Administrative Period and a Standard Administrative Period.

Initial New Hire Administrative Period

The University of Rochester's Initial New Hire Administrative Period is a period immediately following an employee's Initial New Hire Measurement Period and immediately preceding the associated Initial New Hire Stability Period, during which the University determines whether an employee is eligible for health care benefits and during which the employee's enrollment takes place. The Initial New Hire Administrative Period begins the first day of the month after the measurement period ends and ends the last day of that month. It applies to newly hired employees who have not yet completed a Standard Measurement Period.

Standard Administrative Period:

The University of Rochester's Standard Administrative Period is a period immediately following a Standard Measurement Period, and applies to employees who have worked for the University long enough to complete at

least one full Standard Measurement Period. The Standard Administrative Period begins November 1 and ends December 31 each year.

Appointment: The action which begins a relationship with the University in a specific position, such as member of the faculty; the period during which such a relationship is in effect.

Controlled Group: Any entity in which the University of Rochester, directly or indirectly, owns a controlling interest in or any tax-exempt organization(s) that is under “common control” with the University based on 80% of the directors or trustees being either representatives of or directly or indirectly controlled by the University of Rochester., As of August 1, 2023, members of the controlled group of the University of Rochester include: Highland Hospital, Highlands at Pittsford, Highlands at Brighton, Highlands Living Center, Inc, UR Medicine Home Care (previously Visiting Nurse Service, Visiting Nurse Signature Care), Nicholas H. Noyes Memorial Hospital, Jones Memorial Hospital, F. F. Thompson Health System, Inc., St. James Hospital, and Finger Lakes Health.

Full-Time: For hourly staff: a regular weekly work schedule of at least 35 hours; for professional, administrative, and supervisory staff: a weekly work schedule of 40 hours or more; for faculty: a normal full teaching and research load as defined for the faculty by the college or school concerned.

Measurement Period: A period of time during which an employee’s hours are measured to determine whether the employee averaged 30 hours per week or 130 hours per month. There is an Initial New Hire Measurement Period and a Standard Measurement Period.

Initial New Hire Measurement Period

The University of Rochester’s Initial New Hire Measurement Period applies to newly hired employees who have not yet completed a Standard Measurement Period. An Initial New Hire Measurement Period begins the first day of the month following a new employee’s date of hire and lasts for 12 months.

Standard Measurement Period

The University of Rochester’s Standard Measurement Period is a period of 12 months used to determine eligibility for health care benefits at the annual open enrollment, and applies to employees who have worked for the University long enough to complete at least one full Standard Measurement Period. The Standard Measurement period begins on November 1 each year and ends October 31 the following year.

Part-Time: Regular weekly or monthly schedule which is less than that required for full-time status, but generally not less than 17.5 hours per week in the case of hourly and professional, administrative, and supervisory staff. For faculty it indicates that the individual carries at least half the normal

teaching and research load as defined for faculty by the college or school concerned.

PAS: An employee status classification for Professional, Administrative and Supervisory non-Faculty employees.

Retiree: Regular Full-Time and Part-Time faculty and staff who were Hired or Rehired prior to 1/1/96 and who have Retired and (1) who have reached age 55 and (2) who have met the ten-year service requirement. (The ten-year service requirement may be met by cumulative employment at the University or another higher education institution).

Regular Full-Time and Part-Time faculty and staff who were Hired or Rehired 1/1/96 and thereafter and who have Retired and (1) who have reached age 60 and (2) who have met the ten-year service requirement. (The ten-year service requirement may be met by cumulative employment at the University or another higher education institution, as long as there is Continuous Employment at the University for the immediate 5 years prior to Retirement).

Stability Period: A period during which an employee is entitled to be offered University Health Care Plan coverage if the employee averaged 30 hours of service per week or 130 hours of service per month during the associated Measurement Period. There is an Initial New Hire Stability Period and a Standard Stability Period.

Initial Stability Period

An employee's Initial New Hire Stability Period begins the first day of the month after the associated Initial New Hire Administrative period ends. If the employee averaged 30 hours of service per week or 130 hours of service per month during the Initial New Hire Measurement Period, then the Initial New Hire Stability Period is a period of 12 months. If the employee did not average 30 hours of service per week or 130 hours of service per month during the Initial New Hire Measurement Period, then the Initial New Hire Stability Period concludes when the employee's first Standard Stability Period begins.

Standard Stability Period

The Standard Stability Period is a period of 12 months that coincides with the subsequent Plan Year (January 1 – December 31).

Time-As-Reported (TAR): Appointment with (1) no regular schedule or (2) in which the individual is generally expected to work fewer than 17.5 hours per week in the case of hourly and professional, administrative, and supervisory staff, unless otherwise defined in collective bargaining agreements. For faculty it indicates that the individual carries less than half the normal (full) teaching and research load as defined for faculty by the college or school concerned.

Temporary: A period of appointment in hourly and professional, administrative, and supervisory positions of not over four months, unless otherwise defined in collective bargaining agreements; period of appointment for faculty-instructional staff of less than one year (or one academic year) and for which renewal is not expected.

Examples:

TAR Employee during the Administrative Period: *Christina is an ongoing TAR employee who worked on average more than 30 hours/week during the University's Standard Measurement Period ending October 31, 2018. Christine is eligible for health care coverage under the University's Health Care Plans for the subsequent Stability Period of January 1, 2019 – December 31, 2019.*

TAR Employee upon completion of the New Hire Measurement Period: *Tabitha is a new TAR employee whose date of hire was February 2, 2018. Tabitha's Initial New Hire Measurement Period was March 1, 2018 – February 28, 2019. It was determined that Tabitha worked on average more than 30 hours/week during her Initial New Hire Measurement Period, and she will be eligible for health care coverage under the University's Health Care Plans for her subsequent Initial New Stability Period of April, 2019 – March 31, 2020.*

Employee with a break in service: *Sandy works for the University or another Controlled Group entity for fourteen months, separates, and returns to work twelve weeks later during a stability period in which she would have been offered coverage had she not terminated employment. Sandy would be treated as a continuing employee (rather a new hire) and offered coverage through the end of the respective stability period. Her coverage would be reinstated the first day of the calendar month after her rehire.*

Employee with a break in service exceeding the length of employment: *Mel works six weeks for the University of Rochester, then has ten weeks with no hours of service before returning to work. Mel would be treated as a new employee because his ten-week break in service is longer than his six-week period of employment immediately before the absence.*