



The Statewide Voice

University revises types of employment, temporary employees impacted

Q&A with Chief Human Resources Officer Erik Seastedt

The Board of Regents approved a total of three word changes to policy describing types of employment during their September meeting, including broadening the scope of casual labor from an emergency basis to as-needed. These simple changes were all that were needed at the policy level to accommodate new regulation changes redefining five types of temporary employees and updating nearly 25 pages of Chapter 4 regulations. In order to provide a little more insight to the scope and impact of those regulation changes, Public Affairs sat down with Chief HR Officer Erik Seastedt to ask a few questions.

There are five types of temporary employees in the UA system. How is each affected by these regulation changes?

Student

Student employment is unaffected except some may be eligible for employee health care under the Affordable Care Act (ACA) if determined to have worked an average of 30+ hours per week for UA. No service breaks are required.

(Example: a student who works the spring semester in a student job, and works seasonally full-time plus overtime, could be eligible for employee health coverage when they return in the fall if their six-month average employment, even if in different job positions, exceeded 30-hours a week.)

Seasonal

Full time seasonal workers must demonstrate their seasonality by now having a six-month break between seasonal assignments.

Casual

This classification was revised to reflect "as-needed" employment instead of emergency employment. We do expect the greatest growth in this category where an employee must be employed less than 15 hours per week OR 750 hours per year. No service break is ever required unless hours exceed the 750-hour threshold.

(Example: both an employee working full-time for 18 weeks a year and an employee working less than 15 hours per week year-round can be casual employees.)

Temporary

These non-benefitted employees work 15-29 hours per week and will now require a break between temporary assignments of 120 days after 18 months of employment, increased from the previous 10-day break after 12 months.

Extended Temporary

These employees will now be eligible for health insurance immediately instead of after a six-month waiting period. They will continue to accrue sick leave, but will no longer accrue annual leave or receive holiday leave. Employees in this category are, upon hire, expected to work 30 hours per week or more. Temporary employees may also become extended temporary as a result of actual hours worked over a six-month lookback period. Extended temporary employees will be required to take a 120-day break in service after 18 months.

Aren't adjuncts temporary employees? How are they affected?

Indeed, adjuncts are temporary employees. However, different rules apply due to the nature of their retirement plan eligibility and union contract. Adjuncts who are determined during a lookback to have worked more than 30 hours per week over six months will be offered health coverage. However, because they are also covered by a collective bargaining agreement, they would not be eligible for sick leave accrual. Additionally, the 120-day break in service does not apply to adjuncts.

Can you provide some context on why the university is making these changes?

There are multiple factors driving these changes: recommendations and increased scrutiny from the State of Alaska Division of Retirement; obligations under the federal Affordable Care Act; and a need to make sure temporary employees are being hired for truly temporary positions, not being repeatedly re-hired as a temporary employee into what should really be a regular position.

Retirement Benefits and Temporary Employment

The number one motivation for re-defining temporary employees is protecting the retirement benefits of rehired retirees who return to work at the university as temporary employees. The state continues to pay retirement benefits to eligible employees working in temporary positions. Those temporary employees who are earning retirement benefits, and are just working to supplement that income or to keep engaged in the university, must meet the unique restrictions of their retirement plan in order to avoid the risk of being penalized. A retiree in a regular position cannot receive retirement benefits and must also contribute to the retirement system.

While the state does not itself define what constitutes a temporary position, a 2011 audit of the university by the Alaska Division of Retirement included a recommendation to make a greater distinction between regular and temporary employees. Extending the break in service to 120-days after 18 months' employment clearly distinguishes "temporary" employees from regular employees many of whom work on 9-month contracts. Retirees working less than 15 hours per week, as defined in the newly revised casual employee category, are not considered retirement-benefit-eligible by the state. They can still draw retirement benefits and are not required to take a break in service unless exceeding 750 hours a year.

Affordable Care Act

Under the Affordable Care Act (ACA) any employee working more than 30 hours per week must be offered health coverage. Over the past five months, a series of six-month lookbacks at service hours over the past year identified around 230 temporary UA employees who met that criterion who now must be offered health coverage. It is unclear how many will choose to accept the coverage, but many of those who are eligible will be re-classified as extended temporary employees. The ACA was also the main driver behind eliminating the 6-month wait period for health coverage for extended temporary employees, as an employer is required to offer coverage at hire if it is reasonably projected that the employee will work 30 hours or more per week annually.

Temporary Positions For Temporary Jobs

The final reason for the change is to tighten up hiring practices and make sure that temporary positions are only being created for truly temporary jobs. Keeping an employee in a temporary position with no benefits and simply re-appointing them year after year using the loophole of a two week break instead of placing them in an actual regular, benefit-eligible, part-time position is unacceptable to us and to the retirement system. If a department cannot manage with the 120-day break between temporary assignments, it is a good sign that the position should not be classified as temporary in the first place.

It's a big jump to go from 10-days to 120-days break between service appointments. How many currently employed temporary employees are going to be impacted by these changes?

As of Sept. 23 there were 30 extended temporary employees in the system. In addition, as many as 650 temporary employees will have to reduce

hours or take a 20-minute break in service.

SC 265

When will these regulation changes go into effect?

On Dec. 13, 2015 the Regulations are final and the 18-month clock will begin. Current Extended Temporary employees will be paid out any accrued annual leave and will receive that pay in the paycheck deposited on Christmas Eve. In the meantime, Statewide HR is creating new queries for tracking these employee types and continuing to conduct lookbacks to determine health plan eligibility under the Affordable Care Act.

What will be done to communicate with those effected?

Campus human resource offices will be reaching out to their affected employees and I will be contacting affected employees at Statewide.

What do supervisors who regularly hire temporary employees need to know about these changes?

The biggest change is that supervisors never worried about benefits for temporary hires until six months or 1,039 hours had passed, now they need to make sure that any new hire that will be working more than 30 hours a week gets down to their local Human Resources office to sign up for the health plan if they want it. This will be particularly important to the employee since all extended temporary employees are deemed as opting out of coverage unless they specifically contact their local human resources office to enroll.

Temporary employees who are also benefits eligible will eventually raise costs through changes in the benefit rate charged, so supervisors also need to keep that in mind for the long haul.

There also may be departments that need to reclassify positions to create a reduced-contract regular position instead of a temporary one. Any supervisors in this position are encouraged to talk with their regional human resources department.

How can I find out more about these changes?

In the coming months I will hold forums, create and distribute FAQs, and am always available to answer questions, speak with a group or otherwise answer the questions of the university community.

