Affordable Care Act

SECC Office of Education Guidelines

June 2026

These guidelines are meant to ensure that SECC schools remain in compliance with the Affordable Care Act (ACA). ACA requires employers to offer medical coverage to employees working ≥ 75% of full-time/30 hours a week. Remember that failure to comply carries financial consequences. So while some of these changes seem cumbersome and problematic, they pale in comparison to the challenges that non-compliance would bring.

Disclaimer: The use of the term ***full-time*** in this document is in reference to ACA and medical coverage offerings only. It does not necessarily imply qualification for other benefits as outlined in the *Green Book*.



Table of Contents

General Requirements……...4
Medical Coverage for Full-time Employees
Employees Whose Time Does Not Need to be Measured

General Requirements……...5
Part-time Employees Not Offered Medical Coverage
Employees Whose Time Must be Measured
Employment at Multiple SECC Entities

Measuring Hours/Time Worked (On-Going Employees)…..……...6-8
Conference Std. Measurement/Administrative/Stability Period

Measuring Hours/Time Worked (New Employees)……..……9
Conference Initial Measurement/Administrative/Stability Period

Substitute Teachers (Daily Wage)…..……10-12
Policy Beginning April 1, 2014
Procedure to Track Substitute Work Days

Substitute Teachers (Hourly Wage)…...……..13
Policy Beginning April 1, 2014

Examples……..14

General Requirements

Offer of Medical Coverage for Employees Deemed Full-time on Jan. 1, 2015

- Exempt employees who work 100% time per week will be offered medical, vision and dental coverage for the employee, spouse (in accordance with eligibility requirements) and dependents (up to age 26 for medical coverage/ up to 24 for dental and vision coverage). Exempt employees who work 75-99% time per week will be offered medical coverage for the employee only, with a buy in option for the employee's spouse and dependents (up to age 26 for medical coverage).

- Non-exempt employees who work 38 hours per week will be offered medical, vision and dental coverage for the employee. The employee can buy in for the employee's spouse and dependents (up to age 26 for medical coverage/up to 24 for dental and vision coverage). Non-exempt employees who work on average between 30-37 hours per week will be offered medical coverage for the employee only, with a buy in option for the employee's spouse and dependents (up to age 26 for medical coverage).

- The premium paid by the employee cannot exceed 9.5% of household earnings.
    * The safe harbor SECC will use is the premium for the lowest cost individual medical coverage (as of July 2026 $100 (Kaiser)/ $125 (Adventist Risk Management)) cannot exceed 9.5% of the employee's earnings paid by the conference as evidenced on the employee's W-2 form.

Employees Whose Time Does Not Need to be Measured

- As of Jan. 1, 2015, employees who the school/conference knows will work ≥ 30 hours/75% time per week are to be offered medical coverage at time of hire. These employees do not need to have their time measured as the employer has already classified them as medical coverage eligible and is offering them medical coverage in accordance with the offerings listed above. This employee remains eligible for medical coverage even if his/her hours are reduced, until he/she has been employed for one full standard measurement period.

General Requirements

Part-time Employees Not Offered Medical Coverage

- As of April 1, 2014, part-time employees, for whom the school/ conference does not wish to be deemed full-time, should work ≤ 28 hours/70% time per week.

Employees Whose Time Must be Measured

- Employees who the school/conference has designated <30 hours/75% time per week must be measured on an on-going basis (to be defined below) to confirm ineligibility/eligibility for medical coverage.

- Employees who the school/conference is not sure as to whether they will be eligible for medical coverage (known as variable hour employees or seasonal employees, e.g., substitute teachers) must be measured on an on-going basis (to be defined below) to determine if they are eligible for medical coverage.

- As of January 1, 2015, employees who the employer believes will work ≥ 30 hours/75% time per week but then after the measurement period cease employment are not considered variable hour employees and must be offered medical coverage upon hire.

Employment at Multiple SECC Entities

- Employees who work for multiple SECC entities would have their hours combined to determine their weekly average hours worked. This is a category of employee that would require extreme diligence to confirm ineligibility/eligibility for medical coverage. Should the employee become eligible for medical coverage, the local schools/ churches will bear the cost of that medical coverage.

Measuring Hours/Time Worked On-Going Employees

Conference Standard Measurement/Administrative/Stability Period

- The conference has established July 1, 2025—June 30, 2026 (begins with the first payroll period that is entirely between these dates and continues for a total of 26 or 27 pay periods for non-exempt employees), as the on-going standard measurement period (used to establish the eligibility for medical coverage for August 1, 2026—July 31, 2027) for employees as of July 1, 2025. During this 12 month time period employees whose time needs to be measured (see General Requirements) would have their hours tracked to determine the weekly average for this time period. This cycle would continue in similar fashion on an annual basis.
    1. Non-exempt employees need to be supervised to ensure that the hours they are working each week are in accordance with the hours the employer has assigned them. The actual tracking of their hours would occur through the payroll function. However, the monitoring of these hours is the responsibility of the school.
    2. Exempt employees also need to be supervised to ensure that the hours worked each week correspond with their stated percentage of full-time.
        A. The conference will provide the school with a Weekly Log Form that the exempt employee will need to use to record time worked (including grading papers, class preparation, music performances, etc.) each week. This form will also need to be signed by the employee.
        B. The conference will also provide the school with an electronic spreadsheet which the school will use to enter the hours recorded each week.
        C. The spreadsheet will need to be sent to the conference at the end of each measurement period. The Office of Education may ask for it at other intervals during the measurement period as well.

Measuring Hours/Time Worked On-Going Employees

Conference Standard Measurement/Administrative/Stability Period—Continued

D. Employees are given credit for the hours actually worked and for hours they are paid due to vacation, holiday, sick leave, jury duty or another form of paid leave. In addition, employees cannot have their average hours worked negatively impacted by unpaid FMLA leave or in the case of schools, by breaks of service of at least 4 consecutive weeks (summer). So, for example, in the standard measurement period defined above, employees such as substitute teachers who only work during the school year would have 8 weeks removed from the calculation of the average. Employees who work throughout the summer, on a regular weekly schedule, even if reduced hours, will have those hours counted into their average hours worked. Breaks of less than 4 weeks, such as Christmas and spring breaks, are also counted in the average hours worked.

- The conference has established July 1—31, 2026, as the on-going standard administrative period (used to review the tracked hours/time, to confirm eligibility and to notify the eligible employee of his/her medical coverage options effective Aug. 1, 2026). This July _____ adminis-trative period would continue on an annual basis.

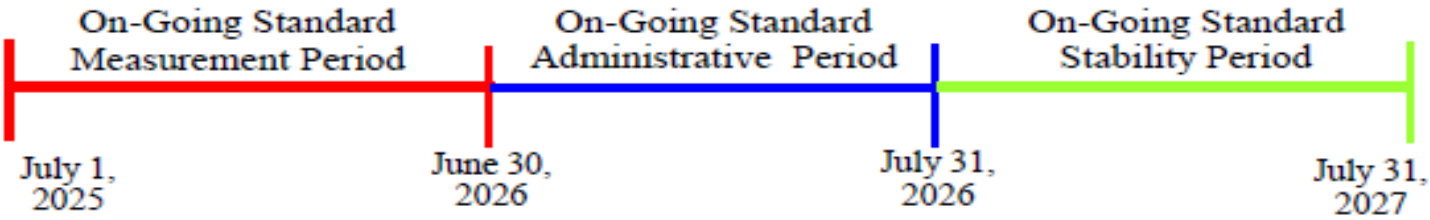
- The on-going standard stability period (the time period in which an eligible employee, as determined by the measurements described above, receives medical coverage OR the time period in which an ineligible employee does not receive medical coverage) would be August 1, 2026-—July 31, 2027, and continue in similar manner on an annual basis.

Measuring Hours/Time Worked On-Going Employees

Conference Standard Measurement/Administrative/Stability Period—Continued

- On-going employees who are required to be measured are continually being measured. In other words, once the standard measurement period ends, another one immediately begins. The conference can alter the measurement periods year by year.

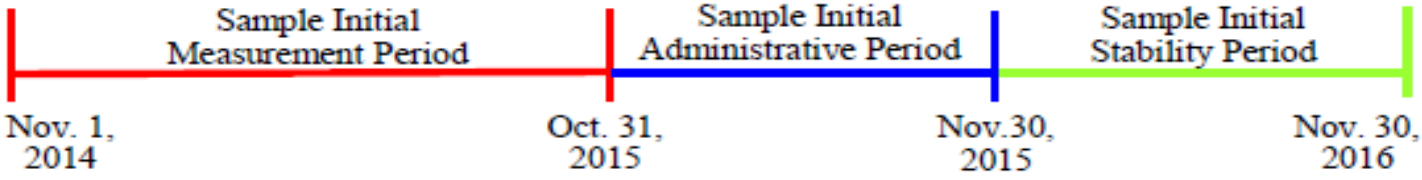
****Once the variable hour/seasonal employee has been deemed eligible from the tracking completed during the standard measurement period, the employee is eligible for medical coverage for the successive stability period regardless if the hours of work are reduced (less than 30 hours, for example) after that measurement period. Likewise, if the employee has been deemed ineligible from the tracking completed during the standard measurement period, the employee remains ineligible for medical coverage for the successive stability period regardless if the hours of work are increased (more than 30 hours, for example) after that measurement period. If the employee separates from the conference, then he/she is no longer eligible for medical coverage.**



Measuring Hours/Time Worked New Employees

Conference Initial Measurement/Administrative/Stability Period

- New employees (see p. 5) must enter an initial measurement period by the first day of the calendar month on or following their hire date. A new employee is defined as one who has not worked for SECC in the last 26 weeks. If the break in service is less than 26 weeks, they are measured with the on-going employees. For example, an employee hired on Oct. 2, 2014, would enter the initial measurement period by Nov. 1, 2014 (the first payroll period that includes this date, which may mean it begins in October, and continues for a total of 26 pay periods for non-exempt employees).
    * The initial measurement period would last for 12 months and would follow the same procedures as outlined above for the standard measurement period. Following the example above, from Nov. 1, 2014—Oct. 31, 2015.
- The initial administrative period would then last 1 month and follow the same procedures as outlined above for the standard administrative period. Again, continuing with the example, Nov. 1—30, 2015.
- The employee would then enter the initial stability period, in which if eligible for medical coverage, he/she would receive that medical coverage for 12 months. Example, Dec. 1, 2015—Nov. 30, 2016.
- It is cumbersome to maintain separate on-going measurement periods, so the new employee would be transitioned to the standard measurement periods as established by the conference for on-going employees. The successive standard measurement period after the new employee has been hired would be used to determine future medical coverage eligibility beyond the initial stability period and would place the employee on the same cycle now with on-going employees. So, for the example above, the employee would enter the standard measurement period on July 1, 2015. This would be used to determine medical coverage for 2016 (provided it doesn't conflict with the initial stability period).



Substitute Teachers
Daily Wage

Applies to substitute teachers, paid a daily wage (as of July 1, 2026: $140 minimum), substituting for teachers in grades TK-12

Substitute teachers are generally considered variable hour employees and are subject to measurement to confirm their eligibility/ineligibility for medical coverage (30 hours per week, in other words, applies to them as well).

Policy Beginning April 1, 2014

- For the purpose of tracking substitute teachers in terms of ACA, time worked will be calculated assuming 9 hours of service for each day worked (there is no distinction for partial days worked).

- Schools may not ask substitute teachers to put in more than 9 hours of service per day and may have to make adjustments to ensure this is followed.

- SECC school/church/field non-exempt and exempt employees are not eligible to work as substitute teachers. Employees who are no longer eligible to work as substitute teachers will be notified of their removal from the substitute teacher list in March 2014.

  ***Exception to this policy: Non-exempt employees who are the employees of School A only (not employed by another school or church entity) will be allowed to substitute at School A only. They will be paid an hourly wage when substituting (as of July 1, 2026: $22.00 per hour minimum). They will be given breaks and time off for lunch in accordance with labor regulations. Their weekly hours will be tracked like all other non-exempt employees. Therefore, they are not subject to the 12 day limitation, per se. The school does not need to report these substitutes on a daily basis to the Office of Education. The substitute forms would still need to be turned in and would record the total hourly wage earned on a given day. These forms would be used for conference reimbursement.*

- Substitute teachers may work no more than an average of 12 days per calendar month (no distinction for partial days worked). This is generally not possible for a school to track as these teachers may work at multiple sites in the conference. The conference has put a procedure in place to track the days.

Substitute Teachers Daily Wage

Policy Beginning April 1, 2014—Continued

- Substitute teachers will be notified by the conference as to the limitation placed on the number of days eligible for hire per month. This will occur March 2014 and be part of the employment packet for substitute teachers hired in the future.

- Since it is not feasible for the Office of Education to manage numerous initial measurement periods, there will be three times during the year in which new substitute teachers may be added to the substitute teacher list. These will be the months of January, March, June, August, and November. These months may change if the conference alters the standard measurement period. Furthermore, in order to be eligible for hire, the prospective employee must not have worked for any SECC entity for the last 28 weeks (an exception may be given to non-exempt employees who meet the exception described on page 10).

- Schools that need a long-term substitute (more than 12 days in a calendar month) would need to obtain prior approval from the Office of Education before placing a substitute into such a classroom or may assume responsibility for the cost of that employee's medical coverage if deemed eligible.
    * A newly hired substitute teacher whose initial assignment is that of a long-term substitute teacher must be offered medical coverage at the date of hire (as of Jan. 1, 2015).

- Schools that wish to avoid the monthly restriction on days worked/daily reporting may instead hire a substitute teacher to be a non-variable hour employee and assign them an average of at least four days of work per week. These employees would be offered medical coverage in accordance with the policies on January 1, 2015. These teachers would then only be eligible to substitute at the school offering the medical coverage. The school will inform the Office of Education of any substitute teacher offered medical coverage. These substitutes may qualify for additional benefits as well.

Substitute Teachers Daily Wage

Procedure to Track Substitute Work Days

1. Schools are to email Kathi Christenson (Kathi.Christenson@seccsda.org) by noon each day with the name(s) of the substitute teacher(s) used that day.

2. Kathi will update the substitute teacher list on Thursday of each week with a notation as to the number of days worked that month. This will allow the substitute teacher coordinator/principal to verify the substitute's eligibility for hire (12 days or less per calendar month).

3. In addition, Kathi will notify the principals and business managers when a specific substitute teacher reaches day 8 and 10 in a given month. And, then again on day 12 to confirm that substitute's ineligibility for hire the remainder of the month.

4. If you have another individual(s) (other than the principal/business manager), such as a substitute teacher coordinator, that you would like to receive the alert emails and/or view the updated substitute teacher list, please send those names/contacts to Kathi.

5. Substitute teachers who become eligible for medical coverage would have the cost of their medical coverage billed to the school(s) which exceeded the monthly cap on days worked.



Substitute Teachers Hourly Wage

Applies to substitute teachers paid an hourly wage to substitute for teacher's aides in grades TK-12, part-time TK-12 teachers paid an hourly wage AND substitute teachers in the CDCs

Substitute teachers are generally considered variable hour employees and are subject to measurement to confirm their eligibility/ineligibility for medical coverage (30 hours per week, in other words, applies to them as well).

Policy Beginning April 1, 2014

- These substitutes will need to be employed by the school as non-exempt employees, e.g., on-call, etc. This will mean that they will not be eligible to be on the TK-12 substitute teacher list, other than under the exception for certain non-exempt employees outlined under the previous category of substitute teacher.

- These non-exempt employees will be tracked in accordance with the procedures outlined for all other non-exempt employees.

- As a reminder, employees who work for multiple SECC entities would have their hours combined to determine their weekly average hours worked. This is a category of employee that would require extreme diligence to confirm ineligibility/eligibility for medical coverage. Should the employee become eligible for medical coverage, the local schools/churches will bear the cost of that medical coverage.

Examples

On-going Variable-Hour Employee: Example #1

The school/conference uses a 12-month standard measurement period from July 1 through June 30, followed by an administrative period with open enrollment from July 1-31. Employees eligible for coverage based on the measurement period (and their dependents) are offered medical coverage from August 1 through July 31. From August 1, 2025, through July 31, 2026, variable hour employees and their dependents who are enrolled in the conference's medical plan will continue to receive coverage while the school/conference determines whether those employees are entitled to coverage for the next year running from August 1, 2026, through July 31, 2027. This process will continue every year for the school/conference.

On-going Variable-Hour Employee: Example #2

Mary is an on-going employee of the school/conference, but her hours vary from week to week and month to month so that the school/conference does not reasonably know whether she works an average of 30 service hours per week. From July 1, 2014, through June 30, 2015, she worked at least 30 service hours per week for the school/conference, and therefore, was offered medical coverage for August 1, 2015, through July 31, 2016. However, from July 1, 2015, through June 30, 2016, she did not work at least 30 service hours per week. She will continue to be eligible for coverage through July 31, 2016, but she will not be eligible for school/conference paid medical coverage during the year running from August 1, 2016, through July 31, 2017, regardless of how many hours she works during that time. A new calculation will be made in July 2017 to determine whether she is eligible for coverage from August 1, 2017, through July 31, 2018.

New Variable-Hour Employee: Example

The school/conference hires a substitute November 15, 2014. School/Conference A has adopted an initial measurement period for new variable-hour employees of 12 months. For this employee, the initial measurement period begins December 1, 2014 (the first day of the month that immediately follows the start date), and ends November 30, 2015. The initial administrative period can last only one month, from December 1-31, 2015. The substitute is offered medical coverage, if eligible, from January 1-December 31, 2016.

Transitioning New Variable-Hour Employees: Example

To transition the new substitute discussed above to school/conference's regular measurement periods, the school/conference will continue to provide him with coverage through Dec. 31, 2016. However, the school/conference will also analyze the substitute's hours during the standard measurement period from July 1, 2015, through June 30, 2016, just as it does for other on-going variable-hour employees. If the substitute averages 30 or more hours of service per week during that time period, the school/conference will contact the substitute during the standard administrative period of July 1-31, 2016, and offer him medical coverage for the period of August 1, 2016, through July 31, 2017. The substitute would then be on the same schedule as other school/conference employees. If, on the other hand, the substitute does not average 30 or more hours of service per week during the July 1, 2015, through June 30, 2016, measurement period, his medical coverage would end Dec. 31, 2016 (the date it concludes based upon the initial measurement period).