

TOWN OF DOVER  
POLICY AND PROCEDURES FOR HEALTH INSURANCE UNDER THE  
FEDERAL AFFORDABLE CARE ACT

Dover is implementing this Policy and the following procedures in order to meet its obligations under the Patient Protection and Affordable Care Act (ACA). Dover is committed to being in full compliance with the ACA. Dover is categorized as a large employer under the ACA and may be subject to an Employer Shared Responsibility Payment (ESRP) if one of its full-time employees purchases health insurance through the Massachusetts Health Connector and receives a tax credit for that purchase. The following procedures are designed to ensure that Dover will avoid, or at least minimize, any liability for ESRPs.

Look-Back Measurement Method: Measurement Administrative, and Stability Periods.

Pursuant to the ACA, ongoing (current) Dover employees who are employed for at least 130 hours of service per month must be offered Town-sponsored health insurance for themselves, their spouses, and dependents up to age 26. Dover shall employ a 12-month look-back measurement method to determine eligibility for all employees. This standard measurement period shall begin on January 1, 2015. After twelve months, Dover shall have up to 3 months (the administrative period) to determine if any full-time employees (total hours divided by 12 must equal at least 130 hours) have not been offered Town-sponsored health insurance and to enroll (or disenroll) them if necessary. If there are any such employees, Dover shall offer them Town-sponsored health insurance for the 12 months following the measurement period. This 12-month coverage is called the stability period. How many hours an employee works during the stability period is relevant only in determining whether he/she will be eligible for Town-sponsored health insurance coverage in the next stability period. The measurement, administrative, and stability periods shall then repeat themselves on an ongoing basis. The administrative period will be the same length for all employees and it will not serve to reduce or lengthen either the measurement or stability periods. To prevent gaps in health insurance coverage, the administrative period will overlap with the prior stability period during which time an employee's classification (full-time or part-time) will remain unchanged. When Dover hires a new employee who is expected to work on a full-time basis, Dover shall offer Town-sponsored health insurance upon initial employment. Once the employee has been employed by Dover for a full standard measurement period (the same period that applies to ongoing employees), he/she shall become an ongoing employee and be included in the normal look-back measurement cycle for determining eligibility. For new employees expected to be variable hour, seasonal, and part-time employees, Dover shall track their hours of service using an initial measurement period of 12 months. The initial measurement period shall begin on the first day of the first calendar month following the employee's start date (or on the first day of the first payroll period starting on or after the employee's start date, if later). As with ongoing employees, an administrative period of up to 3 months shall be employed, along with a 12-month stability period. Once a new variable hour, seasonal, or part-time employee has been employed by Dover for a full standard measurement period (the same period that applies to ongoing employees), he/she shall become an ongoing employee and be included in the normal look-back measurement cycle for determining eligibility.

Hours of Service and Periods of Time Not Included in 6-Month Calculation.

As mentioned previously, a Dover employee must average at least 130 hours of service over a 12-month period to be entitled to Town-sponsored health insurance. The following categories of service count toward the 130 hour average: each hour worked for which an employee is paid; unpaid short scheduled breaks (not including unpaid lunch breaks of at least 30 minutes), paid time off due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty or leave of absence. Generally, unpaid time off will not count toward the 130 hours of service. Certain periods of unpaid time off will not

be included when calculating the 12-month standard measurement period. These include: summer months for teachers and other school employees, FMLA leave, military leave, jury duty. For these special periods of unpaid time off, Dover will determine the average hours during the measurement period, excluding the special unpaid leave period, and will use that average as the average for the entire measurement period.

Guidance.

Should Dover employees have any questions regarding this policy, please contact Gerard Lane in the Treasurer's office. His telephone number is 508-785-0032 x228 and his email address is [treasurer@doverma.org](mailto:treasurer@doverma.org) .