

Date: September 19, 2014

To: HR Directors/Designees/SEMA4 HR USERS

From: Ann O'Brien *AOB*
Assistant Commissioner, MMB

Subject: Determining Seasonal Basis for Employer Shared Responsibility (ESR) Requirements

What Agencies Need to Know

- **Your agency will be affected by this memo if you have any Seasonal Basis appointments and action will need to be taken by October 17, 2014.**
- Under ESR, the federal definition of “seasonal employee” is much broader than the state’s definition. It defines a seasonal employee as any employee appointed for the season to provide services directly related to the season. By contrast, we in the HR community think of seasonal employees as only those holding the Reg / Temp code of “Seasonal.” The result of the new ESR definition is that a Seasonal Basis employee may have a variety of Reg / Temp codes including Limited (for Student Worker), Interns, and Temporary (classified temporary).
- ESR’s broader definition of seasonal employee affects employees (Student Workers, Interns and Temporary) who previously may not have been insurance eligible. Agencies will need to review their Seasonal Basis employees and update with the appropriate “D” Series Eligibility Codes. Failure to do so may result in unnecessary costs to your agency.
- The applicable labor agreement or compensation plan insurance eligibility requirements apply whenever ESR does not provide coverage.

What Agencies Need to Do

1. Identify Affected Employees

Seasonal Basis vs. Not Seasonal Basis

The distinction between Seasonal Basis and Not Seasonal Basis is important because employee insurance eligibility is different for these two conditions:

- Employees appointed on a Seasonal Basis are insurance eligible under ESR only if they are anticipated to work on average 30 or more hours per week for more than 6 months.
- A Not Seasonal Basis employee is insurance eligible if anticipated to work on average 30 or more hours per week for more than 12 weeks.

- The “D” series Special Eligibility Codes will be used to identify an employee as a Seasonal Basis employee. Under ESR, if Student Workers, Interns or Temporaries are appointed on a Seasonal Basis the Special Eligibility Code must now reflect the “D” series.

2. Apply Special Eligibility Codes to Affected Employees

- Review all Reg / Temp coded Seasonal appointments to ensure they are correctly coded to the appropriate “D” series.
- Any other Reg / Temp code appointments made on a Seasonal Basis (Student Worker, Intern or Temporary) should be assigned the comparable “D” series. *For example, if a Student Worker appointed on a Seasonal Basis holds the Special Eligibility Code “MX” then it must be changed to “DX.” However, if a Student Worker is a Not Seasonal Basis employee, then the “M” series must be used. (Refer to Special Eligibility Code Key chart on page 5.)*
- At this time do not increase insurance eligibility due to ESR requirements.

a) Seasonal Basis Appointment

| Reg/Temp | Full/Part/Int | Scheduled Average Hours Per Week | Minimum Appointment Length | Special Eligibility Code |
|------------------------------------|---------------|----------------------------------|----------------------------|--------------------------|
| Seasonal | Full time | 40 | More than 6 months | DSF |
| | Part time | 30-39 | More than 6 months | DX |
| | Part time | 20-29 | More than 6 months | See hours* |
| | Part time | 1-19 | More than 6 months | DX |
| | Part time | 1044-1565 hours* | 6 months or less | DSP |
| | Part time | 1043 hours & less* | 6 months or less | DX |
| | Intermittent | Variable | Any number of months | DX |
| Temps, Interns and Student Workers | Full time | 40 | More than 6 months | DSF |
| | Part time | 30-39 | More than 6 months | DSF |
| | Part time | 1-29 | More than 6 months | DX |
| | Part time | Any number of hours | 6 months or less | DX |
| | Intermittent | Variable | Any number of months | DX |

b) SEMA4 Processing Instructions

1. Review and identify which employees require a Special Eligibility Code updated on their job record.
2. Go to the employee’s record under the Work Location tab, add a row with an effective date of 10/08/2014.
3. Select the action Data Change.
4. Select the reason code BJC (Benefits Job Change).
5. Go to the Compensation tab, click the Calculate Compensation button.
6. Click on the Benefits Program Participation link; in the Special Elig field, click on the magnifying glass and select the appropriate Special Eligibility Code (Refer to Special Eligibility Code Key chart on page 5).
7. Click Save.

c) Important Dates

| Task | Effective Date | SEMA4 Completion Date |
|--|-----------------|-----------------------|
| Update Job Records of Seasonal Basis Employees | October 8, 2014 | October, 17, 2014 |

Action Summary

- Agencies must review their Student Worker, Intern, and Temporary appointments and determine if the appointment was made on a Seasonal Basis or Not Seasonal Basis.
- If it is determined the appointment is Seasonal Basis, a Special Eligibility Code in the “D” series must be assigned to the job record.
- Review all appointments that have a Reg / Temp code of Seasonal and update with the appropriate “D” Series Eligibility Code.
- **Updates to Job Records must be effective dated October 8, 2014, and must be completed by Friday, October 17, 2014.**

Updating the Special Eligibility Code Helps Your Agency

- If the codes are not updated or are incorrectly applied, employees will not appear on the appropriate Look Back Report and will be measured for insurance eligibility by the wrong standard. This can result in unnecessary costs to your agency.
- If the codes are not updated by the October 17th deadline, some employees appointed on a Seasonal Basis will appear on the wrong report. This will make it difficult for agencies to determine which employees must be offered insurance coverage by January 1, 2015, as required by ESR.
- The state’s first Standard Measurement period ends on October 21, 2014. Shortly after that date, the reports used to determine eligibility will be generated. The employee’s Special Eligibility Code will determine on which report the employee will be listed.

What Agencies Need to Do Moving Forward

Effective today and going forward, agencies must use the “D” series Special Eligibility Codes for all Seasonal Basis appointments, including those with a Reg / Temp code other than Seasonal. This also includes Limited (for Student Worker), Interns, and Temporary (classified temporary).

Got a Question?

For processing questions, please contact your SEMA4 HR Specialist at MMB.

Susan Johnson at 651-259-3765 or Susan.S.Johnson@state.mn.us

Mary O'Connor at 651-259-3633 or Mary.OConnor@state.mn.us

William Ziegler at 651-259-3761 or William.K.Ziegler@state.mn.us

For insurance eligibility questions, please contact SEGIP at 651-355-0100

Special Eligibility Code Key Chart

This chart will help you identify the comparable codes.

| | |
|---|------|
| Series "D" for Seasonal Basis Employees | |
| Seasonal – Full employer contribution | DSF |
| Seasonal – Partial employer contribution | DSP |
| Seasonal – No employer contribution | DSN |
| Seasonal – Ineligible | DX |
| Series "M" for NOT Seasonal Basis Employees | |
| State 12/12 – Full employer contribution | MF12 |
| State 9/12 – Full employer contribution | MF9 |
| State 12/12 – Partial employer contribution | MP12 |
| State 9/12 – Partial employer contribution | MP9 |
| State 12/12 – No employer contribution | MN12 |
| State 9/12 – No employer contribution | MN9 |
| State – Ineligible | MX |
| Series "C" for MnSCU Employees | |
| MnSCU 12/12 – Full employer contribution | CF12 |
| MnSCU 9/12 – Full employer contribution | CF9 |
| MnSCU 12/12 – Partial employer contribution | CP12 |
| MnSCU 9/12 – Partial employer contribution | CP9 |
| MnSCU 12/12 – No employer contribution | CN12 |
| MnSCU 9/12 No employer contribution | CN9 |
| Not applicable | CX |