Colleagues:

In support of Affordable Care Act (ACA) requirements, this technical letter introduces accommodations made to specific appointment transaction types in the state payroll to enable benefit deductions to be processed for employees deemed ACA eligible. Implementation of this new process is effective January 1, 2015.

The attached HR technical letter (HR/Appt 2015-01 and HR/EHDB 2015-01) that will be distributed to your HR staff also contains attachments with processing instructions.

Please contact me if you have any questions or concerns.

Warm regards,

Evelyn and Theresa
Date: January 22, 2015

To: Human Resources Officers
Payroll Managers

From: Evelyn Nazario
Associate Vice Chancellor
Human Resources Management & CO HR Services

Subject: Affordable Care Act: ACA Eligible Employees Appointed in “Non-Rostered” Appointment Types

Background Information:
Implementing requirements of the Affordable Care Act (ACA) prompts the California State University (CSU) to make accommodations for specific appointment transaction types to be processed in the state payroll system in a manner which will enable benefit deductions to be captured for individuals deemed ACA eligible.

For the CSU, certain appointment transaction types are considered “non-rostered,” and these transaction types do not allow benefits deductions to occur:

- The (PIMS) Special/Immediate Pay (A54) transaction allows employees in specific classification codes to be issued a payment upon the conclusion of an assignment, or at intervals during an assignment based on work completed. This special transaction does not have an associated timebase (PIMS Item 405 [Timebase] is “Indeterminate”[IND]), because compensation for the assignment is derived based upon units, sessions, hours, or days, and the assignments are of typically short durations.
- The special database created to house traditional hourly paid student-related classes (A98 database) does not accommodate the ability to process benefits deductions for individuals that may be deemed ACA eligible.

If the campus determines that an appointee is ACA eligible at the onset of an appointment in one of the above types, the campus must process the appointment type as a temporary appointment (PIMS = A52) in order to allow benefits deductions to occur (to initiate health [medical]) coverage) for the duration of time that the employee is expected to be enrolled in benefits, and if the ACA-eligible employee accepts or declines benefits. This timeline is anticipated to be over the duration of the appointment.

When processing an appointment of this nature, a significant change is that the employee is paid for the assignment on a monthly basis, in accordance with the state pay period(s). Compensation in the form of a lump sum payment that would have been received upon conclusion of the assignment is instead spread across the appointment period. Appointment types must first meet ACA eligibility criteria, and should typically extend over the course of weeks (as in the case of appointments based upon units or sessions), or a period of days (as in the case of hourly appointees and Special Consultants), within the state pay period(s). Campuses need to carefully assess appointments processed under this authority for durations that are expected to continue over a consecutive number of months (e.g., three or more), to confirm that the incumbent is appropriately classified. This

Distribution:
CSU East Bay President
Cal Maritime Academy President
CSU Chancellor
Executive Vice Chancellor and CFO
Executive Vice Chancellor and CAO
Vice Chancellor, Human Resources
Vice Presidents, Academic Affairs

Vice Presidents, Administration
Vice Presidents, Student Affairs
Vice Presidents, University Advancement
AVPs/Deans of Faculty Affairs
Budget Officers
Benefits Managers
technical letter provides processing instructions for this purpose. Implementation of this new process is effective January 1, 2015.

- **Affected Classifications:**
  New, “ACA-specific” classifications were created to accommodate this process and are provided in Attachment A. Classifications specific to Special/Immediate Pay (A54) transactions are mapped to corresponding “ACA-specific” classifications that must be used when the incumbent is appointed via temporary appointment (PIMS = A52) transaction for this purpose. These classifications will be utilized over the timeline that the individual is ACA eligible.
  - Salary ranges for the ACA-specific classifications were established by taking the lowest and highest rate among the classifications that will be paid on an hourly or monthly basis, and creating a respective salary range that will be consistently applied across the affected classifications.

- **Temporary (PIMS A52) Appointment Processing:**
  The Temporary appointment (PIMS A52) transaction identifies data fields and elements that are either “required” or “conditional” based upon the appointment criteria. Many of the data fields and values will remain status quo when “transitioning” Special/Immediate Payment (A54) transaction information into the Temporary appointment (A52) transaction. Some information required for the A54 transaction will not be applicable for keying into the A52 transaction; however, there may be additional information that campuses will need to key. Some of the data elements required for temporary appointment processing specific for ACA purposes are provided in Attachment A. Please refer to the PIMS Manual for detailed processing instructions:

- **Job Stacking Considerations:**
  Employees appointed in ACA classifications should have separate position sequences/empl records, e.g., be stacked independent of other positions. ACA classifications are not intended to be long term due to the nature of the position (being transitioned from a Special/Immediate payment type) which is typically an assignment of short duration.

- **Processing Separations**
  It is essential that campuses promptly process separations on assignments that are no longer ACA eligible upon conclusion of the assignment. If a separation of temporary appointment (PIMS S31 transaction) is not processed timely, particularly if the assignment has a timebase, payments will continue each pay period until a separation transaction is processed, resulting in overpayments.

- **Examples:**
  Attachment B provides examples on how to transition an individual’s compensation from an Immediate/Special (A54) payment to compensation paid on a salaried or hourly basis in accordance with the state pay period via Temporary appointment. The campus will be responsible for processing rostered temporary appointments to accommodate employees deemed ACA-benefits eligible regardless if the appointment is prospective, or if the employee is eligible as a result of the “look back” method during a “stability period.”

Please direct questions regarding this technical letter as follows:

- PIMS processing instructions: CSU Audits representative at the SCO
- CMS Baseline processing instructions: CMS liaison for systemwide HR at (562) 951-4418
- Collective bargaining aspects: Labor Relations at (562) 951-4400
- All other questions: Human Resources Administration at (562) 951-4411

This document is available on Human Resources Management’s Web site at: [http://www.calstate.edu/HRAdm/memos.shtml](http://www.calstate.edu/HRAdm/memos.shtml).
<table>
<thead>
<tr>
<th>Data Item</th>
<th>PIMS Description</th>
<th>Oracle/PeopleSoft Fields</th>
<th>PPT Oracle/PeopleSoft Record (Rec) &amp; Field (Fld) Names &amp; Criteria</th>
<th>PIMS/PPT Values</th>
<th>Additional Notes:</th>
</tr>
</thead>
<tbody>
<tr>
<td>205</td>
<td>Transaction Code</td>
<td>Action/Reason &amp; Employee Class</td>
<td>Rec=JOB Fld=EMPL_CLASS in: 3..... Temp 3 Year A.... Acting Appointment B..... Intermittent C..... Emergency Hire H..... Temporary S..... Student</td>
<td>A52</td>
<td>Denotes transaction code in PIMS, including corrective transaction, e.g., A52C</td>
</tr>
<tr>
<td>210</td>
<td>Effective Date</td>
<td>Effective Date</td>
<td>Rec= JOB Fld= EFFDT</td>
<td>MM/DD/YY</td>
<td>The date and time the transaction is effective, e.g., the effective date of the appointment</td>
</tr>
<tr>
<td>215</td>
<td>Employment History Remarks</td>
<td>Empl History Remarks</td>
<td>Rec= CSU_JOB Fld=CSU_ITEM_215</td>
<td>&quot;ACA&quot;</td>
<td></td>
</tr>
<tr>
<td>310</td>
<td>Salary Per</td>
<td>Frequency set on JOB</td>
<td>Rec=JOB Fld=COMP_FREQUENCY</td>
<td>&quot;M&quot; or &quot;H&quot;</td>
<td>The appointment will be based either upon a monthly salary rate or be paid on an hourly basis.</td>
</tr>
<tr>
<td>330</td>
<td>Anniversary Date</td>
<td>Anniversary Code</td>
<td>Rec=CSU_JOB Fld=CSU_ANNI_CD</td>
<td>&quot;None&quot;</td>
<td>Not applicable to this appointment type.</td>
</tr>
<tr>
<td>405</td>
<td>Timebase</td>
<td>FTE</td>
<td>Derived using: Rec=JOB Fld=FTE And: Rec=JOB Fld=EMPL_TYPE (if Hourly, then value is 'INT') Program calculates the part time fraction, or if Faculty Fraction exists, this overrides the calculation: Rec=CSU_JOB Fld=CSU_FRACT_NUM / CSU_FRACT_DENOM</td>
<td>&quot;FT&quot; = Fulltime XXXX = Part Time Fraction &quot;INT&quot; = Intermittent</td>
<td>ACA eligibility requires an individual to have a timebase of 0.75 (e.g., 3/4) or greater if part time, or FT. If hourly, the number of hours must be at or above 130 hours in each pay period.</td>
</tr>
<tr>
<td>415</td>
<td>Duration of Appointment</td>
<td>Effective Date And Expected End Date</td>
<td>Difference in months between: Rec=JOB Fld=EXPECTED_END_DT And: Rec=JOB Fld=EFFDT</td>
<td>XX = The number of months over which the appointment is effective</td>
<td>The appointment must have a beginning and ending date. Some assignments may begin and end within the same state pay period, other appointments may cross more than one state pay period.</td>
</tr>
<tr>
<td>416</td>
<td>Expiration Date of Appointment</td>
<td>Expected End Date</td>
<td>Rec=JOB Fld=EXPECTED_END_DT</td>
<td>MM/DD/YY</td>
<td>The effective date when the assignment will end.</td>
</tr>
<tr>
<td>430</td>
<td>Probationary Period</td>
<td>Probation Code</td>
<td>Rec=CSU_JOB Fld=CSU_PROB_CD</td>
<td>&quot;N&quot; = None</td>
<td>Not applicable to this appointment type</td>
</tr>
<tr>
<td>505</td>
<td>Retirement System Account Code</td>
<td>Retirement Code</td>
<td>Rec=CSU_JOB Fld=CSU_RET_CD</td>
<td>Will typically be &quot;TM&quot; or as appropriate to the class and appointment type</td>
<td>Confirm with your campus Benefits and/or Payroll Officer.</td>
</tr>
</tbody>
</table>
EXAMPLE #1: UNIT/SESSION TYPES

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step 1</td>
<td>Determine compensation to be paid for assignment</td>
</tr>
<tr>
<td>Step 2</td>
<td>Determine timebase</td>
</tr>
<tr>
<td>Step 3</td>
<td>Determine daily rate</td>
</tr>
<tr>
<td>Step 4</td>
<td>Multiply daily rate by 21(^1) (minimum number of days in a state pay period)</td>
</tr>
<tr>
<td>Step 5</td>
<td>Divide Step 4 by timebase in Step 2 to get the monthly base full time equivalency</td>
</tr>
<tr>
<td>Step 6</td>
<td>Determine amount of Settlement Pay (PIMS Item 810) that may be due</td>
</tr>
</tbody>
</table>

**Situation #1: Semester Campus**
A newly appointed faculty member at a semester campus teaches 8 WTU over a 10-week summer session, and has a timebase = 0.8 (8/10), over the 10 week period. Since this faculty member was not employed in a Unit 3 appointment in any of the terms in the academic year immediately preceding summer term, the employee does not have an academic year salary upon which to base the summer salary. Therefore, the employee may be appointed at any salary level on the appropriate salary schedule for summer term employment. The 10 week session extends from June 1, 2015 through August 7, 2015:

- **2757-ACA** (corresponds with 2457) – Instructional Faculty, Summer Session – State Support
- Summer Salary Rate Per WTU= (AY Full-time Salary)/(30)
- Compensation Due for Assignment: 75,000/30 = $2,500 per WTU x 8 = $20,000
- Actual Timebase = 8/10 = [PIMS = 4/5]\(^2\) = 0.8
- Daily Rate = $20,000 / 50 days (includes July 4\(^{th}\)) = $400/day
- Monthly Rate = $400 x 22 = 8,800
- Full Time Equivalent Monthly Base Rate = 8,800/0.8 = $11,000
- June 2015 pay period [22 days] = $8,800
- July 2015 pay period [22 days] = $8,800
- August 2015 pay period [22 days] = $2,400 (6 days) (Monthly salary / #days possible x days worked)
- Settlement pay = None due

**Situation #2: Quarter Campus**
A continuing faculty member at a quarter campus teaches 7 WTU over a 6-week summer session, and has a timebase = 0.78 [7/(6 x 1.5)] over the 6 week period. The employee was appointed in the preceded academic year at $60,000/year full time equivalent rate, but was not eligible for benefits and was paid out at the end of the Spring quarter. The 6 week session extends from June 29, 2015 through August 7, 2015:

- **2757-ACA** (corresponds with 2457) – Instructional Faculty, Summer Session – State Support
- Summer Salary Rate Per WTU= (AY Full-time Salary)/(45)
- Compensation Due for Assignment: 60,000/45 = $1,333 per WTU x 7 = $9,331
- Actual Timebase = 7/(6 x 1.5) [PIMS = 7/9] = 0.78
- Daily Rate = $9,331 / 30 days (includes July 4\(^{th}\)) = $311.03/day
- Monthly Rate = $311.03 x 22 = $6,842.66
- Full Time Equivalent Monthly Base Rate = 6,842.66/0.78 = $8,772.64, rounded to $8,773
- June 2015 pay period [22 days] = $622.06 (2 days) (Monthly salary/#days possible x days worked)

1 Twenty-two (22) days may be used if the session is within one 22 day pay period or if the session spans two or more pay periods and all pay periods contain 22 days. Otherwise, 21 days must be used to avoid overpayments.

2 Reduce time base fraction to the lowest denomination.
July 2015 pay period [22 days] = $6,842.66
August 2015 pay period [22 days] = $1,866.18 (6 days)
Settlement pay = $0.10 cents (Settlement will require SCO processing)
Note: If $311.03 Daily Rate were rounded to $311 Daily Rate, then $1.00 settlement pay would be due.)

**Situation #3: Extended Education (semester campus)**
A faculty member is hired to teach a total of six WTU in Special Sessions over an 8-week period running from March 1 through April 24, 2015. The faculty member does not hold another appointment with the CSU. The faculty member is to be paid a per-unit rate of $3,000, for total pay of $18,000. The time base would be 0.75 (6 WTU/8 weeks) over the 8-week period.

- **2422-ACA** (corresponds with 2322) – Special Programs – For Credit
- Rate Per WTU = $3,000
- Compensation Due for Assignment: 6 x $3,000 = $18,000
- Actual Timebase = 6/8 = [PIMS = 3/4] = 0.75
- Daily Rate = $18,000/40 days = $450/day
- Monthly Rate = $450 x 22 = $9,900
- Full Time Equivalent Monthly Base Rate = $9,900/0.75 = $13,200
- March 2015 pay period [22 days] = $9,900
- April 2015 pay period [22 days] = $8,100 (18 days) (Monthly salary/#days possible x days worked)
- Settlement pay = None due

### EXAMPLE #2: DAILY RATE TYPES: SPECIAL CONSULTANT

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step 1</td>
<td>Determine compensation to be paid for assignment</td>
</tr>
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<td>Determine timebase</td>
</tr>
<tr>
<td>Step 3</td>
<td>Determine daily rate</td>
</tr>
<tr>
<td>Step 4</td>
<td>Multiply daily rate by 21 (21 is the minimum number of days in a state pay period)</td>
</tr>
<tr>
<td>Step 5</td>
<td>Divide Step 4 by timebase in Step 2 to get the monthly base full time equivalency</td>
</tr>
<tr>
<td>Step 6</td>
<td>Process timebase change as appropriate for affected pay period(s)</td>
</tr>
<tr>
<td>Step 7</td>
<td>Determine amount of Settlement Pay (PIMS Item 810) that may be due</td>
</tr>
</tbody>
</table>

**Situation:**
A consultant is appointed from February 5, 2015 to April 24, 2015. The consultant is scheduled to work 17 days in February, 19 days in March and 18 days in April. The consultant will be paid $575 per day for each day worked over the assignment period, 54 days total @ $575/day = $31,050. The campus will process timebase changes (PIMS 405 transaction) timely, e.g., at the beginning of the respective pay period(s), to ensure that the appropriate compensation is paid for that pay period(s).

- **4760-ACA** (corresponds with 4660) – Special Consultant
- Daily Rate = $575/day
- Compensation Due for Assignment: $575 x 54 days = $31,050
- Timebase for February 2015 pay period (17 days) = 17/21 = .809 = [PIMS = 4/5] = 0.80
- Timebase for March 2015 pay period (19 days) = 19/21 = .904 = [PIMS = 9/10] = 0.90
- Timebase for April 2015 pay period (18 days) = 18/21 = .857, [PIMS = 6/7] = 0.86
- Daily Rate = $31,050/54 days (excludes holidays) = $575/day
- Monthly Rate = $575 x 21 = $12,075
Full Time Equivalent Monthly Base Rate = $12,075/.80 = $15,093.75, rounded to $15,094
February 2015 pay period [21 days] @ 0.80 timebase = $9,775 (17 days) (Monthly salary / #days possible x days worked)
March 2015 pay period [21 days] @ 0.90 timebase = $10,925 (19 days)
April 2015 pay period [21 days] @ 0.86 timebase = $10,350 (18 days)
Settlement pay = none due

EXAMPLE #3: HOURLY RATE TYPES: SUBSTITUTE INSTRUCTIONAL FACULTY

<table>
<thead>
<tr>
<th>Step 1</th>
<th>Determine hourly rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step 2</td>
<td>Determine number of hours worked in pay period(s)</td>
</tr>
<tr>
<td>Step 3</td>
<td>Hourly rate x number of hours worked in pay period = compensation due</td>
</tr>
<tr>
<td>Step 3</td>
<td>Process each pay period within established due dates to capture benefits deductions</td>
</tr>
</tbody>
</table>

**Situation:**
A Substitute Instructional Faculty is given an assignment that extends from February 23, 2015 to May 8, 2015. The employee’s hourly schedule varies from month to month. This employee is deemed ACA eligible as a result of the employee qualifying for ACA eligibility in the look back period, and this timeframe is part of the employee’s stability period. The campus will appoint the employee in a temporary assignment effective for the entire appointment period, and ACA-benefits deductions are applicable over the entire appointment period.

- 2456-ACA (corresponds with 2356) – Substitute Instructional Faculty
- Hourly Rate = $64 (Lecture Rate)
- Hours scheduled for February 2015 pay period (35) = $64 x 35 = $2,240
- Hours scheduled for March 2015 pay period (130) = $64 x 130 = $8,320
- Hours scheduled for April 2015 pay period (132) = $64 x 132 = $8,448
- Hours scheduled for May 2015 pay period (40) = $64 x 40 = $2,560
- Settlement pay = not applicable
## ACA CLASS CODES SALARY RANGES

<table>
<thead>
<tr>
<th>Class Code</th>
<th>Affected Range Codes</th>
<th>Classification Title</th>
<th>Pay Schedule</th>
<th>Salary Range Minimum</th>
<th>Salary Range Maximum</th>
<th>Mirrors Class Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>2422</td>
<td>1 - 5</td>
<td>Instructional Faculty, Special Programs For Credit - ACA</td>
<td>Salaried by unit</td>
<td>$520⁴</td>
<td>$28,028⁵</td>
<td>2322</td>
</tr>
<tr>
<td>2423</td>
<td>1 - 5</td>
<td>Instructional Faculty, Extension, For Credit - ACA</td>
<td>Salaried by unit</td>
<td>2323</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2757</td>
<td>1 - 2</td>
<td>Instructional Faculty, Summer Session, State Support - ACA</td>
<td>Salaried by unit</td>
<td>2457</td>
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<td></td>
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<tr>
<td>2557</td>
<td>1 - 2</td>
<td>Instructional Faculty, Summer Session, Extension - ACA</td>
<td>Salaried by unit</td>
<td>2357</td>
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<td></td>
</tr>
<tr>
<td>2563</td>
<td>1</td>
<td>Instructional Faculty, Extension Non-Credit - ACA</td>
<td>Salaried by unit</td>
<td>2363</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2502</td>
<td>3 - 5</td>
<td>Instructional Faculty - Summer Arts Program - ACA</td>
<td>Salaried by unit</td>
<td>2402⁶</td>
<td></td>
<td></td>
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<tr>
<td>2456</td>
<td>3</td>
<td>Substitute Instructional Faculty - ACA</td>
<td>Hourly</td>
<td>$9.00⁷</td>
<td>$237⁸</td>
<td>2365</td>
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<tr>
<td>2662</td>
<td>0</td>
<td>Demonstration Instructional Faculty - ACA</td>
<td>Hourly</td>
<td>2362</td>
<td></td>
<td></td>
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<tr>
<td>2465</td>
<td>0</td>
<td>Music Studio Instructional Faculty - ACA</td>
<td>Hourly</td>
<td>2365</td>
<td></td>
<td></td>
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<tr>
<td>TBA⁹</td>
<td>TBA</td>
<td>Instructional Faculty, Extension, For Credit - ACA</td>
<td>Hourly</td>
<td>2323 Minimum Rate G</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2563</td>
<td>2</td>
<td>Instructional Faculty, Extension, Non Credit - ACA</td>
<td>Hourly</td>
<td>2363 Minimum Rate G</td>
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<td></td>
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<tr>
<td>4760</td>
<td>0</td>
<td>Special Consultant – ACA</td>
<td>Salaried by daily rate</td>
<td>$2002¹⁰</td>
<td>$27,500¹¹</td>
<td>4660</td>
</tr>
</tbody>
</table>

---

³ Refer to Pay Letter 2014-11  
⁴ Based upon minimum quarter rate for class 2457, $520  
⁵ Based upon maximum semester rate for class 2457, $4312 x 6.5 units = $28,028  
⁶ Minimum rate G is a salaried rate to be incorporated in salary range.  
⁷ Based upon lowest current hourly rate minimum for hourly A54 classifications  
⁸ Based upon highest hourly rate maximum for hourly A54 classifications, adjusted up by 1.6%, rounded  
⁹ New class and range code to be added to accommodate Minimum rate G  
¹⁰ Based upon current daily rate minimum of $91 of Special Consultant class code 4660  
¹¹ Based upon daily rate maximum of $1,214 of Special Consultant class code 4660, adjusted up by 3%, rounded