AFFORDABLE CARE ACT:
HR PAPERWORK & PROCESS CHANGES

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What the ACA means for Northwestern:
• Need to be more careful about who is defined as an “employee” of the University
• Must track hours of work per week for all non-benefits-eligible employees
• Annual reporting of all employees and all hours worked, regardless of time status
• Fine for violation is approximately $20 million
Processes that have been affected:
• Independent Contractor Payments
• Special Pay Payments
• Hiring of Temporary Employees
• Adjunct, Occasional, or Part-Time Faculty Appointments

INDEPENDENT CONTRACTOR UPDATES
INDEPENDENT CONTRACTORS

Independent Contractor Payments
- All new independent contractors must be pre-approved by HR before vendor code is requested.
- New first step: Independent Contractor Questionnaire (ICQ).
- ICQ does *not* need to be completed for:
  - Existing vendors receiving additional payment
  - Contractors that have already been approved on a prior ICQ
  - Companies

Any individual who has been paid by NU in the current calendar year **cannot** be paid as a contractor.

INDEPENDENT CONTRACTORS

Vendor Code Request Types

Non-Services Payments
- Research subject fees
- Awards
- Reimbursements
- Honoraria

Payment for Services
- Need to prove there is no employer-employee relationship
INDEPENDENT CONTRACTORS

ICQ: Non-Services Payments
• Page 1 only for the “non-services” options listed on form
• Does not need HR approval
• Complete, sign, and attach Page 1 in NUPortal when requesting vendor code for these payments

INDEPENDENT CONTRACTORS

ICQ: Payment for Services
1. Complete Page 1
2. Answer questions on pages 2-3
3. Email form to contractor_request@northwestern.edu
4. Response is received via email from HR Compensation with Determination box completed on Page 3
5. If approved, attach the signed ICQ with your vendor code request in NUPortal
INDEPENDENT CONTRACTORS

What if you cannot pay the individual as a contractor?

• Hire as a temporary employee (short-term or one-time payments)
• Hire as a regular employee (ongoing services)
• Use a Special Pay Form (for pre-approved services)

SPECIAL PAY AND TEMPORARY EMPLOYEES
SPECIAL PAY

Special Pay Payments
• Only services pre-approved by HR and listed on the form may be used for Special Pay
• Hours per week must be provided for every request (except awards)

SPECIAL PAY

Using the Special Pay Form
• Every payment must be no longer than a single biweekly pay period
• Hours Worked per Week *must* be included
• Indicate if you will be providing more payments for the person
• Include a copy of the Personal Data Form completed by the individual
• Ensure the individual completes the I-9 process and submits tax forms and direct deposit forms to Payroll
TEMP EMPLOYEES

**Hire someone as a temporary employee when:**

- They do not fit the criteria of Independent Contractor or Special Pay
- You do not want to create a regular position

TEMP EMPLOYEES

**To hire a temp:**

1. Have the individual complete a Personal Data Form
2. Fill in the bottom section of the form
   - Consider hours worked when setting the comp rate
3. Scan and email to the appropriate address listed
4. Remind the individual to complete tax forms, direct deposit, and I-9
   - Employee may go to Payroll Office to show documents for I-9
   - Remember, the I-9 must be completed within 3 days of starting work
TEMP EMPLOYEES

**Using Kronos**
- Once the temp is hired, hours must be entered into Kronos for payment
- Hours may be entered by someone in the department
- Individuals may be instructed to enter hours themselves

**Terminating Temps**
- Your temp must be terminated when finished
- FASIS Admin users can terminate in FASIS on Temp Panel
- Or, email Kronos (mytime@northwestern.edu)

UGH...
WHAT??!!
**FORM SUMMARY**

**Independent Contractor**
- Payment for approved use where there is no employer/employee relationship
  - Person does not have an NU appointment
  - Person has not been paid by NU this calendar year

**Special Pay**
- One-time payment for pre-approved services that are not considered full employment
  - Person is not currently receiving pay by NU (may be in an unpaid appointment)

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**FORM SUMMARY**

**Additional Pay**
- Extra pay added to an existing employee’s paycheck but not deemed worth a complete appointment
  - Person is currently receiving an NU paycheck

**Temp Employee Hire**
- Short-term payment for new or existing employees where no other option is correct
  - Person may or may not be receiving an NU paycheck
**Example: Paying a Research Subject Fee**

**Existing employee:** Additional Pay Form

**Individual who worked for NU in January but is no longer active:** Special Pay Form

**Active Employee in Unpaid Status:** Special Pay Form

**Individual who is not employed and has not been paid by NU this year:** Independent Contractor Form

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**ADJUNCT / OCCASIONAL FACULTY**

*(paid faculty members that are not benefits-eligible)*
Summary of Adjunct/Occasional Faculty Changes:

- Hours per week must be tracked for all non-benefits-eligible faculty.
- Use the Standard Hours field on the Posn/Appt Form to enter the ACA-Eligible Hours.
- Submit a new form to adjust Standard Hours if the faculty member’s classroom hours are adjusted.
- When the employee is in unpaid status (i.e. not teaching) use Standard Hours = 1.

Federally-supplied formula for determining “ACA-Eligible Hours” per week in the classroom:

\[
(\text{Classroom Hours per week}) \times 2.25 + (\text{Number of Classes}) \times 1 \text{ hour for office work} = \text{Total ACA-Eligible Hours Per week}
\]
## Adjoint Faculty

### Examples:

<table>
<thead>
<tr>
<th></th>
<th>Classroom Hours</th>
<th>Total Work Hours (Classroom x 2.25)</th>
<th>Office Work Hours</th>
<th>ACA Eligible Hours (Standard Hours)</th>
</tr>
</thead>
<tbody>
<tr>
<td>One 3-hour/wk Class</td>
<td>3 / week</td>
<td>6.75 / week</td>
<td>1 / week</td>
<td>7.75 / week</td>
</tr>
<tr>
<td>Two 3-hour/wk Classes</td>
<td>6 / week</td>
<td>13.50 / week</td>
<td>2 / week</td>
<td>15.50 / week</td>
</tr>
<tr>
<td>Three 3-hour/wk Classes</td>
<td>9 / week</td>
<td>20.25 / week</td>
<td>3 / week</td>
<td>23.25 / week</td>
</tr>
<tr>
<td>Four 3-hour/wk Classes</td>
<td>12 / week</td>
<td>27.00 / week</td>
<td>4 / week</td>
<td>31.00 / week</td>
</tr>
</tbody>
</table>

**QUESTIONS?**
RESOURCES

• Faculty or Adjunct Payments: facultyrecords@northwestern.edu

• Independent Contractor/Employee Questions: contractor_request@northwestern.edu

• ACA Law and Benefit Questions: aca@northwestern.edu

• Paperwork Assistance: fasistraining@northwestern.edu

Chicago Open Lab: Tuesdays, 2:30-4:30pm (Tarry 1-731)
Evanston Open Lab: Wednesdays, 2:30-4:30pm (Crown G593)