

Student Worker Policy

Purpose:

The purpose of this policy is to outline Daemen College's provisions specific to student employment and to provide guidance to departments in complying with the Patient Protection and Affordable Care Act of 2010 (ACA) as those requirements relate to student workers.

The ACA was enacted in 2010 with phased-in requirements. Two of the primary requirements effective in 2015 are the *Employer Shared Responsibility Mandate* (the "Employer Mandate") and Sections 6055 and 6056 reporting. The ACA requires large employers (50 or more full-time and full-time equivalent employees) to offer affordable minimum essential health coverage to a sufficient number (i.e., to at least 95%) of employees working full time (30 or more hours per week) in order to avoid penalties under the Employer Mandate, and to report on the offerings and results.

Section 6055 requires employers providing Minimum Essential Coverage to report to the IRS about the coverage provided and to whom it is provided. Section 6056 requires reporting about the type of coverage provided (or not provided) by applicable large employers. ACA reporting requirements were effective starting January 1, 2015.

Definitions specific to this policy:

Student Worker means an individual who is currently enrolled and actively taking classes at the College while simultaneously working part time at the College. Their status as a student is their primary role. Student workers are exempt from FICA (Social Security and Medicare taxes).

FICA is a payroll tax. It stands for Federal Insurance Contributions Act and is deducted from each paycheck. FICA helps fund both Social Security and Medicare programs, which provide benefits for retirees, the disabled, and children. Employees are taxed 6.2% of their gross wages for Social Security and 1.45% of their gross wages for Medicare. Employers match these percentages for a total of 15.3%.

Benefits eligible means an employee of Daemen College that is eligible for the Employee Benefit Package. This applies to employees who are regular full time or employees who are grandfathered as limited full time.

Federal Work Study means the federally funded, need-based program in which the federal government and an employer share the payroll cost of employing a student to assist students with the costs of post-secondary education.

Daemen Work Program (DWP) means Daemen funded aid, a need-based program in which the College determines if a student is eligible for the work based aid during the academic year. **Summer DWP** is not aid based, but funded by Daemen to provide specific approved offices the opportunity to have students work over the summer semester. Students must be enrolled at Daemen for classes in the upcoming Fall semester, and currently a Daemen student (not incoming Freshman or Transfer student) to be eligible.

Student Assistant (SA) means funding for student workers specifically comes from the hiring department's budget. This is not an aid funded position.

Hours of service includes hours worked, and hours for which an employee is paid but does not work, such as vacation, holiday, illness or disability, jury duty, military duty, or paid leave of absence. For purposes of student worker employment, hours of service do not include hours credited due to participation in a Federal Work Study program.

Initial Measurement Period means the 12-month period of time used to determine full-time employment status for purposes of the ACA, which commences on the date of hire.

Non-benefits eligible means an employee of Daemen that is not eligible for the Daemen Benefit Package through employment.

Standard Measurement Period means the designated period is set by the Annual Benefit Enrollment Period (June 1st – May 31st). The Standard Measurement Period is used in calculating work hours used to determine benefits eligibility.

Policy:

Student employment is intended to help meet the needs of the College, provide students with financial support in pursuit of their academic goals, and provide opportunities for academic or administrative job experience. The job duties and responsibilities of student workers vary greatly and may or may not be related to their field of study.

Daemen adheres to all applicable federal and state laws and regulations regarding student employment. Student workers are subject to Daemen workplace and employment policies and procedures as listed in the Staff Handbook. All student hourly positions are at-will employment positions and may be terminated at any time provided the reason is not prohibited by law. In addition, student employment is typically excluded from unemployment benefits.

The ACA requires Daemen to offer health insurance to all employees, including temporary and student workers, who are considered to be “full-time employees” to avoid penalties under the Employer Mandate. Under the ACA, a full-time employee works an average of 30 or more hours per week or 130 hours per month. The College uses a standard measurement look-back period of 12 months to determine eligibility for benefits.

All student workers shall be paid on an hourly basis and hours of service shall be tracked accordingly. Further, because student worker positions are not intended to be benefits-eligible, student workers may work up to **a maximum of 19 hours per week during the Academic Year.**

Hours credited due to a Federal Work Study program do not count toward the calculation of hours of service earned for purposes of the ACA or the weekly hour maximum threshold.

Student worker hours are aggregated among all positions for purposes of the Employer Mandate and IRS reporting under the ACA. A student worker's hours will be combined for all positions at the College, and if a student worker holds more than one position, those hours of service will be combined.

The College is responsible for monitoring all student worker hours to ensure that they do not exceed an average of 19 hours per week (excluding hours of service credited under a Federal Work Study program) for all employment positions held by a particular student worker over the academic calendar year. Students who work over the summer break may work up to 35 hours per week for up to 12 weeks.

Student Payroll and FICA Status

Students working during the academic year (~September through May) are exempt from FICA due to their student worker status. However, student employees who work over the summer are NOT EXEMPT from FICA unless they provide documentation to the Employee Engagement Department that they are enrolled in at least one class during the summer. The burden of proof will be on the student to provide this documentation and it must be provided prior to start of summer employment and will not be applied retroactively. All student workers will be processed on the Student Payroll.