



CAMPUS COUNSEL

A legal blog written for administrators, HR professionals, in-house counsel, and deans at colleges and universities

Legislative Update: Two Bills Introduced To Exempt Student Workers From ACA Employer Mandate, Endorsed By The American Council On Education

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On July 30, 2014, two nearly identical bills were introduced in the U.S. House of Representatives which, if passed, would exempt colleges and universities from providing health insurance coverage for their student workers. The Student Worker Exemption Act of 2014 (H.R. 5262), introduced by Congressman Mark Meadows (R-NC) and co-sponsored by a bipartisan group of nine other Members, and the Student Job Protection Act of 2014 (H.R. 5298), introduced by Congressman Michael Turner (R-OH), would amend the Internal Revenue Code to exempt full-time students employed on campus from the Affordable Care Act's requirement that employers offer qualified healthcare coverage to all employees working thirty hours or more per week on average. Both bills have been referred for review to the House Committee on Ways and Means.

The American Council on Education (ACE), along with eight higher education associations, endorsed both bills on August 13, 2014, stating their concern that the ACA's employer mandate inadvertently interferes with the "well-established system" whereby undergraduate and graduate students with financial need use on-campus employment to help cover their educational expenses. ACE fears that "the mandate could force institutions to choose between ensuring that some needy students have sufficient work opportunities to pay for school versus limiting student work hours to avoid additional health insurance costs."

Client Tip: *Institutions should monitor these bills as they make their way through Congress. The ACA's employer mandate will go into effect in just a few months on January 1, 2015. While most student workers will likely not require health insurance coverage in any event because they work less than thirty hours per week, the mandate may still apply to some student employees who work sufficient hours, such as teaching assistants and researcher assistants. Institutions should be prepared to track the hours of all student employees and ensure compliance with the employer mandate should the bills fail to pass.*