



The University of North Carolina  
GENERAL ADMINISTRATION  
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June 24, 2013

TO: Chief Academic Officers

FROM: Suzanne T. Ortega *STO*  
Senior Vice President for Academic Affairs

William A. Fleming *William Fleming*  
Vice President for Human Resources

Re: Calculating Adjunct Work Hours-UNC System Decision

As previously communicated, the Patient Protection and Affordable Care Act (ACA) imposes a penalty of \$2,000 per full time employee per year on covered employers who fail to offer statutorily-defined affordable health coverage to full time employees. Any employee who works on average at least thirty (30) hours per week is considered "full time" for purposes of the ACA. For typical hourly workers, this standard presents few issues requiring guidance. IRS regulations provide guidance for determining full time status for most hourly, salaried, temporary and seasonal workers. Those regulations do not address adjunct faculty or provide a safe harbor provision to help determine the hours worked by adjunct faculty. Instead, the IRS has encouraged employers to devise reasonable methods for determining hours of work that are in keeping with the purposes of the ACA.

In our May 8 memorandum, we proposed that campuses generally determine adjunct work hours by crediting three (3) hours of work per week during the semester for each credit hour assigned to the class by the campus. We received comments in support of this proposal, along with suggestions for exceptions and improvements to the standard.

This memorandum sets forth the reasonable standard that will be applied by the University of North Carolina. Accordingly, please apply the following parameters in determining hours of work for adjunct faculty.

1. In general: Adjunct faculty should ordinarily be credited with three (3) hours of work per week for each credit hour assigned to a semester-long course.

For example, an adjunct faculty member teaching one (1), three-hour class would be calculated as working nine (9) hours in that week. Adjuncts who teach nine (9) credit hours would be calculated as working twenty-seven (27)

hours in a given week. Thus a faculty member teaching ten (10) credit hours would be deemed as working thirty (30) hours a week and be eligible for health insurance under ACA rules.

The attached table shows how these work hours will translate to FTE so that you can work with your Chief Human Resource Officers to ensure that adjuncts are coded correctly in your campus' HR/Payroll systems.

It is important to note that a direct comparison between an adjunct and a permanent employee (lecturer, assistant professor, etc.) is not valid within this context. Typically, permanent employees are given a broader set of duties (committees, task forces, advising, etc.) in the department.

2. Special Circumstances: The general rule for academic courses will not necessarily make sense for every type of course offering. Accordingly, Chief Academic Officers may make limited exceptions to the general rule, where the exception results in the adjunct being considered a full time employee and thus eligible for health insurance coverage. Such exceptions should be based on a written evaluation of the relevant facts. Please document the exception and maintain it in the appropriate office on your campus.

In some cases, an evaluation of the relevant facts may support the conclusion that the adjunct should be credited with fewer than three (3) hours of work for each credit hour assigned to the course. Those determinations may be made with the concurrence of UNC-GA, after full consultation and review of the documented facts.

At this point, we do not know what reporting requirements there may be for you to send exceptions to UNC-GA. We will address reporting requirements, if any, in future communications.

Please be reminded that these methods for determining hours worked for adjunct faculty do not limit your ability to hire adjuncts and determine how many classes you need them to teach.

Further details of health care reform, including any legislative decisions regarding the state health plan, will be provided through normal channels when available.

Thank you.

cc: Chief HR Officers