Can an employee switch from either full or part time to variable?

If an employee in a variable benefit category was determined to be Full Time (or Part Time) due to his or her measurement period, DO NOT change the employee's status based on a change of position or hours.

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Question: Can an employee switch from either full or part-time to variable? Answer: Yes, but restrictions apply and changes should be done with caution. Check out our reference chart below: Note: The following chart applies to changes made to an employee's status during his or her initial measurement period. For changes, once an employee is already in a stability period, other restrictions may apply. Legal counsel should always be consulted.

Current Status	New Status	Reason	Details	ACA Implications for Benefit Category Change	Example
PT	Variable	Mistake	You hired an employee without a reasonable expectation of how many hours he or she would work, but mistakenly classified him or her as Part-Time, and now you realized he or she should have been Variable from the start.	The employee's measurement period will begin retroactive to the time of hire. He or she will be tested as though he or she were initially hired as a variable employee.	

PT	Variable	New Position	You hired someone with a reasonable expectation that he or she would work part-time, but then the position changed, or he or she was transferred to a different position, and now you have no reasonable way to know how many hours he will work.	The employee's measurement period will begin retroactive to the time of hire. He or she will be tested as though he were initially hired as a variable employee.	Brett Clark was hired on 1/1/16 as a part-time employee. On 12/15/16, Brett was assigned to a position with unpredictable hours. The employer uses as a 12-month initial measurement period. Action Required: On 12/15/16, change Brett's benefit category to Variable. His initial measurement period will automatically be set retroactive to 1/1/16. On 12/31/16, calculate Brett's ACA status to determine if you need to offer him insurance for the upcoming initial stability period.

FT	Variable	Mistake	You hired an employee without a reasonable expectation of how many hours he or she would work, but mistakenly classified him or her as Full Time, and now you realized he or she should have been Variable from the start.	The employee's measurement period will begin retroactive to the time of hire. He or she will be tested as though he or she were initially hired as a variable employee. If you have already offered the employee coverage and he or she has enrolled, consult an attorney or benefits administration expert as to your options.	

FT	Variable	New Position	You hired an employee with a reasonable expectation that he or she would work full time, but then the position changed, or the employee was transferred to a different position, and now you have no reasonable way to know how many hours he or she will work.	The employee's measurement period will begin retroactive to the time of hire. The employee will be tested as though he or she were initially hired as a variable employee. If you have already offered him coverage and he or she has enrolled, consult an attorney or benefits administration expert as to your options.	

Variable	PT	Mistake	You hired someone with a reasonable expectation that he or she would work part-time, but mistakenly classified the employee as Variable, and now you realized he or she should have been Part Time from the start.	The employee will no longer be tested for F/T status. There is no longer the possibility that you may have to offer the employee insurance since he or she is permanently part-time. Note that if the employee is already in his or her F/T stability period, you must continue his offer of insurance until the end of the period, even if his or her schedule changes to P/T.	

Variable	PT	New Position	You hired an employee without a reasonable expectation of how many hours he or she would work, but then the position changed, the employee was transferred to a different position, and he or she is now reasonably expected to work less than 30 hours on average.	The employee will no longer be tested for F/T status. There is no longer the possibility that you may have to offer him or her insurance since the employee is permanently part-time. Note that if the employee is in a F/T stability period, you must continue his or her offer of insurance until the end of the period, even if his or her schedule changes to P/T.	

Variable	FT	Mistake	You hired someone with a reasonable expectation that he or she would work full time, but mistakenly classified the employee as Variable, and now you realized he or she should have been Full Time from the start.	The employee's measurement period will end immediately. He or she will no longer be tested for F/T status. You were required to have offered the employee insurance after his first 3 months of work.	Drew Cash was hired on 4/2/16 as a full-time employee but mistakenly place in a variable benefit category. On 9/6/16, you realize the mistake. Action Required: On 9/6/16 change his benefit category to Full Time. On 9/6/16, immediately offer him affordable, MV coverage. You may be subject to a penalty the month of August, as you were required to offer him insurance on 8/1/16.

Variable	FT	New Position	You hired an employee without a reasonable expectation of how many hours he or she would work. But then the position changed, or the employee was transferred to a different position, and he or she is now reasonable expected to work more than 30 hours on average.	You must offer affordable, MV insurance after his or her first 3 months in the new position.	Melinda Blake was hired on 2/15/16 as a variable employee. On 7/2/16, she was promoted to a full-time position. Action Required: On 7/2/16, change her benefit category to Full Time. On or before 11/1/16, offer her affordable, MV insurance.

CAUTION: If an employee in a variable benefit category was determined to be Full Time (or Part Time) due to his or her measurement period, DO NOT change the employee's status based on a change of position or hours. The stability period is a locked period. Any changes in status will be picked up during the next measurement period cycle and reflected during his or her next stability period.

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