

ACA Legislation: Breaks in Service, Rule of Parity, and 13 Week Rehire Rule

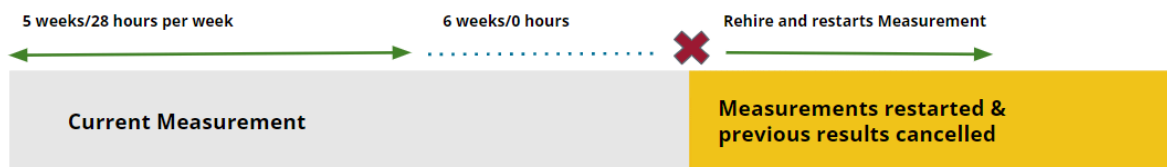
What is a Break in Service?

A **Break in Service** is a period of time during which an employee is not credited with any hours of service, including Payroll and Leaves of Absence. If an employee has a qualifying Break in Service, they may be treated as a new hire, or rehire, upon resumption of service – resetting their benefit eligibility.

What is the Rule of Parity?

The **Rule of Parity**, an optional rule, states that if the break in service is at least four consecutive weeks and is greater than the employee's previous period of employment, an employer may treat the employee as a new hire upon resumption of service.

Example:



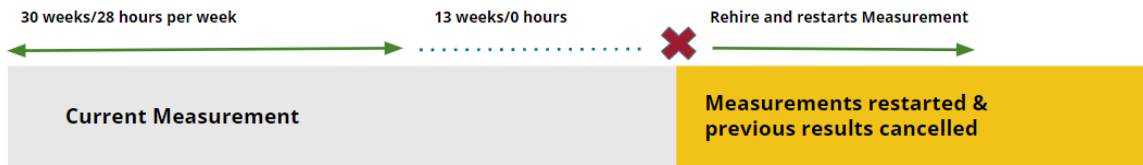
For example, if an employee is hired and has hours of service for a tenure of five weeks and then has a break in service for a period of six weeks, the employee would be considered a new hire upon resumption of service because the duration of the break was at least four consecutive weeks and longer than the preceding period of employment. The measurement would restart for the employee, and the employer would 'reset' the hours tracked and begin measuring the employee as if the employee was originally hired at the end of the break in service.

What is the 13 Week Rehire Rule?

The **13 Week Rehire Rule** states that if an employee has zero hours of service for a period of 13 or more consecutive weeks, the employee is considered a new hire upon resumption of service.

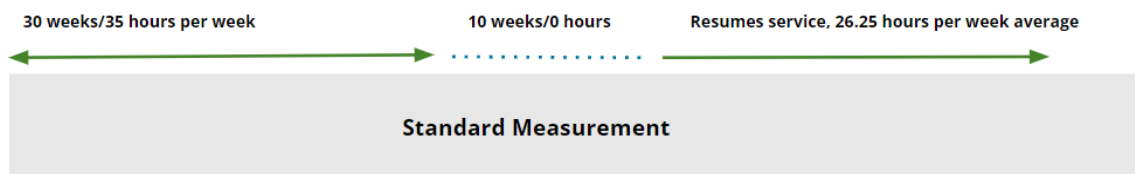
Images are examples and for information purposes only. They may vary across platforms and are subject to change.

Example A:



For example, if an employee provides hours of service for a period of 30 weeks and then has a break in service for a period of at least 13 weeks, the employee would be considered a new hire upon resumption of service. The current measurements and stability results for this employee would be canceled, and the employee would be treated as a new hire.

Example B:



For example, if an employee provides hours of service for a period of 30 weeks but has a break with zero hours of service of 10 weeks, the employee would not be considered a new hire upon resumption of service because the break was less than 13 weeks. The employer would continue to measure the employee and count the 10 weeks of zero hours against the employee's average hours.

For more information regarding Breaks in Service, the Rule of Parity, and the 13 Week Rehire Rule, please visit the following [link](#).

More Training Available!

Check out additional training resources available on our site, [Connections](#).

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