

ACA Monthly Measurements

What are ACA Monthly Measurements? Under the monthly measurement method, the employer determines if an employee is a full time employee on a month-by-month basis by looking at whether the employee has at least 130 hours of service for each month.

Monthly Measurement [+add]

Measurement

Stability (FT/PT)

40	40	40	40	41	39	39	41	0
FT								
								PT

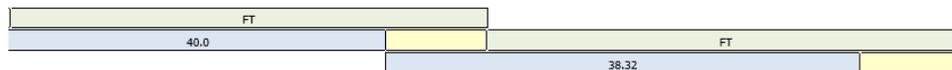
In a **Look-Back Measurement method**, the employer determines if an employee is a full time employee based upon hours of service of the employee in the proceeding period; which is typically a 12 month period.

Look Back Measurement [+add]

Standard 2020

Standard 2021

Standard 2022



Monthly Measurements when using the Look-Back Measurement Method

Important Note - If an employer is using the Look Back Measurement Method, they may still have employees who fall into the Monthly Measurement Method.

Newly Hired Individual

If an employee is hired as Expected Full Time, they will automatically go into a Monthly Measurement Period until they fall into the ongoing Standard Measurement Period. This is the case even if you are using the Look Back measurement method for ACA measurement.

Part Time Individuals

If an employee is hired as Part Time or Variable hour, they are measured differently. They are initially put into an Initial Measurement Period; where they typically will be measured for the first 12 months to determine if the hours worked equal ACA Full Time hours. Once the ACA Payroll Hours for the 12 months is collected, it will then be determined if coverage should be offered.

Impact

Scenario: Hired as Expected Full-Time, but moves to a Part-Time Job Role

If the employee has not completed a standard measurement period, then they will continue to be measured on a monthly basis. Their ACA eligibility may change per month, based on the number of hours worked. This needs to be tracked closely to ensure the employer remains compliant.

An additional factor is that there will be a delay in determining if these employees are ACA Full Time on a given month. The employer may need to offer coverage retroactively to the prior month.

If their hours are more than 130 a month, they are considered ACA full time for the following month and will appear as a potential penalty if not offered medical benefits.

Scenario: Initially Hired as Part-Time moves to a Full Time Job Role

If the employee has not completed a standard measurement period, they will begin to be measured monthly in line with the change to a full time status. Since the employee has moved to an Expected Full Time Job role – the employee should be offered medical benefits within 90 days from the change in status.