

ACA Admin: Setting Up ACA Look Back Method

Last Modified on 07/20/2020 8:04 am CDT

What is the Look Back Method?

The look back method for measuring employee eligibility for insurance and full time status is a bit more complex than the monthly measurement option. This option allows you to track employee hours from their hire date for a longer period of time to determine if they meet full or part time status requirements and should be offered insurance. This method will consist of longer cycles where employees will go through a measurement, administration, and stability period.

Monthly Measurement vs. Look Back Method

When the monthly measurement method is used to confirm an employee as full-time, an offer of coverage would have to be made the first day after the next two full months from the month for which eligibility was determined.

If you use look back measurement, you will enter your employer settings in administration and cycles will be generated for each employee. Look back periods allow employees to have a longer measurement period before offering insurance but they also lock in an eligibility status for a longer time.

Monthly measurement means they evaluate an employee's full time status every month. If the monthly measurement option is used, you will not need to enter information in the employer settings and will not have cycles generated. Instead, the employee hours reports will be used to determine who hit the hours threshold each month.

Note We strongly suggest monthly measurements for clients who go live on new software midyear. This means you measure who is full time and offer them insurance for the month that they were full time. This is something we can track in the system off new and past employees (past employees so long as they have a txns conversion).

Setting Up the ACA Cycles for the Look Back Method

If you are going to utilize the Look Back Method, there will be some additional setup requirements for your administrators before you begin entering ACA dates, etc.

Note Before you set up your ACA Cycle information in Enterprise, make sure you have your benefit information with you to make it easy for you enter the correct information the first time. Keep in mind that ACA information is typically different for each EINC or Employer so you may need to walk through the setup for multiple hierarchies depending on your company.

To Find ACA Cycle Admin Settings:

1. In Enterprise, navigate to All Options > Administration
2. Select Employers

The screenshot shows the software interface for High Tech Staffing Inc. The header includes the company name, address (701 Main St., Duluth MN, 55123), and navigation links for tasks, appointments, social, and email. A sidebar on the left lists various administrative options, with 'employers' selected and 'aca setup' highlighted. The main area displays an 'employer search' form with fields for Name, EINC, Fed. ID, City, State, and Zip. Below the form, a table shows one search result for 'High Tech Staffing Inc.' with details like EINC (0), Fed. ID (154645165), Street (701 Main St.), and City (Duluth).

Employer Name	Legal Name	EINC	Fed. ID	Street	City
High Tech Staffing Inc	High Tech Staffing Inc.	0	154645165	701 Main St.	Duluth

3. Double click on the employer on the list you want to set up ACA Cycle information for
4. Select ACA Setup on the left

This close-up screenshot shows the sidebar menu with 'employers' expanded. The 'aca setup' option is highlighted in a dark blue bar, indicating it is the selected option.

Entering Applicable ACA Cycle Information

When you first start using the look back method, you will need to set up your cycle settings in administration:

The screenshot shows the 'Custom Labor' system interface. At the top, there is a navigation bar with the company logo, name 'Custom Labor', address '111 Tampa FL, 20908', and a notification 'Call Andrea Back'. Below the navigation bar, there are tabs for 'tasks', 'appointments', 'social', and 'email'. On the left, a sidebar menu lists various system functions, with 'aca setup' highlighted. The main content area is divided into two sections: 'employer setup' and 'branch level configurations'. The 'employer setup' section contains several fields: 'Transitional Period' (12 Months), 'Administrative Period' (90), 'Insurance Cutoff' (0), 'Stability Period' (12 Months), 'Stability Period Start Date' (1/1/2015), 'Surcharge Enabled' (checkbox), 'Delay Initial Measurement Period' (checkbox), 'Initial Measurement Period' (12 Months), 'Standard Measurement Period' (12 Months), 'Standard Measurement Period End Date' (10/2/2014), and 'Approaching FT Threshold' (27.00). The 'branch level configurations' section has a heading and a sub-heading, but currently displays 'No Records Found'.

Note Always work with your benefits provider or a legal advisor if you are unsure of any of the following ACA Cycle settings.

Employer ACA Look Back Setup

The following table walks through the different fields you will need to fill out in order to set up your look back method

Field Name	Description
Transitional Period	This drop down was used for those transitioning to ACA look back method back when ACA was first starting out.
Administrative Period	<p>Enter the number of days that employees have to accept or decline their insurance option.</p> <ul style="list-style-type: none"> The administrative period is the period of time between when an employee is eligible for insurance and the time that you must have them enrolled in an insurance plan. The maximum length of an administrative period is typically 90 days, however when selecting your administrative period you will want to take into consideration insurance enrollment dates as they correlate to hire dates. In other words; if your insurance enrollment only allows for beginning of the month enrollments (vs weekly) you may want to consider a 60 day administrative period.

Field Name	Description
<p>Delay Initial Measurement Period</p>	<p>Notes: Employees who are not being offered coverage will still be reflected in the administrative period.</p> <p>Click to put an X in the box if you would like the insurance coverage start date delayed to the first day of the following month after enrollment.</p> <ul style="list-style-type: none"> You will want to check this box if your insurance company does not allow mid-month enrollments for employees. If this box is checked and you have a 90 day administrative period, the system calculations will take this into account when doing the insurance due date calculation. In other words you do not need to modify your administrative period to less than 90 days to accommodate the insurance coverage start date delay.
<p>Initial Measurement Period</p>	<p>Select a length in months in the drop down field</p> <ul style="list-style-type: none"> The reason the initial measurement period exists is when a variable-hour employee starts working for you, you don't have any hour's history to determine their insurance eligibility and they might have begun working in the middle of the standard measurement period. Because it wouldn't be fair to you or them to judge simply based off of how much they worked in the remainder of the standard measurement period, the initial measurement period exists to give you time to gather that information before their eligibility is determined and you start facing penalties.
<p>Insurance Cutoff</p>	<p>Enter a day of the month that employees need to be enrolled by if you are doing monthly enrollments</p> <ul style="list-style-type: none"> The insurance cut off is the day of the month that your insurance enrollment is due. This field will be used to calculate approaching non-compliance of enrollment for eligible employees. If you allow your employees to enroll weekly, enter

Field Name	Description
Standard Measurement Period	<p>Select a length in months from the drop down field.</p> <ul style="list-style-type: none"> • The standard measurement period is used for employees who have worked the full number of months of your transitional period or your initial measurement period. • When determining whether or not ongoing employees are eligible for health insurance, you look at the hours worked by those employees during the standard measurement period (or transitional period for year one of ACA). • In order for an employee's ACA status to be determined based off of the standard measurement period, they must have worked the entire duration of the standard measurement period. In short, it is the period of time that you use to determine insurance eligibility for the next stability period.
Standard Measurement Period End Date	<p>Enter the date your standard measurement period ends here.</p> <ul style="list-style-type: none"> • The time between the end of your standard measurement period and the start of the next stability period is your administrative period. • So, if your stability period starts on January 1st and your administrative period is 90 days, your standard measurement period must end no earlier than October 2nd.
	<p>Select a length in months for your stability period.</p> <ul style="list-style-type: none"> • The stability period is the period of time after the start of the insurance requirement that any eligible employee regardless of ongoing ACA status must have insurance available to them. • Your stability period may not be less than your transitional period or measurement periods. Another way of looking at the stability period is it is the period of time between insurance

Field Name	Description
Stability Period	<p>enrollment periods.</p> <ul style="list-style-type: none"> ◦ So if your insurance enrollment period ends April 30th and reoccurs yearly, then your stability period would be 12 months long and start on May 1st. • The significance of this period is if it has been determined that an employee should receive insurance, they may not have their insurance terminated until the end of the stability period unless their employment is terminated as well. <ul style="list-style-type: none"> ◦ E.g. John Doe worked 32 hours per week for the past year and we gave him insurance starting May 1st and have selected a 12-month stability period. On June 30th, John comes to us and lets us know that he is only able to work 20 hours per week due to family reasons. Due to the quality of John's work, we want to keep him around. Despite knowing that John is only going to be working 20 hours per week, we cannot revoke his insurance until May 1st of the following year without incurring penalties ◦ There may be exceptions to this rule - work with your benefits provider or legal advisor to determine if an employee's insurance can be revoked in different scenarios.
Stability Period Start Date	<p>Enter the first date following open enrollment period.</p> <ul style="list-style-type: none"> • The stability period start date is the first date following the open enrollment deadline date, or you may look at it as the start date of your insurance plan coverage period
Approaching FT Threshold	<p>Enter in a number of weekly hours in this field. This number is used in system calculations for any employees not coded with an ACA status of fulltime.</p> <ul style="list-style-type: none"> • This calculation uses the employee's average weekly hours during the current measurement period (either initial measurement or standard

Field Name	Description
	<p>in) to flag the employee as approaching full time equivalent (FTE) status.</p> <ul style="list-style-type: none"> • These calculations will be performed during the daily maintenance procedure that is automatically run on your system.

Looking for information on settings up surcharges? Check out [ACA Admin: Setting Up ACA Surcharges for Customers](#).

Branch Level Configurations

If you have a specific branch that may need different ACA look back settings, you can create branch specific configurations.

1. Under the Branch Level Configurations section select the + to add a new branch specific setting.

The screenshot displays the 'employer setup' and 'branch level configurations' sections of the ACA Admin interface. The 'employer setup' section includes fields for Transitional Period (12 Months), Administrative Period (90), Insurance Cutoff (0), Stability Period (12 Months), Stability Period Start Date (5/1/2015), Surcharge Enabled (checked), and Include Surcharge In GP (unchecked). The 'branch level configurations' section is currently empty, showing 'No Records Found'. A 'New Branch Configuration' button is visible in the bottom right corner of the branch level configurations area.

2. Select which branch you want to set up specific settings for:

aca branch status

choose a branch to configure

Branch 

configurations

Transitional Period 

Administrative Period 90

Insurance Cutoff 1

Stability Period 

Stability Period Start Date 

Surcharge Enabled

Delay Initial Measurement Period

Initial Measurement Period 

Standard Measurement Period 

Standard Measurement Period End Date 

Approaching FT Threshold 

0  Cancel Save

3. Set the Look Back configurations (same as the list above)
4. Select save

ACA Cycle Overview

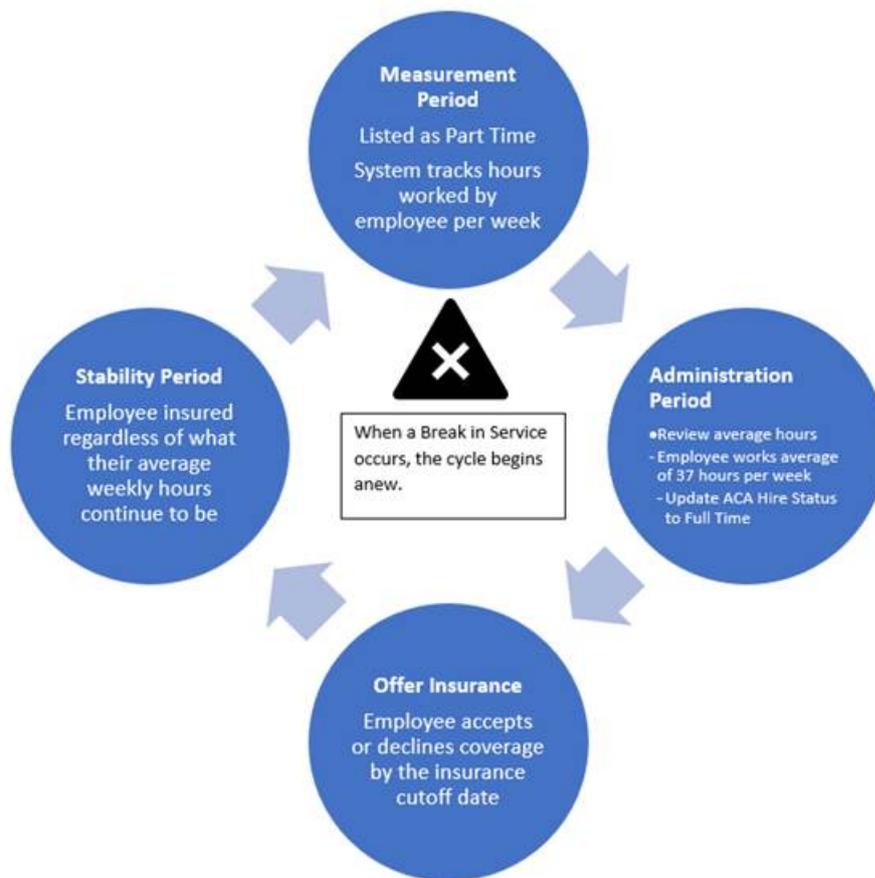
How our system tracks ACA Look Back Cycles:

Setting Hire Dates

Your recruiters or team members will set the ACA hire date for the employees under the pay setup section of the employee's record.

The system will check daily to update the employee's cycle status

Current Cycle



Employees will start with a **measurement period** where the employee's status and hours worked will be evaluated to see if they qualify for insurance.

After the measurement period, the employee will go into the **administration period** where you will review their average hours, update their ACA status if necessary, and potentially offer them insurance.

Employees will either accept or decline insurance options given and then the employees will be put into a **stability period**.

During the stability period, they will continue to be covered by insurance even if their hours change each week. The system will continue to count the days of the stability period.

Employees who continue to be employed by you will enter a new measurement period in order to review if they will continue to qualify for insurance after the next open enrollment session. This new measurement period may overlap with their first stability period depending on when they were hired vs. when your yearly open enrollment session is.

Break In Service

A break in service is detected in the system when an employee that is currently on an ACA cycle has not worked for a 13 week period or more, or the employee has not worked for 4 weeks or more, where that 4 week break is greater than the preceding work period (e.g. 3 week assignment followed by a 4 week break).

Next Steps

Now that your look back settings are in place, here are the next recommended steps:

For Admins:

1. Give your team access to add ACA Hire dates: [ACA Admin: ACA Permissions & Security](#)
2. Create Benefit Adjustments: [ACA Admin: Setting Up ACA Adjustments in Administration](#)
3. Consider ACA Surcharges: [ACA Admin: Setting Up ACA Surcharges for Customers](#)

For General Users:

1. Set Hire Dates for Employees: [Setting ACA Hire Dates for Employees](#)
2. Adding ACA Adjustments to Employees: [Managing ACA Adjustments for Employees](#)

Related Articles
