

# Managing ACA Adjustments for Employees

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## What are ACA Adjustments?

When we talk about ACA related Adjustments, we are talking about your benefit adjustments for employee and employer contributions. When an employee accepts or opts in to a benefit package, you will need to set up the adjustments to track the employee and employer paid contributions for those benefits.

**\*Note\*** Before you can apply and adjustments to an employee's pay setup to be deducted from their checks, you must first set up the general adjustment settings in Administration. If you are an admin, check out [ACA Admin: Setting Up ACA Adjustments in Administration](#) for more information.

This article includes:

1. [ACA Adjustment Overview](#)
2. [Adding ACA Adjustments to the Employee Record](#)
3. [How ACA Adjustments Appear on Check Stubs](#)

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## ACA Adjustment Overview

You may have multiple adjustments related to your benefit package options available to you. Always work with your team to make sure it is clear when which adjustment should be used. This section will review the basic three kinds of adjustments related to ACA but remember that naming conventions and benefit packages available may be different for you company.

### Employer Paid Adjustments

An employer paid adjustment is added to the employee's record to track what, you, as the employer, are paying for this employee's adjustment. It is there to help track the employer paid portion of any benefit package. Keep in mind that there may be more than one option available if there are multiple packages.

Employer paid adjustments will not deduct or add any money to the employee's pay check.

### Employee Paid Adjustments

Employee paid adjustments are meant to reflect the amount the employee is meant to pay for the benefits package. There may be more than one employee paid adjustment if there are multiple packages available so make sure you are selecting the correct one based on the employee's paperwork.

Employee paid adjustments will deduct an amount from each paycheck for that employee based on the benefits package.

## Dependent/Family Benefit Adjustments

If employee's have opted for insurance benefits that also cover their dependents or spouse, there may be additional adjustments required depending on how your Admin team has set up the adjustment package options. It's important to familiarize yourself with the options available to ensure you are selecting the correct adjustments for those employee's opting in for additional coverage.

Typically, dependent or family benefit adjustments will deduct an amount from each paycheck for that employee based on the additional costs for those packages. Work with your team and benefits provider to determine costs and if there is an additional employer paid option for these adjustments as well.

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## Adding ACA Adjustments to the Employee Record

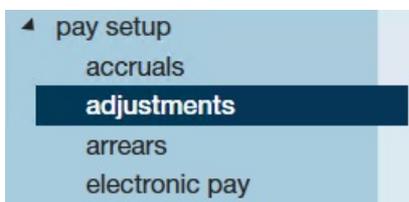
There are multiple ways to add ACA or benefit related adjustments to the employee record.

### Adding ACA Adjustments on the Employee Record

All of the adjustment types listed in the ACA Adjustment Overview section above can be added to the employee record in the same way.

**\*Note\*** Employer paid portions of benefits are linked to the employee paid portions. After you have added the employee paid portion on their record, the linked employer paid adjustment will automatically be added as payroll is run the first time for this adjustment.

1. Navigate to the employee record you wish to add adjustments to
2. Navigate to the Pay Setup > Adjustments section on the left



3. Select the + in the upper right to add a new adjustment
4. Select the adjustment type from the drop down
  - o Check with your admin if you are unsure which option to choose
5. Optionally, enter a start date for when this benefit should start deducting from the employee's check or calculating the employer paid amount
6. Select Next

7. Review or enter an amount

The screenshot shows a software interface titled "adjustment - amounts". On the left, there is a sidebar with "Create" and "Amounts" (indicated by a right-pointing triangle). The main area is titled "add one or more adjustment amounts" and contains a list with one entry: "\$40.00 : Max of \$62.50". Above the list are icons for adding (+), editing (pencil), and deleting (X). At the bottom right, there are buttons for "< Back" and "Finish". A footer bar at the bottom of the window contains the text "Example with Amount Added".

- Depending on how the adjustment was set up, there may already be a rule for how money is deducted or calculated for this adjustment
- If the adjustment amount is already set, simply review it before hitting finish
- If there is no adjustment amount, select the + to add a new rule
- If the adjustment amount needs to be changed, select the pencil to edit the existing amount

8. Select Finish

Once the adjustment is added, it will appear on the list for the employee:

EINC	Adjustment	Description	Active	Sequence	YTD Total	Lifetime Total	WTD Total	MTD...
	ACA EE		<input checked="" type="checkbox"/>		\$0.00	\$0.00	\$0.00	\$0.00
	ACA ER		<input checked="" type="checkbox"/>		\$0.00	\$0.00	\$0.00	\$0.00
0	AdvanceBnk		<input type="checkbox"/>		\$0.00	\$0.00	\$0.00	\$0.00
0	AdvanceBnk		<input type="checkbox"/>		\$0.00	\$0.00	\$0.00	\$0.00
0	AdvanceBnk		<input type="checkbox"/>		\$0.00	(\$60.82)	\$0.00	\$0.00
0	AdvanceBnk		<input checked="" type="checkbox"/>		\$0.00	\$0.00	\$0.00	\$0.00
	Checking1	Hawaii	<input type="checkbox"/>	3	\$0.00	\$0.00	\$0.00	\$0.00
	ChildSup2		<input checked="" type="checkbox"/>	1	\$446.74	\$1,213.20	\$0.00	\$74.83
0	ChildSup3		<input checked="" type="checkbox"/>	1	\$319.46	\$593.86	\$0.00	\$53.53
	ChildSup4		<input type="checkbox"/>	1	\$0.00	\$0.00	\$0.00	\$0.00
	ChildSup7		<input checked="" type="checkbox"/>	1	\$595.64	\$1,007.30	\$0.00	\$99.73

adjustment amounts + ✎ ✕

Deduct Greater  Deduct Lesser

Amount

\$40.00 : Max of \$62.50

**Main** Pay/Misc

Adjustment: ACA EE Note:

Description:  Sequence:

Active:  Date Served: 6/16/2020

Frequency: Weekly Max Monthly: \$160.00

Start Date:  Max Yearly: \$0.00

End Date:  Max Lifetime: \$0.00

Authority:  Period Max: \$40.00

Case Number:  Min After Calc: \$0.00

### Adding an ACA Adjustment When Updating the Insurance Status

If you are also manually updating the insurance status for the employee, you can add the employee ACA adjustment at the same time. Check out [Setting ACA Hire Dates for Employees](#) for more information on insurance statuses.

Under the pay setup section of the Employee's record, you will see insurance status located under the Affordable Care Act section. When you choose the Accepted Status and enter the effective date, you will be prompted to add the employee insurance adjustment upon saving.

**Cythia Francis**  
 12 Main St. ID: 4295080266  
 Eagan, MN 55121 SSN: xxx-xx-7123  
 Branch: New Brighton

**pay setup**

**general information**  
 Pay Setup Complete   
 Employee ID

**required tax information**  
 W4 Year: 2019  
 Federal Exemptions: 99  
 State Exemptions: 0  
 Federal Add. Withholding: \$0.00  
 Dependents: 0  
 Marital Tax Status: Single  
 Tax State: MN  
 State Juris:  
 Tax By Employee State   
 Qualifies for HIRE Act

**payment options**  
 Electronic Pay Setup Complete   
 Mail Check and/or Stub   
 Email Pay Stub   
 Paycard Requested   
 Paycheck Delivery Code  
 Default Pay Rate  
 Note to Payroll

**affordable care act**  
 ACA Status: Full-Time  
 Admin Status: Administrative  
 Hire Date: 6/15/2020 Insurance Due: 9/12/2020  
 Last Eval: 6/15/2020 Next Eval:  
 Insurance:

**local taxes**  
 Local taxes are automatically determined by the employee's zip code. Manual changes should not be necessary.

County Tax Exempt   
 City Tax Exempt   
 School Tax Exempt

This adjustment will appear on the employee's record under pay setup > adjustments.

## How ACA Adjustments Appear on Paycheck Stubs

When you look at the details of an employee's check register, you will see the employee's portion of the benefits located under adjustments and the employer portion located under other benefits:

**Francis, Cythia**  
 Cythia Francis  
 12 Main St.  
 Eagan, MN 55121

Tax Marital Status: Single  
 Tax Exemptions: Minnesota Single 0, Federal-Single 99, California Single 0

Check Number: 1040150  
 Check ID: 4295042422  
 Weekend Bill: 6/14/2020  
 Check Date: 6/16/2020

**Wages**

	rate	units	this period	year to date
Reg: Regular Hours	\$25.00	40.00	\$1,000.00	\$2,400.00
<b>Gross Wages</b>			<b>\$1,000.00</b>	<b>\$2,400.00</b>

**Taxes**

California State Tax			\$32.96	\$107.35
California SDI (Disability)			\$9.60	\$23.60
Employee Portion Social Security tax			\$59.52	\$146.32
Employee Portion Medicare tax			\$13.92	\$34.22
Minnesota State Tax			\$20.09	\$28.67

**Adjustments**

ACA EE			\$40.00	\$40.00
ChildSup1			\$50.00	\$100.00
ChildSup2			\$50.00	\$100.00
<b>Net Pay</b>			<b>\$723.91</b>	

**Other Benefits**

	this period	year to date
aca er2	\$22.50	\$22.50

Depending on your check stub style, the ACA adjustments may appear under the taxes/adjustments section:

**High Tech Staffing Inc**

New Brighton branch  
2001 Cliff Road East #100

**Earnings Statement**

**Allowances:** Federal-S

Employee	Employee ID	SSN	Check Da
Cythia Francis 12 Main St. Eagan, MN 55121	4295080266	xxx-xx-7123	6/16/20

Customer	Asg#	Date Work	Start	End	T Hrs	Type
Peet's Coffee & Tea	4301406528		6/8/2020	6/14/2020	40.00	Reg

**Taxes and adjustments**

Tax Type	Taxable	Tax	Adj Type	Benefit	Amount
California SDI (Disability)	\$960.00	\$9.60	ACA EE		\$40.00
			aca er2	\$22.50	
California. Single	\$960.00	\$32.96	ChildSup1		\$50.00
			ChildSup2		\$50.00
Employee Portion Medicare tax	\$960.00	\$13.92	<b>Total:</b>	<b>\$22.50</b>	<b>\$140.00</b>
Employee Portion Social Security tax	\$960.00	\$59.52			
Federal-Single	\$960.00	\$0.00			
Minnesota Single	\$960.00	\$20.09			
<b>Total:</b>		<b>\$136.09</b>			

**Accruals**

Accrual	Amount	Balance	Eligible	Available
Cal. Sick Leave	1.33	8.49	8.49	8.49
<b>Total:</b>	<b>1.33</b>	<b>8.49</b>	<b>8.49</b>	<b>8.49</b>

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