

Look-Back Measurement Method

One of the methods for determining full-time employee status under the Affordable Care Act is the look-back measurement method. That method requires establishing a measurement period, an optional administrative period and a stability period. The table below shows sample periods for ongoing employees.

Sample Periods for Ongoing Employees			
Plan Year	Measurement Period: 12 Months	Administrative Period: Up to 90 Days	Stability Period: 12 Months
January 1	October 15, 2014 through October 14, 2015	October 15, 2015 through December 31, 2015	January 1, 2016 through December 31, 2016
July 1	April 15, 2015 through April 14, 2016	April 15, 2016 through June 30, 2016	July 1, 2016 through June 30, 2017

Employers may use a shorter transition measurement period for the first measurement period. This transition rule allows the employer to use a transition measurement period of fewer than 12 months with a 12-month stability period starting in 2015.

This is a supplement to Sibson Consulting's January 15, 2015 *Capital Checkup*, "Identifying Full-Time Employees Under the Affordable Care Act's Employer Shared Responsibility Penalty": <http://www.sibson.com/publications-and-resources/capital-checkup/archives/?id=2718>