

THE 30-HOUR WORK-WEEK

QUICK STATS

- ✘ **CONFERENCE:** Regulation
- ✘ **TEAM:** Internal Revenue Service
- **FUMBLE:** \$30 billion in regulatory compliance costs
- **HOW TO RECOVER THE BALL:** Pass the Forty Hours is Full Time Act of 2015

Adding insult to injury in the morass of the President's healthcare law is a provision that requires all businesses with at least 50 full-time employees to provide their full-time workers with health insurance coverage. Under the Administration's definition, an employee who works 30 hours per week is considered full-time, which likely comes as a surprise to many employees who work 40 hours and are not compensated for ten hours of overtime.³⁰²

This mandate was set to take effect in January 2014. But apparently, an election-year implementation was too burdensome for the Administration. So in mid-2013 the White House delayed it until 2015. Luckily for employers, in February 2014 the Administration delayed enforcement of the mandate once again, giving employers with fewer than 100 employees until January 1, 2016, to comply. To be compliant for 2015, these companies were allowed to only provide coverage for up to 70 percent of their full-time employees.³⁰³

Employers who fail to offer coverage that satisfies the employer mandate are subject to a penalty of up to \$3,000 per worker. According

to the National Federation Independent Business, "The mandate makes it extremely expensive to cross the 50-employee threshold. For example, a mid-sized restaurant that goes from 49 to 50 employees will face a \$40,000 per year penalty. A business who has more than 50 employees can avoid the penalties by simply letting go of employees until they get under 50 or they can replace one full-timer with two part-timers. Estimating the costs of hiring and expanding will be complex and confusing."³⁰⁴

RECOVERY

To prevent the further erosion of jobs in the economy and increase job opportunities for American families, Congress should pass--and the President should sign--S. 30, the Forty Hours Is Full Time Act of 2015. This bill, introduced by Senator Susan Collins (ME) and co-sponsored by a bipartisan group of 41 Senators, would modify the formula for calculating the number of full-time workers employed by an applicable large employer subject to the mandate. The bill would also define a "full-time employee" as an employee who works an average of at least 40 hours per week.

[For more information, please visit:](#)

[NFIB: Employer Mandate CribSheet](#)

[American Action Forum: Primer: Employer Mandate](#)

[American Action Forum: How the Affordable Care Act and the Employer Mandate Impacts Employers: An Overview](#)