

# THE “40 HOURS IS FULL TIME ACT” S. 1188



## BACKGROUND

The Affordable Care Act (ACA) requires employers with more than fifty FTEs across all business ventures to provide health insurance to their employees. Traditionally, a full-time employee is someone who works an average of forty hours per week; however, the ACA has lowered this threshold to include those who work only thirty hours per week.

## WHY AAHOA SUPPORTS THE LEGISLATION

- The new definition of full-time status creates considerable uncertainty in the workplace
- For nearly 100 years, employers and employees have come to depend on the forty-hour work week as the traditional metric to calculate full-time status
- The change in this formula makes it difficult for employers to hire new employees and grow their businesses
- Prospective employees are seeking full-time jobs and rightfully expect employment for forty hours per week
- Reaffirming a forty-hour work week will promote more working hours for employees, resulting in higher take-home pay and more tax revenues
- The proposed legislation will bring consistency to federal laws that address full-time employment
- The House passed similar legislation in April of 2014



### THE 40 HOURS IS FULL TIME ACT WOULD:

Reestablish the formula of determining a full-time employee under the Affordable Care Act – from someone who works thirty hours per week, to the traditional definition of forty hours per week.

## CONCLUSION

The legislation enjoys bipartisan support because congressional leaders recognize redefining full-time status under the ACA is an essential step in streamlining the implementation of the new healthcare law. This common-sense reform will go a long way in determining consistent and practical guidelines for employers as they make business decisions in the future.