

THE “40 HOURS IS FULL TIME ACT”

S. 30



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.

AAHOA'S SUPPORT FOR 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 January 2015



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.