



January 22, 2015

The Honorable Susan Collins
United States Senate
413 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Joe Donnelly
United States Senate
720 Hart Senate Office Building
Washington, D.C. 20510

Dear Senators Collins and Donnelly:

On behalf of the National Federation of Independent Business (NFIB), the nation's leading small-business advocacy organization, I am writing in support of S. 30, *Forty Hours is Full-Time Act of 2015*. Small business is concerned with this provision of the *Patient Protection and Affordable Care Act* (ACA) and its future impact on employers and employees in the workplace.

This legislation would replace the new 30-hour per week full-time or full-time equivalent (FTE) employee definition created by the ACA with a 40-hour per week definition. The ACA defines full-time employee for the purpose of the employer mandate as an employee who works an average of 30-hours per week (130-hours per month). The employer mandate is a requirement that businesses with 100 or more full-time or FTE employees offer qualified, "affordable" health insurance to 70 percent of full-time employees or pay costly penalties beginning in 2015. In 2016, businesses with 50 or more full-time or FTE employees must offer qualified, "affordable" health insurance to 95 percent of full-time employees and their dependents or pay costly penalties.

In early 2013, NFIB testified before the House Committee on Small Business that the new definition is "one of the most dangerous parts in the law." The ACA marks the first time that "full-time" is expressly defined in federal law. Prior to the ACA's enactment, the determination was left up to the employer.¹ Similarly, the *Fair Labor Standards Act* (FLSA) has long dictated that overtime pay starts after 40-hours per week.² Thus, employers and employees have long understood "full-time" to be equivalent to 40-hours per week.

The 30-hour full-time definition is already resulting in fewer opportunities, fewer hours, and lower incomes for employees. For example, there are currently 6.8 million part-time workers who would prefer a full-time job.³ Small businesses are already being forced into tough decisions to either shrink their workforce below or restrict growing their workforce.

S. 30 would provide some immediate relief for small-business owners and employees. This legislation would reduce taxes on employers by tens of billions of dollars. For employees, this legislation would prevent decreases in take home pay.

We are thankful this important piece of bi-partisan legislation has been introduced and are eager to see it passed in the Senate. We look forward to working with you to protect small business as the 114th Congress moves forward.

Sincerely,

Amanda Austin
Vice President
Public Policy

¹ <http://www.dol.gov/dol/topic/workhours/full-time.htm>

² http://www.dol.gov/whd/overtime_pay.htm

³ Department of Labor, Bureau of Labor Statistics, Household Survey Data, December 2014.