



January 28, 2014

The Honorable Dave Camp
Chairman
Committee on Ways and Means
U.S. House of Representatives
1102 Longworth House Office Building
Washington, D.C. 20515

The Honorable Sander Levin
Ranking Member
Committee on Ways and Means
U.S. House of Representatives
1106 Longworth House Office Building
Washington, D.C. 20515

Dear Chairman Camp and Ranking Member Levin:

On behalf of the National Federation of Independent Business (NFIB), the nation's leading small business organization, thank you for holding a hearing on the Impact of the Employer Mandate's Definition of Full-time Employee on Jobs and Opportunity. The employer mandate is a requirement that businesses with 50 or more full-time or full-time equivalent (FTE) employees offer qualified, "affordable" health insurance to full-time employees or pay costly penalties. The Patient Protection and Affordable Care Act (PPACA) defines full-time employee as an employee who works an average of 30-hours per week (130-hours per month). There are bipartisan, bicameral efforts to amend the definition of full-time employee to the more traditional 40-hours per week.

NFIB testified before the House Committee on Small Business in April that the new definition is "one of the most dangerous parts in the law." Many small businesses have a combination of full-time, part-time and seasonal workers. In order to maintain this type of workforce *and* comply with the new definition, small employers will be forced to spend significant time and resources each month carefully tracking and monitoring employees' hours of service and spend less time running their businesses.

PPACA marks the first time that "full-time" is expressly defined in law. Prior to PPACA's enactment, the determination was left up to the employer.¹ Similarly, the Fair Labor Standards Act 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 less opportunities, fewer hours and lower incomes for employees. Small businesses are already being forced to shrink their workforce below the 50 employee threshold in preparation for the costly mandate.

NFIB encourages the Committee to continue its work on this important issue by conducting a markup of H.R. 2575, *the Save American Workers Act of 2013*, introduced by Congressman Todd Young (IN-09), which would replace the new 30-hour per week full-time or FTE employee

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

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

definition in PPACA with a 40-hour per week definition. Again, NFIB commends you for holding a hearing on this important issue. We look forward to working with you on this and other matters that are important to small business in the 113th Congress.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan Danner", with a long horizontal flourish extending to the right.

Dan Danner
President and CEO
NFIB