



H.R. 2575, the Save American Workers (SAW) Act

The “30-hour rule” is resulting in fewer jobs, reduced hours and less opportunity for many Americans. Teamsters’ President James Hoffa has said this rule will “destroy the foundation of the 40-hour work week that is the backbone of the American middle class.”

The majority of employers who voluntarily provide coverage for their employees do so for their full-time employees, and most adopt 40 hours as the standard definition for full-time, consistent with federal overtime rules. This is the system that has succeeded in providing coverage for nearly 160 million Americans – by far the largest source of health coverage in America.

The employer mandate and the 30-hour rule radically disrupt this successful system. The 30-hour rule in particular forces employers who have been providing coverage – in some cases for decades – to fundamentally alter their benefit plans, drop coverage, or shift more of their workforce to part time to mitigate the effects of the mandated cost increases.

Industries that employ lower skill workers, and often provide entry-level opportunities for younger workers, are disproportionately affected by the 30-hour rule. The 30-hour rule in ObamaCare really hits lower income Americans the hardest. Recent Hoover Institution research concluded:

- The 30-hour rule puts 2.6 million workers with a median income of under \$30,000 at risk for losing jobs or hours
- 89% of workers impacted by the rule do not have college degrees,
- 63% are women, and over half have a high school diploma or less

There are widespread reports of employers reducing the number of hours for their workforces to below 30 hours so they do not trigger, or at least mitigate, the penalty taxes associated with the employer mandate. Additionally, school districts, community colleges and universities have reduced work hours for students, adjunct professors and support staff.

On July 2, 2013, the Obama Administration delayed enforcement of the employer mandate, and therefore the 30-hour rule, until 2015. Despite the delay, employers have already begun to respond to the mandate. According to the U.S. Chamber of Commerce survey of small business executives, 71% of small businesses say the health care law makes it harder to hire. Additionally, one-half of small businesses say that they will either cut hours to reduce full-time employees OR replace full-time employees with part-timers to avoid the employer mandate.

Rep. Young has introduced H.R. 2575, the Save American Workers (SAW) Act, a bill that would repeal the 30-hour definition of “full-time employment” in the Affordable Care Act (ACA), and restore the traditional 40-hour definition for the purposes of the ACA’s employer mandate. The bill has 190 co-sponsors. Employer groups, such as the National Federation of Independent Business, the U.S. Chamber of Commerce, the National Retail Federation, the National Restaurant Association, the International Franchise Association and the Food Marketing Institute, have pointed to the 30-hour rule as a major obstacle to job creation and have called for its repeal.