

United States Senate

June 19, 2013

The Honorable Barack H. Obama
President of the United States
1600 Pennsylvania Avenue NW
Washington, D.C. 20500

Dear President Obama,

We believe that effective health care reform should expand access to quality and affordable care while also encouraging our economy to grow. For this reason, we are writing to express our strong concerns regarding the uncertainty created by specific provisions of the Patient Protection and Affordable Care Act (ACA, P.L. 111-148) relating to the definition of full-time employee and the short timeline for compliance.

Beginning in 2014, employers with more than 50 full-time employees or full-time equivalents will be required to provide employees with health insurance or potentially face a penalty. Under the ACA, a full-time employee is defined as an individual who works an average of at least 30 hours per week. This definition, however, is inconsistent with the traditional description of a full-time 40 hour work week, and coupled with the proposed rule's application and other employer responsibilities, has caused significant confusion among employers who are struggling to understand and comply with the new requirements.

Businesses and organizations must be able to plan for the future. This includes budgeting, hiring and training a workforce, negotiating insurance plans, updating administrative and IT systems, and explaining changes to their employees. Understandably, employers are concerned that when final regulations implementing the law are published, they will not have adequate time to comply with the new rules and could face significant penalties.

Perhaps more concerning are reports that uncertainty surrounding implementation could serve as a disincentive for businesses and organizations to hire or expand their workforce. Already we have heard from employers, including small businesses, public school systems, and non-profit organizations, who are cutting employee hours and foregoing additional hiring in an effort to ensure their compliance with the law. At a time when our national economy is showing modest signs of recovery, we should be working with employers to encourage additional job growth.

We understand that the full implementation of the health care law requires a deliberative process, and we recognize the Treasury Department's efforts to provide some initial transition relief and safe harbors through the application of the full time employee definition and the

calculation for determining large employer status under the proposed rule. These changes, however, provide neither the certainty nor the information businesses need to plan, budget, and comply with the new employer requirements before the end of the year. For that reason, we have introduced the "Forty Hours is Full Time Act of 2013," legislation that would ensure that the definition of full-time employee and full-time equivalent in the ACA is consistent with the traditional full-time 40 hour work week. As we work together on a bipartisan legislative solution to develop clear, workable guidelines necessary for American businesses and workers, we strongly urge the Administration to work with the employer community to provide ample transition flexibility beyond January 1, 2014, free from the threat of penalty, in order for them to fully comply with the proposed requirements.

Sincerely,

A handwritten signature in blue ink that reads "Joe Donnelly". The signature is fluid and cursive, with the first name "Joe" and last name "Donnelly" clearly distinguishable.

Joe Donnelly
United States Senator

A handwritten signature in blue ink that reads "Susan Collins". The signature is fluid and cursive, with the first name "Susan" and last name "Collins" clearly distinguishable.

Susan M. Collins
United States Senator