



Legislative Bulletin.....January 7, 2015

Contents:

H.R. 30 - Save American Workers Act of 2015

H.R. 30 - Save American Workers Act of 2015 — (Young, R-IN)

Order of Business: The [Save American Workers Act of 2015](#) is scheduled for consideration on January 8, 2015, under a [closed rule](#).

Summary: This bill amends the Internal Revenue Code to change the definition of full-time employee, with respect to any month, as one who works on average at least 40 hours a week (up from 30 hours) for the purposes of the employer mandate. In addition, it changes the number of hours worked for the definition of a full-time-equivalent employee to 174 hours per month (up from 120).

Major Changes Since the Last Time This Legislation was Before the House: An almost identical bill ([H.R. 2575](#)) passed the House on April 3, 2014, by a vote of [248-179](#).

This bill, unlike H.R. 2575, states the budgetary effects of this Act will not be entered on the PAYGO scorecard.

Read the RSC legislative bulleting for H.R. 2575, [here](#).

Additional Background: The Affordable Care Act (ACA) requires employers who employ 50 or more employees or full time equivalents to provide health care coverage. For the purposes of the ACA, “full time” is defined as an employee who is employed at least 30 hours per week. To calculate full time employees, employers must also take into account “full time equivalents” which are determined by dividing the aggregate number of hours worked by part time employees by 120.

According to the [Committee Report](#) released in the 113th Congress, keeping the definition of full-time employee at 30 hours per week would put 2.6 million workers with a median income under \$30,000 at risk of losing hours or their job. In addition, 89 percent of workers affected by this rule do not have a college degree and 63 percent affected are women.

Articles published by [Forbes](#), [National Review](#) and [The New York Times](#) have raised questions concerning the economic impact of H.R. 30. However, [CBO](#) explains employers who have a workforce comprised mostly of 40-hour a week workers already offer health care at a greater rate, and changes in work hours would be “limited by employers’ desire to attract the best workforces to their firms.” CBO and JCT expect a “small percentage of employers would either redistribute or reduce hours of employees who work 40 hours per week or slightly more.”

It is important to note the Administration has delayed assessing fees for noncompliance with the employer mandate for all employers until 2015 and for employers with 100 employees or less until 2016

Committee Action: This bill was introduced by Representative Young on January 6, 2015, and referred to the Committee on Ways and Means and Committee on the Budget where it awaits further action.

Outside Groups Support:

- [Associated Builders and Contractors](#) will consider this a “Key Vote” for their 114th Congressional Scorecard.
- [National Restaurant Association](#) may consider any votes on, or related to, such legislation in our annual “How They Voted” legislative scorecard.
- [Americans for Prosperity](#) will include this vote on their Congressional scorecard
- [U.S. Chamber of Commerce](#) may consider including votes on, or in relation to, this bill in our annual How They Voted scorecard.
- [Employers for Flexibility in Health Care Coalition](#)
- [More for Full Time Coalition](#)
- [Retail Industry Leaders Association](#)
- A list of 295 organizational supporters has been provided by Congressman Young

Possible Conservative Concerns: Yuval Levin, in the [National Review](#), raised concerns that by changing the definition of a full time employee from 30 hours to 40 hours it “would likely put far, far more people at risk of having their hours cut than leaving it at 30 hours.” In addition he stated, “That would make for a worse effect on workers and on the economy. So by setting the definition lower, Obamacare’s architects were trying to mitigate the damaging effects of the employer mandate some, and by setting it higher Republicans would be worsening those effects.”

In addition, some conservatives would prefer to vote on a piece of legislation that would repeal the employer mandate in totality.

Administration Position: The [Administration](#) strongly opposes House passage of H.R. 30, the Save American Workers Act. If the President were presented with H.R. 30, he would veto it.

Cost to Taxpayers: [CBO](#) and JCT estimate that enacting H.R. 30 would increase budget deficits by \$18.1 billion over the 2015-2020 period and by \$53.2 billion over the 2015-2025 period. The projected increase in federal deficits over the 11-year period consists of a \$31.8 billion net reduction in revenues and a \$21.4 billion net increase in direct spending.

The reduction in revenues would result from smaller collections of penalty payments by employers. In addition, CBO and JCT estimate that outlays for exchange subsidies would be higher (by \$14.2 billion) and revenues would be lower (by \$2.0 billion) because more people would obtain premium and cost-sharing subsidies through insurance exchanges. Finally, it is estimated that federal outlays for Medicaid and CHIP would be \$7.8 billion higher because more people would enroll in those programs.

The 2015-2025 total is the net of \$66.4 billion in additional on-budget costs and \$13.2 billion in off-budget savings (the latter attributable to increased revenues)

Does the Bill Expand the Size and Scope of the Federal Government?: CBO estimates H.R. 30 would increase the number of people obtaining coverage through Medicaid, the Children's Health Insurance Program (CHIP), or health insurance exchanges—by between 500,000 and 1 million people.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?: No.

Does the Bill Contain Any Federal Encroachment into State or Local Authority in Potential Violation of the 10th Amendment?: No.

Does the Bill Delegate Any Legislative Authority to the Executive Branch?: No.

Constitutional Authority: According to the [sponsor](#), Congress has the power to enact this legislation pursuant to the following: “U.S. Const. art. I, Sec. 8, cl. 1. Within the Enumerated Powers of the U.S. Constitution, Congress is granted the power to lay and collect taxes. This provision grants Congress the authority over this particular piece of legislation.”

RSC Staff Contact: Rebekah Armstrong, Rebekah.Armstrong@mail.house.gov, 202-226-0678

NOTE: *RSC Legislative Bulletins are for informational purposes only and should not be taken as statements of support or opposition from the Republican Study Committee.*

###