TO THE MEMBERS OF THE U.S. HOUSE OF REPRESENTATIVES:

The U.S. Chamber of Commerce, the world’s largest business federation representing the interests of more than three million businesses of all sizes, sectors, and regions, as well as state and local chambers and industry associations, and dedicated to promoting, protecting, and defending America’s free enterprise system, urges you to support H.R. 2667, the “Authority for Mandate Delay Act,” which would delay enforcement of the employer mandate provision of the Patient Protection and Affordable Care Act (PPACA) until 2015.

A legislative delay of the employer mandate would ensure that America’s job creators have an additional year to prepare for complying with the mandate. Nonetheless, many other troubling requirements of the PPACA remain; the Chamber looks forward to working with Members to repeal, delay, or mitigate the harmful impacts of them.

In light of the Administration’s recent decision to delay the enforcement of the employer mandate penalties and reporting requirements, the Chamber is pleased to see the House take legislative action to delay this “shared responsibility” provision in the health care law. Originally set to take effect in January 2014, the PPACA requires businesses with 50 or more full-time equivalent employees to offer prescribed health benefits to their employees (and their dependants) or pay steep penalties. As a result, businesses with fewer than 50 full-time equivalent employees are hesitant to grow their businesses or hire what would amount to the fiftieth employee. Additionally, “full-time” is defined in the law as 30 hours per week, instead of the traditional 40 hours per week. This new definition is forcing businesses to restructure their workforce and reduce their employees’ hours to avoid costs that could potentially bankrupt their companies.

The employer mandate requirement is already having a negative effect on employment and will continue to discourage small businesses from growing if businesses do not have the proper amount of time to implement the mandate and the requisite guidance from the Administration and agencies to comply. According to the Chamber’s most recent Small Business Survey, one-half of small businesses impacted by the mandate say that they will either cut hours of full-time employees or replace them with part-time workers to avoid the mandate. Delaying the employer mandate would protect the ability of businesses to create and maintain jobs by lessening the fear and uncertainty currently plaguing their attempts to prepare for the employer mandate’s harmful impact.

During this time of economic instability, it is crucial that an atmosphere where employers can focus on their role in revitalizing the economy be provided. Delaying enforcement of the
employer mandate would allow businesses to focus on strengthening their businesses, hiring more workers, and revitalizing the economy. The Chamber strongly supports H.R. 2667, and may consider including votes on, or in relation to, this bill in our annual How They Voted scorecard.

Sincerely,

R. Bruce Josten