



Franchising[®]
Building local businesses,
one **opportunity** at a time.

February 3, 2013

Dear Representative:

On behalf of the International Franchise Association, I write today to urge you to support H.R. 2575, the Save American Workers Act, sponsored by Rep. Todd Young (R-IN). This legislation will change the definition of a full-time employee in the Affordable Care Act (ACA) to 40 hours, the definition that employers have traditionally used to manage their workforce, and will help small businesses better adjust to the ACA's employer mandate.

For decades, employers have used the 40-hour work week as a standard for workforce management. The ACA's provision requiring employers to provide coverage to full-time employees, and defining full-time as 30-hours, will cause many employers to simply manage their part-time employees to fewer hours. Data from a recent Public Opinion Strategies survey commissioned by the IFA and the U.S. Chamber of Commerce shows that 31 percent of franchises and 12 percent of non-franchised businesses have already reduced worker hours to lower costs, a full year before the employer mandate is set to take effect. Not only has the employer mandate discouraged job creation and business expansion, it has also damaged existing jobs by including a misguided statutory requirement that discarded more than a half-century of established labor policy.

The employer mandate will hurt American workers in many ways, but one of the most devastating effects of the mandate is that fewer workers will be offered health insurance, and employees will be less able to afford their own coverage when working fewer hours. Allowing employers to manage their workers to the traditional 40-hour work week will give employees more flexibility and eliminate the need to revamp longstanding employer personnel policies.

IFA urges you to support the Save American Workers Act. This is a common-sense effort to a problem we know is only going to get worse. The passing of this bill would provide much-needed relief and flexibility for employers and employees by avoiding the worst effects of the employer mandate.

While this measure will not make the Affordable Care Act completely workable for the 825,000 franchise locations nationwide or the 9 million workers they employ, it will help both employers and workers better absorb the impact of the employer mandate.

Sincerely,

Stephen J. Caldeira
President & Chief Executive Officer
International Franchise Association