



City of Long Beach
Working Together to Serve

R-16
Office of Gerrie Schipske, R.N.P., J.D.
Councilwoman, Fifth District
Memorandum

Date: August 6, 2013

To: Honorable Mayor and City Council

From: Councilmember Gerrie Schipske, Fifth District *GS*
Councilmember Steven Neal, Ninth District *SN*
Councilmember Al Austin, Eighth District *AA*

Subject: **Request City Manager to Revisit Decision To Reduce Work Hours of 12 Percent of City Work-force to Avoid Providing Health Care Coverage In Light of Delay of Implementation of Affordable Care Act Requirement to Provide Health Care Benefits Until 2015**

Discussion:

Patient Protection Act and Affordable Care Act and Part-time Employees

The Patient Protection Act and Affordable Care Act (ACA) is reforming healthcare in America, through its most significant provisions, such as the employer mandate to provide health care benefits for those employees working 30 hours or more per week that was scheduled to become effective January 1, 2014. The Obama Administration has just announced that this mandate will be delayed until 2015 at the request of businesses. Additionally, because the Affordable Care Act changed the definition of less than full-time to 29 hours a week, many businesses are also lobbying the Administration to utilize the Fair Labor Standards Act definition of 40 hours being full-time and anything less as "part-time" and that only employees working full-time would have to be given health care benefits.

In anticipation of the mandate, the City of Long Beach informed departments which employ staff working less than 40 hours but more than 30 hours per week of this requirement and gave departments leeway to reduce the hours of this staff to below 30 hours per week or not to utilize staff more than 30 hours per week so that health care benefits would not have to be provided. The City Manager has indicated that this impacted 12 percent of the city workforce.

Fiscal Impact:

Not known as City management did not provide fiscal impact of the current reductions.

Recommendation: Request the City Manager to revisit the decision to reduce the hours of part time and seasonal employees in light of the announced delay of the health coverage mandate until 2015 and the possibility that the definition of who will have to be covered by the mandate may be also changed.