

## FACT SHEET

## Working Women Benefit from Employer Responsibility in the Health Care Law

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*The Affordable Care Act (ACA) ends discriminatory health insurance practices, makes health coverage more affordable and easier to obtain, and improves access to many of the health services women need. The ACA also includes an employer responsibility provision which requires employers of a certain size to provide affordable insurance for their employees or pay penalties. Before the ACA, many women already obtained insurance through their employer, or a family member's employer, but the health care law creates new incentives for employers to provide health coverage to women and their families. The law has already benefited women and their families by ensuring that health care costs don't threaten their families' financial stability and women get the health care they need. Now, some policymakers who oppose the health care law are pushing new policy proposals that would undermine the opportunity to access health insurance through an employer for more than one million women. These proposals would also put nearly 6 million women at risk of having their work hours cut and losing income as a result.<sup>1</sup>*

### The ACA has specific requirements about which employers must provide coverage and the benefits they must include in their employee health plan:

- Starting this year, employers with 100 or more full-time equivalent employees must offer insurance coverage to their full-time employees. If the employer refuses to provide the benefit, it must pay a penalty to the government based on the size of their full-time equivalent workforce. Starting next year, even more employees will benefit from this part of the law, because this penalty will apply to employers with 50 or more employees. The ACA defines full-time employees as those who usually work at least 30 hours per week throughout the year.
- Employers must also provide affordable coverage that pays for a minimum level of covered services. If the employer does not provide this level of coverage, and workers seek better coverage in the Marketplace, the employer must pay an additional penalty based on the number of full-time workers who enroll in Marketplace coverage with a premium tax credit.
  - o Most employers are also required to cover maternity care and women's preventive health services, such as well-woman visits and birth control.

Some policymakers have proposed changing the law's definition of full-time worker to those who work 40 hours rather than 30 hours per week. This proposal would threaten women's opportunity to enroll in employer-sponsored coverage.

- Women make up 57 percent of the uninsured workers who fall under the 30-hour standard in current law—**that's over one million women who could gain access to insurance through their employer but would not be included if this proposal became law.**<sup>2</sup>

- **Of these more than one million women, more than half (57 percent) are women of color.** Twenty-four percent are African American women and 28 percent are Latinas.

Women's economic security is also at stake if policymakers change the definition of a full-time worker to 40 hours per week. Some employers may reduce hours for workers who work slightly more than 40 hours per week to avoid providing health insurance or paying penalties.

- Women are over half (51 percent) of the 11 million workers who usually work 40 to 44 hours per week and do not have insurance through their job – that leaves **5.8 million women at risk of having their hours cut and their paychecks reduced.**<sup>3</sup>
  - o Nearly **1.1 million of these women are low-wage workers** who especially cannot afford to receive a smaller paycheck.<sup>4</sup>
- Of the women who are at risk of having their hours cut, **43 percent are women of color.** Sixteen percent are African American women and 18 percent are Latinas.

Women's earnings are essential to their families. Cutting back hours will make it harder for families to remain financially stable.

- **Working mothers are primary breadwinners in 41 percent of families with children**, and they are co-breadwinners—bringing in between 25 percent and 50 percent of family earnings—in another 22 percent of these families.<sup>5</sup> Two-thirds of breadwinning mothers are single, with a median family income of only \$23,000.<sup>6</sup>

Changing the definition of a full-time worker in the health care law endangers women's access to employer-sponsored health coverage and their family income, threatening their economic stability.

1. NWLC calculations based on the Current Population Survey (CPS) 2013 using Miriam King et al. IPUMS-CPS: Version 3.0. [Machine-readable database]. Minneapolis: University of Minnesota, 2010. The estimate for women whose access to coverage would be undermined is an estimate of the number of women ages 18-64 who usually work 30-39 hours per week and who are uninsured. The estimate of the number of women at risk of having their hours cut is an estimate of the number of women ages 18-64 who usually work between 40-44 hours per week and are not the policyholder for an employment-based insurance policy. Due to data constraints these estimates use individuals in firms of 100 individuals or larger and are thus likely underestimates.
2. Ibid.
3. Ibid.
4. NWLC calculations based on the Current Population Survey (CPS) 2013 using Miriam King et al. IPUMS-CPS: Version 3.0. [Machine-readable database]. Minneapolis: University of Minnesota, 2010. The "low-wage workforce" is comprised of workers in "low-wage occupations," which are detailed occupations with median hourly wages of \$10.10 per hour or less nationally based on the Bureau of Labor Statistics' Occupational Employment Statistics. Bureau of Labor Statistics, Occupational Employment Statistics, (May 2013) "National Occupational Employment and Wage Estimates United States," *available at* [http://www.bls.gov/oes/current/oes\\_nat.htm](http://www.bls.gov/oes/current/oes_nat.htm).
5. The share of mothers who are breadwinners or co-breadwinners has increased from 27.5 percent in 1967 to 63.3 percent in 2012. Sarah Jane Glynn, Center for American Progress, "Breadwinning Mothers, Then and Now," (June 2014), *available at* <http://cdn.americanprogress.org/wp-content/uploads/2014/06/Glynn-Breadwinners-report-FINAL.pdf>.
6. Wendy Wang, Kim Parker & Paul Taylor, Pew Research Social & Demographic Trends, "Breadwinner Moms" (May 2013), *available at* <http://www.pewsocialtrends.org/2013/05/29/breadwinner-moms/>.