



Weekly Checkup

How Businesses Are Impacted by King v. Burwell

BEN GITIS | JUNE 18, 2015

The American Action Forum (AAF) [recently assessed](#) the plausible effects of a ruling for the plaintiffs in the Supreme Court case, *King v Burwell*, concerning the legality of subsidies in the federally-run health insurance exchanges implemented under the Affordable Care Act (ACA). One outcome of such a ruling would be that medium and large employers in the 37 states with federal exchanges would no longer be burdened with the ACA's employer mandate. The employer mandate requires all employers with 100 or more "full-time" workers (50 or more effective 2016) to provide their employees with health insurance. AAF previously assessed the labor market effects of the mandate and other regulations, finding that they have already reduced [employment and weekly pay](#). To make matters worse, the ACA defines "full-time" as working 30 or more hours per week, which is [nowhere close to reality](#) in today's labor market. As a result, all employers with 100 or more workers this year and 50 or more next year must be conscious of all their workers' hours if they wish to avoid the employer mandate.

AAF estimates that in the 37 states with federal exchanges, there are about 115,000 employers with 100 or more workers and 262,000 with 50 or more. A ruling in favor of the plaintiffs would free these businesses from the burdens of the employer mandate. As a result, their workers would not have to worry about losing hours, pay, or even their jobs as a result of the employer mandate.