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New Research from EBRI:

Part-time Workers and Health Coverage

WASHINGTON—Whether or not the federal health insurance reform law causes employers to hire part-time workers, the trend away from full-time employment is already underway, according to new research from the nonpartisan Employee Benefit Research Institute (EBRI).

The Patient Protection and Affordable Care Act of 2010 (PPACA) requires that employers with 50 or more full-time workers pay a penalty if they fail to provide health coverage to full-time workers in 2014, which has raised concern that employers may respond by cutting back on health coverage for part-time workers or by increasing the proportion of part-time workers.

But as a new EBRI report points out, the trend toward more part-time workers—and less workplace-based health insurance coverage—was already underway, well before the passage of PPACA. In the wake of the recent economic recession the percentage of workers employed part-time has been rising since 2007, increasing from 16.7 percent to 22.2 percent in 2011.

Over that period, EBRI found part-time workers experienced a much larger decline in health coverage than full-time workers. Between 2007 and 2011, full-time workers experienced a 2.8 percent reduction in the likelihood of having coverage from their own jobs, while part-time workers suffered a 15.7 percent decline.

“Full-time workers are much more likely than part-time workers to have coverage from their own employers,” said Paul Fronstin, director of EBRI’s Health Research and Education Program and author of the report. “Both have been trending downward since 2007.” He noted that in 2011, 59.6 percent of full-time workers had coverage from their own jobs, while 15.7 percent of part-time workers had such coverage.

Since there is considerable debate about how PPACA might affect employment, Fronstin said that these recent trends “provide an important base line against which to measure the impact of PPACA once its 2014 health-coverage mandate takes effect.”

Full details of the report are published in the May 2012 *EBRI Notes*, “Trends in Health Coverage for Part-Time Workers,” available online at www.ebri.org

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