



Reducing My Hours? See You in Court!

News

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Sheldon Blumling, a partner in the Irvine office and a member of the firm's Employee Benefits Practice Group, was quoted in the *HR Executive Magazine* article "Reducing My Hours? See You in Court!" The publication reported that some employers could be looking at potential legal trouble in 2014 as the "pay or play" provisions of the Patient Protection and Affordable Care Act take effect. Employers who intentionally reduce their employees' hours to avoid having to either offer affordable healthcare coverage or pay a per-employee fine for not doing so could find themselves on the wrong end of a lawsuit or a government sanction. Sheldon advised companies seeking to limit their employees' hours to 29 per week or less should frame their reasons for doing so in a business context. "We've been telling our clients to -- in managing this section 510 risk -- be careful about how they go about reducing the hours their employees work." For example, a company that restructures its business to make more use of part-time employees who work less than 30 hours per week and does it such that, through attrition, it has fewer benefits-eligible full-time employees by 2014 will be much less at-risk than if it simply reduces the hours of all employees who are currently eligible for benefits.

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