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Projecting High Costs Under ObamaCare, Theater Chain Slashes Work Hours

Employees' work hours are landing on the cutting-room floor at the nation's largest movie theater chain, and according to the company, ObamaCare is to blame.

In March, Regal Entertainment Group, which operates over 500 theaters in 38 states, reduced non-salaried employees' hours to 30 per week. Under the Affordable Care Act, employers with 50 or more full-time employees — defined as those working more than 30 hours per week — are required to offer "affordable" health insurance to all those employees or pay a $2,000 penalty for each one who instead obtains subsidized insurance on an exchange. By keeping many employees from being classified as full-time, Regal will not be forced to offer them insurance, which can be very costly: $4,664 for an individual and $11,429 for a family, on average, according to the Kaiser Family Foundation.

Theater managers left to convey the bad news to their employees asked Regal for guidance on how best to explain the work reductions. In a memo obtained by Fox News, the company suggested this explanation: "To comply with the Affordable Care Act, Regal had to increase our health care budget to cover those newly deemed eligible based on the law's definition of a full-time employee."

"To manage this budget," the memo continues, "all other employees will be scheduled in accord with business needs and in a manner that will not negatively impact our health care budget."

The manager of one Regal theater told Fox News that the company's hour slashing "has sparked a wave of resignations from full-time managers who have seen their hours cut by 25 percent or more."

"In the last couple weeks, managers have been quitting on a daily basis from various locations to try and find full-time work," said the manager, speaking on condition of anonymity. "Regal up until now has never restricted anyone to anything below 40 hours."

That, of course, is because Regal was never before forced by law to shell out thousands of dollars for health insurance for its employees working over 30 hours per week. With the certainty of either unmanageable healthcare costs or stiff penalties hanging over its head, what else was the company to do?

"Mandating businesses to offer health care under threat of debilitating fines does not fix a problem, it creates one," the theater manager told Fox News. "It fosters a new business culture where 30 hours is now considered the maximum in order to avoid paying the high costs associated with this law."

"In a time where 40 hours is just getting us by, putting these kind of financial pressures on employers is a big step in a direction far beyond the reach of feasibility for not only the businesses, but for the employees who rely on their success," he added.

Regal employees aren't the only ones upset with the company's actions. MSN Money reports that "many people writing on Regal's Facebook page vowed to stop attending films at its theaters," pointing to the company's $334 million in profits last year and its chief executive's 31-percent raise as evidence that greed, not simply trying to stay in the black, motivated its work cuts.

"It is so sad to see companies work so hard to keep from treating their employees fairly," one person wrote. "The greedy people at the top forget who makes them rich. Shame on you. I for one will find other movie houses to attend shows from now on."

If Regal were the only company taking such a step, the notion that it was all about avarice might be somewhat plausible. But the theater giant is not alone. Several restaurant chains, as well as a few colleges, have announced plans to cut hours to avoid the employer mandate. "The state of Virginia also rolled back the hours of all part-time employees back to 29 per week in February, with officials from the state claiming that the new mandate would cost the state tens of millions of dollars a year," writes Fox News. Dunkin' Brands, which operates the Dunkin' Donuts and Baskin-Robbins franchises, is trying to strike the problem at (or at least near) its root by lobbying Congress to change the healthcare law's definition of "full-time" to include only those employees who work 40 or more hours. Still other employers are deliberately keeping their head counts below the magic number of 50.

"If you want to have reduced work, lower wages and economic stagnation, this [ObamaCare] is a great way to do it," Ed Haislmaier, senior research fellow at the Heritage Foundation, told Fox News.

That may not be what the architects of ObamaCare wanted, but it's exactly what they are going to get. Unfortunately, average Americans, not those responsible for this unconstitutional disaster, are the ones who will suffer the consequences.