



**House Committee on Oversight and Government Reform
Subcommittee on Health Care, District of Columbia, Census and the National Archives
"Impact of Obamacare on Job Creators and Their Decision to Offer Health Insurance"
Testimony of Will Morey, President of Morey's Piers
July 28, 2011**

My name is Will Morey; I am the President of Morey's Piers in Wildwood, NJ. I also serve as the Second Vice Chair of the International Association of Amusement Parks and Attractions (IAAPA), which represents more than 3,000 fixed-site facility, supplier and individual members in the United States and will serve as Chairman in 2013. I thank the subcommittee for inviting me to testify today.

Morey's Piers, located on the boardwalk in the Wildwoods, New Jersey, is a classic seaside amusement park that has been family owned and operated since 1969. We employ approximately 100 full time associates and over 1500 seasonal workers. Voted one of the top three seaside amusement parks in the world by Amusement Today, Morey's Piers is comprised of three amusement piers and two beachfront waterparks that feature over 100 rides and attractions. Convenient to the major population centers of the Northeast, yet a world apart, Morey's Piers combines the pure joy of an amusement park with the sights and sounds of a classic seaside boardwalk.

Morey's Piers' main operating season extends from Memorial Day until Labor Day. We also open on a limited weekends-only basis beginning at Easter and closing on Halloween. Given our operating calendar, we are extremely concerned about the definition of full-time employee in the Patient Protection and Affordable Care Act (PPACA), and how it will be interpreted for seasonal employees/employers. We believe this provision will significantly impact our business, our dedicated staff, our community, and the larger attractions industry.

It should be noted that the total domestic economic impact of the attractions industry is approximately \$53.7 billion annually. The industry employs approximately 700,000 workers in the U.S. 600,000 of those are seasonal employees. These temporary employees are often young people in their first jobs, retirees, school teachers, or others who supplement their income during the summer months.

As it stands, PPACA will have a substantial negative impact on our industry, on our seasonal employees, and quite possibly our permanent employees as well. From our point of view PPACA is a large expense and an administrative nightmare. It is hard to see any appreciable benefit to anyone working at Morey's Piers, but it is easy to see the negative impact on our ability to provide seasonal jobs and run our business productively.

While integral to our operations, our industry's seasonal workers are hired for a short, temporary period of time with a very different set of expectations and responsibilities than full-time permanent employees. While a number may develop their status to become full-time permanent employees, for the vast majority, the expectation of both the employee and employer is that the employment situation is temporary and will end when the season ends, or in many cases before the season ends to return to school. Nevertheless, the seasonal workforce opportunities that our industry provides serve an important need in the communities in which we are located. However, if the attractions industry is to continue to provide needed job opportunities, it is essential that the federal government recognize that a seasonal workforce is accompanied by unique administrative and compliance challenges which cannot be ignored in the implementation of PPACA.

When Congress was considering PPACA, IAAPA and many other seasonal industries lobbied for the inclusion of language addressing the unique situation of seasonal employers. During this time, many Members of Congress expressed interest and empathy, but aside from provisions for very small businesses, the needs of seasonal employers were not met in the bill as enacted.

Generally, the amusement industry provides competitive compensation, including health insurance to its full-time, year-round employees. Much of our seasonal workforce is over 65 (and covered by Medicare), under 22 (covered by a parent's insurance plan), or taking a seasonal job to supplement their primary income (receiving benefits from their full-time jobs). But the composition of the workforce changes every year and we cannot predict whether those we hire in the future will have alternative benefits. Trying to ascertain who might need benefits, whether the benefits are "affordable" under the law, and budgeting for this moving target on a year-by-year basis will be very difficult administratively. Providing medical insurance to large numbers of seasonal workers who work very short periods of time and who have various start dates and schedules, will have a detrimental impact on seasonal employers and a questionable benefit for the seasonal employee. A number of the issues we are facing include:

- PPACA may force businesses like mine to provide health insurance to seasonal workers. This would lead to an immediate loss of jobs, including full time positions, due to decreased profitability and reduced attraction investment levels, leading to fewer jobs in the future.
- PPACA may force certain businesses to close as they simply cannot afford to offer and pay for insurance for seasonal workers.
- PPACA will cause the promotion of a "seasonal labor" society where employers will schedule employees under 29 hours/week or terminate employment before 90 days, which will force the seasonal employees to get two or more jobs to work the hours they need to earn a living. This is not exclusive to

the attractions industry; it will happen across the entire country, hurting both seasonal businesses and seasonal employees.

- PPACA will also have a negative economic impact on the communities surrounding attractions, as operating schedules are adjusted.

As outlined above, PPACA will needlessly cause job losses, business closures, and rising prices in the marketplace thereby impacting the overall economy. Seasonal workers were clearly an element of the workforce that Congress did not pay close attention to when drafting the health care reform bill. The inclusion of seasonal workers in the definition of “full-time” employee for purposes of the employer responsibility provisions of PPACA will cause severely negative consequences with businesses like mine as the casualties. If Congress fully appreciated the short-term nature of this employment, and the administrative and financial burdens to businesses, I have to believe that the issue would have been approached more thoughtfully.

Additionally, we are creating administrative and compliance issues that are, simply put, a mess:

- The majority of these workers are employed 120 days or less. By the time the 90 administrative time passes, they have less than a month to work. They will have insurance for 4 weeks, and then have the option of going on COBRA.
- The majority of these workers starts at minimum wage and may or may not have other jobs or income. We simply will not be able to determine whether they can afford the employee portion of the health care contribution.
- Many of these seasonal workers get their health care from other sources: parents, university, their primary full-time positions, etc. and will not opt for our healthcare. Yet, we will still have to ensure compliance, track work days, track average hours per week, offer the insurance, educate and present the insurance program, auto enroll into the insurance program, get declinations for the program, keep records of all of the above, etc. This might not seem like a lot but consider a workforce of 1500 seasonal associates, with individuals starting and ending their employment every day of the week, every day of the season. Now imagine tracking this information; this is unreasonably burdensome.

There is a regulatory proposal, put forth jointly by the Department of Labor, Internal Revenue Service, and Treasury that may offer a measure of relief to seasonal businesses. The proposal suggests a “look-back/stability period” that would allow an employer to use up to a year to determine if a person is really a full-time employee. This proposal would allow for increased predictability and planning, would more realistically identify “full-time” employees, and would be much more administratively workable. We could work with this proposal, and, barring full repeal of PPACA or a statutory exemption for employers of seasonal employees, this approach could provide needed relief for the industry.

Seasonal workers who are temporary and hired on a short-term basis are not “full time”. Appropriate treatment of employers of seasonal workers need to be taken or seasonal businesses like mine will be severely hurt, forced

to decrease both our permanent and seasonal workforce, and be impeded from making important capital reinvestment.

I respectfully urge you to give careful consideration to this issue. It affects not only the attractions industry, but seasonal vacation communities throughout the U.S. (ski or beach resorts, etc). Inclusion of seasonal workers in PPACA will result in nationwide job loss, business closures, and increased prices. Therefore, we implore you to solve this problem.

Thank you for your consideration of this important matter.