

NATIONAL COALITION ON BENEFITS

July 17, 2019

TO THE MEMBERS OF THE U.S. HOUSE OF REPRESENTATIVES:

The National Coalition on Benefits (NCB), a coalition of businesses and associations committed to protecting the ability of employers to provide uniform employee health benefits across the country, strongly supports the passage of H.R. 748, the “Middle Class Health Benefits Tax Repeal Act of 2019.” This legislation would repeal the looming “Cadillac Tax,” a 40 percent excise tax imposed on employee health benefits above a certain threshold.

Employers strongly support the full repeal of the Cadillac Tax because this tax inevitably forces the reduction of employee benefits and, because of the flawed indexing provisions of the underlying Affordable Care Act, this tax will affect most plans in a few years, even those with reduced benefits. Employers devise benefit plans two years in advance of the actual plan year. As a result, employers are being forced now to reduce employee benefits in order to avoid the impending reach of the Cadillac Tax.

Working Americans don’t want their health benefits taxed at a time when they’re already confronting higher premiums and out-of-pocket costs. Indeed, a 2018 election night poll, conducted by pollster Frank Luntz, highlights that 81 percent of voters oppose taxes on employer-provided health coverage.

The Cadillac Tax presents a direct threat to the more than 181 million Americans who rely on employer-sponsored coverage to meet their health care needs. The NCB thanks Reps. Joe Courtney and Mike Kelly for their dogged and unwavering commitment to repealing this onerous tax on employee benefits and urges the House to approve H.R. 748.

Sincerely,

National Coalition on Benefits