

CHAMBER OF COMMERCE
OF THE
UNITED STATES OF AMERICA

R. BRUCE JOSTEN
EXECUTIVE VICE PRESIDENT
GOVERNMENT AFFAIRS

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June 14, 2016

The Honorable Charles Boustany
U.S. House of Representatives
Washington, DC 20515

The Honorable Mike Thompson
U.S. House of Representatives
Washington, DC 20515

Dear Representatives Boustany and Thompson:

The U.S. Chamber of Commerce, the world's largest business federation representing the interests of more than three million businesses of all sizes, sectors, and regions, as well as state and local chambers and industry associations, and dedicated to promoting, protecting, and defending America's free enterprise system, thanks you for introducing H.R. 5447, the "Small Business Health Care Relief Act." This bipartisan bill would restore the ability of small businesses to offer stand-alone Health Reimbursement Arrangements (HRAs) to their employees without being penalized.

Historically, HRAs have been a valuable option for employers wanting to help their employees pay for health expenses with tax-free dollars. In 2013, the Internal Revenue Service issued guidance dictating that all businesses failing to offer a group health plan, but providing tax-preferred dollars through an HRA for their workers, will be fined \$100 per day, per employee. Over the course of a year, that's \$36,500 per employee and up to \$500,000 in total, starting July 1, 2015. H.R. 5447 would allow small employers, who are not subject to the Affordable Care Act's (ACA) employer mandate, to offer HRAs to their employees to help them pay for coverage and qualified medical expenses. Since many small employers do not have human resource departments or benefits specialists, this bill would provide them with the necessary flexibility to help their employees pay for health care.

The Chamber applauds your leadership and introduction of H.R. 5447 and looks forward to working with you to quickly enact this bipartisan legislation so that small businesses and their employees have the flexibility to choose the health care coverage that works best for them.

Sincerely,



R. Bruce Josten

cc: Members of the House Committee on Ways and Means