

National Coalition on **BENEFITS**

July 28, 2015

Dear Member of Congress:

The National Coalition on Benefits (NCB) urges Congress to repeal the Affordable Care Act's 40 percent excise tax on health care benefits. NCB's member organizations, which include the many employer trade associations, strongly support the current bipartisan efforts in Congress to eliminate this tax, including [H.R. 2050](#), the "Middle Class Health Benefits Tax Repeal Act," sponsored by Rep. Joe Courtney [D-CT-2] and [H.R. 879](#), the "Ax the Tax on Middle Class Americans Health Plans Act," sponsored by Rep. Frank Guinta [R-NH-1]. Combined, these bills have over 200 co-sponsors – with many Republicans and Democrats.

The excise tax was originally presented as a "Cadillac Tax" on a small number of high cost health plans.¹ Recent projections, however, show that the number of health plans affected by the tax will be far greater. In fact, we believe that as much as a third of the health insurance market will be hit by the tax in 2018, the first year it is imposed. This percentage will increase steadily thereafter, due to medical inflation and despite efforts by employers and plans to control costs, undermining the foundations of employer-sponsored coverage currently enjoyed by over 150 million Americans.

Congress must repeal the health care excise tax; failing to do so will lead to predictable results, such as forcing employers to cut benefits or alter wellness and disease prevention programs for many American workers and their families. Furthermore, the inequitable nature of the tax means that the challenges faced by employers will be the greatest in high cost areas of the country, where medical services are more expensive. Inevitably, employers who cannot adjust benefits below the tax thresholds will have no choice but to drop or significantly reduce coverage for their employees.

¹ Plans whose costs exceed \$10,200 for individuals and \$27,500 for families.

As representatives of employers of every size and sector, we urge Congress to take quick action to repeal the harmful excise tax on health care benefits and support Congressional efforts, such as those led by Representatives Courtney and Guinta.

Sincerely,

National Coalition on Benefits Steering Committee Association Members

American Benefits Council
Business Roundtable
Corporate Health Care Coalition
The ERISA Industry Committee
HR Policy Association
National Association of Manufacturers
National Business Group on Health
National Retail Federation
National Rural Electric Cooperative Association
Retail Industry Leaders Association
U.S. Chamber of Commerce