

**National Coalition on Benefits
Principles on ERISA**

The National Coalition on Benefits is united in our support of the following principles:

ERISA’s federal framework must be maintained. The federal framework that governs employer-sponsored benefits was enacted in the 1974 Employee Retirement Income Security Act (ERISA) to provide comprehensive federal regulation of employee benefits. This federal framework is what enables employers to provide benefits and therefore must be preserved, even while efforts to address the uninsured are underway at the federal, state and local levels.

- **Employers’ ability to offer and maintain uniform benefit plans across state and local lines must be preserved.** Uniformity in benefit design and administration results in lower costs through economies of scale, purchasing leverage and administrative efficiencies, and improves the application of best practices. Uniformity is especially important when employers provide benefits to employees and retirees who reside or work in multiple locations.
- **Employers must continue to have the flexibility to determine how to best meet the needs of their employees and retirees.** Maintaining an employer’s flexibility to determine the types of plans they offer and to find innovative solutions that achieve the best possible results are key ingredients to a robust and well-functioning benefits system. State “one size fits all” approaches will harm employees and employers.
- **Reforms to the current health and retirement benefits system must continue ERISA’s goals of promoting simplicity and predictability.** Complexity, prescriptive rules and administrative duplication make benefits more costly and less affordable for employees and their dependents which reduces coverage. Simplification and predictability results in expanded coverage, lower costs and greater health and financial security for millions of Americans.

Federal initiatives should not permit States to adversely impact ERISA.

While States have a role in covering the uninsured, there should be no waiver or exception from ERISA through “pay or play” schemes or through taxes on ERISA benefits or the employers that provide them. Any such exception, waiver or carve-out will result in a patchwork of state mandates and regulations that will discourage employers from offering benefits.