

# ALLIANCE TO FIGHT THE 40

Stop the 40% tax on health benefits



November 20, 2018

The Honorable Mitch McConnell  
Majority Leader  
United States Senate  
U.S. Capitol Building, Room S-230  
Washington, DC 20510

The Honorable Charles Schumer  
Minority Leader  
United States Senate  
U.S. Capitol Building, Room S-221  
Washington, DC 20510

The Honorable Paul Ryan  
Speaker  
United States House of Representatives  
U.S. Capitol Building, Room H-232  
Washington, DC 20515

The Honorable Nancy Pelosi  
Minority Leader  
United States House of Representatives  
U.S. Capitol Building, Room H-204  
Washington, DC 20515

Dear Leader McConnell, Minority Leader Schumer, Speaker Ryan, and Minority Leader Pelosi,

With the end of the 115<sup>th</sup> Congress fast approaching we are writing on behalf of the 181 million Americans who receive health care coverage through an employer. This coverage is threatened by the Affordable Care Act's (ACA) looming 40% tax on employer-provided coverage. We urge you to repeal this tax before the end of the year.

The tax is having a real impact, today, on the lives and pocketbooks of American workers. A new election night poll revealed that 81% of voters oppose taxing employer-provided health insurance.

The "Cadillac Tax" increases the health care cost burden for working Americans, threatens patient access to care, and unfairly targets vulnerable populations such as families and sick individuals most needing care. The election night poll found that more than half of voters – across party lines – oppose this tax because it increases out-of-pocket costs for older, sicker and underserved communities. Taxing the sick, or workers trying to manage chronic conditions, fails to address our most urgent health care challenges.

At 40%, the tax is twice the top corporate rate and will have significant consequences. Waiting to address the tax forces employers to adjust benefits now in anticipation of the tax. Several [studies](#) have shown that the "Cadillac Tax" would have a direct and negative impact on the continued affordability of employer-provided health insurance for people with ordinary health plans. This results from employers being compelled to reduce benefits and increase deductibles and other out-of-pocket costs.

We need to protect the millions of American families with employer-provided health care coverage from further benefit losses and cost hikes. A healthy workforce drives a healthy economy, but the so-called "Cadillac Tax" will drive America's health care – and workforce – in the wrong direction.

There is strong support for repealing the 40% tax from both sides of the aisle and both sides of the Capitol. Currently in the House, there are more than 300 cosponsors on H.R. 173, which would fully repeal the tax.

We urge you to keep health care affordable for working families by including full repeal of the "Cadillac Tax" in any year-end package under consideration during the Lame Duck session of Congress.

Thank you for your consideration of this request.

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