



International Union of Operating Engineers

AFFILIATED WITH THE AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS

July 16, 2019

The Honorable Nancy Pelosi
1236 Longworth House Office Building
Washington, DC 20515

The Honorable Kevin McCarthy
2468 Rayburn House Office Building
Washington, DC 20515

JAMES T. CALLAHAN
GENERAL PRESIDENT

Dear Speaker Pelosi and Leader McCarthy:

On behalf of 400,000 members of the International Union of Operating Engineers and their families, I respectfully request that you support H.R. 748, the Middle Class Health Benefits Tax Repeal Act of 2019.

The International Union of Operating Engineers (IUOE) represents nearly 400,000 working men and women in the United States and Canada, thousands of whom would be affected by this 40% tax on high-cost health insurance premiums.

As you know, Congress has acted twice to delay this tax – its current effective date is January 1, 2022 – but multi-year collective bargaining negotiations are now underway and the uncertainty surrounding the possible imposition of the tax is already pushing employers to hollow out the health-care benefits of their workers. The excise tax on high-premium health plans should be *permanently repealed*.

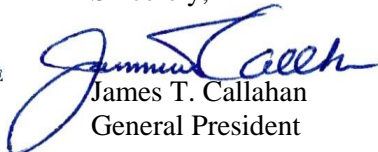
Proponents of the tax argued that it would incentivize employers to move away from “overly generous” health care coverage. They argued that forcing workers to have more “skin in the game” would reduce “overutilization” of health care services, forcing people to consider the financial implications of seeking care. Surveys of employers over the years have shown that they have reduced coverage under their health plans in anticipation of the tax. The tax, however, would have no effect on a “unit cost” of health care.

In the decade since the tax was enacted, it is clear that the health care affordability crisis now affects millions of individuals with employment-based coverage. From 2008 - 2018, the general annual deductible for family coverage has increased 212 percent, while workers’ earnings have only increased 26 percent. This tax is clearly having a negative impact on working families, and its repeal is overdue.

The International Union of Operating Engineers supports H.R. 748 and respectfully requests that you repeal the tax on high-cost health insurance premiums as quickly as possible. We believe that permanent repeal of the 40-percent tax should be a top priority for this 116th Congress, and we look forward to working with you to enact it into law.

Thank you for your leadership on this vital issue for Operating Engineers and their families.

Sincerely,


James T. Callahan
General President

BRIAN E. HICKEY
GENERAL SECRETARY-TREASURER

GENERAL VICE PRESIDENTS

RUSSELL E. BURNS

JAMES M. SWEENEY

ROBERT T. HEENAN

DANIEL J. MCGRAW

DAREN KONOPASKI

MICHAEL GALLAGHER

GREG LALEVEE

TERRANCE E. MCGOWAN

RANDY GRIFFIN

DOUGLAS W. STOCKWELL

RONALD J. SIKORSKI

JAMES T. KUNZ, JR.

EDWARD J. CURLY

CHARLIE SINGLETARY

TRUSTEES

KUBA J. BROWN

CHAIRMAN

WILLIAM LYNN

BRIAN COCHRANE

JOSHUA VANDYKE

BARTON FLORENCE

GENERAL COUNSEL

MATTHEW G. MCGUIRE

