

INTERNATIONAL BROTHERHOOD OF TEAMSTERS

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July 15, 2019

U.S. House of Representatives
Washington, D.C. 20515

Dear Representative:

This week, the House of Representatives will consider H.R. 748, the Middle Class Health Benefits Tax Repeal Act of 2019. On behalf of the more than 1.4 million members of the International Brotherhood of Teamsters, I ask you to vote yes on H.R. 748. This bipartisan legislation would repeal the excise tax on high value employer sponsored health insurance (ESI), often referred to as the “Cadillac Tax”.

The Teamsters have long opposed proposals that tax worker health benefits. Attempts to tax employer provided health care benefits through the 40 percent excise tax on high quality health care plans reduce the health benefits that hard working Americans receive and increase their out of pocket costs. Policy makers should not penalize, with an egregious tax, employers that do the right thing and provide high value health insurance to their workers.

More than 181 million people (a majority of the country) receive employer sponsored insurance. While the tax is “levied” on employers, experts expect costs largely to be shifted to workers and their families. And, it is unconscionable that hard working Americans will continue to have this 40 percent penalty on benefits that they have fought hard to achieve/receive looming over them. While this tax does not take effect until 2022, having twice been delayed by Congress, this egregious tax is already hollowing out the benefits of working people who have employment-based coverage. Indeed, employers are already scaling back their health care benefits and offerings, and/or increasing workers’ out of pocket costs.

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In recent years, deductibles and out of pocket costs of ESI plans have risen considerably, while costs continue to grow. According to the CUNY School of Public Health research, the health benefits tax predominantly impacts the middle class. Congress should be looking for ways to *strengthen* the middle class instead of promoting policies that will ultimately take money from their hard earned paychecks and reduce, and make more costly, the health care benefits they receive.

I call on you to support the full and permanent repeal of the so-called "Cadillac Tax". I hope that I can report to our members that *you* stood with the International Brotherhood of Teamsters family to pass this important legislation. Vote yes on H.R. 748.

Sincerely,



James P. Hoffa
General President