



AMERICAN BENEFITS  
COUNCIL

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## NEWS RELEASE

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### *In multiple letters to White House* **Council warns against legislation that would tax employees' health insurance**

WASHINGTON, DC - "Lawmakers need to know that proposals to tax American workers' health care would do more than just hurt employees' wallets. It would also destabilize the strong employer-sponsored insurance system," American Benefits Council President James A. Klein said today.

In a series of letters to the White House today on behalf of the employer community and the employer-sponsored system generally, the Council offered clear and compelling arguments that a so-called "cap" on the tax exclusion for employee health insurance would be a big mistake.

The Council was one of 27 employer organizations that prepared [a February 13 letter to President Trump](#), urging his administration to reject any efforts to replace the Affordable Care Act with a measure that would tax employees' health care. "Taxing health benefits by capping the individual tax exclusion constitutes a tax increase that will drive up out-of-pocket costs for employees and their families, risking disruption to the stable, employer-based system, and threatening the benefits working families enjoy and want to keep," the letter said.

In [a separate letter to the Trump Administration](#), as a member of the [Alliance to Fight the 40 | Don't Tax My Health Care](#) - a broad-based coalition of public and private employers, labor unions and patient advocates - the Council argued that the 40 percent "Cadillac Tax" on employer-sponsored health coverage should be repealed

immediately, and should not be replaced with a cap on the exclusion that has many of the same fundamental flaws.

“Raising taxes on workers does not control health care costs and could destabilize the employer-sponsored health care system that is efficient and effective in covering 177 million Americans,” the letter read.

“We understand that crafting a new health care reform bill is a challenging task, but some things are obvious: reform should not destabilize the successful employer-sponsored system, and it certainly should not do so by taxing employees on their valued coverage,” Klein said.

For more information on retirement or health policy matters, or to arrange an interview with Klein, contact Jason Hammersla, Council senior director of communications, at [jhammersla@abcstaff.org](mailto:jhammersla@abcstaff.org) or by phone at 202-289-6700 (office) or (202) 422-4652 (cell).

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*The American Benefits Council is the national trade association for companies concerned about federal legislation and regulations affecting all aspects of the employee benefits system. The Council's members represent the entire spectrum of the private employee benefits community and either sponsor directly or administer retirement and health plans covering more than 100 million Americans.*