

ACTION ALERT



November 4, 2019

Employers' help needed in final push to repeal 'Cadillac Tax'

Actions Requested

1. Please have your company sign on to [a broad stakeholder letter to the U.S. Senate](#) urging the consideration of "Cadillac Tax" repeal legislation before the end of the year. Action required by November 15.
2. If you have operations in Arizona, Colorado, Iowa, Kentucky, Maine or North Carolina, we urge you to contact key Senate offices for those states and ask them to encourage Senate leadership to include "Cadillac Tax" repeal in any year-end legislative package.

Policy Background

The "Cadillac Tax," enacted as part of the Affordable Care Act (ACA), is a 40% tax on the cost of employer-provided health coverage that exceeds certain premium benefit thresholds – projected to be \$11,100 for self-only coverage and \$29,750 for family coverage in 2022.

More than just health plan premiums are counted when determining the "cost" of the plan. The cost of wellness programs, on-site clinics and other plan features designed to keep the workforce healthy and help reduce plan expenses are also included.

The Council, as part of its own advocacy agenda and as the leaders of the [Alliance to Fight the 40](#) – a diverse coalition of employers, labor unions, consumer groups and other stakeholders – has long advocated for repeal of the "Cadillac Tax." We have consistently made the point to Congress that the tax penalizes companies that sponsor health plans that are expensive for reasons beyond their control (e.g. the demographics of the workforce, employees and family members with chronic conditions or catastrophic health events, geographic location, etc.) The threat of the tax has required employers to make health plan changes that neither they nor their workers favor.

On July 17, the U.S. House of Representatives approved the [Middle Class Health Tax Repeal Act \(H.R. 748\)](#), a bill to repeal the tax, by a resounding 419 to 6 vote. An identical Senate Bill ([S. 684](#)), now has 64 cosponsors.

Sign-On Letter

The Alliance to Fight the 40 has developed a “non-branded” (i.e., no logo at the top) multi-stakeholder letter urging the Senate to “swiftly, and fully, repeal the impending 40% tax on employer-provided health care before this onerous tax increase hits the pocketbooks of hardworking Americans.” This Alliance is seeking 1,000 signatures from companies and organizations for this letter.

If your organization would like to sign on, please go to the following link:

[“Cadillac Tax” Sign-On Letter](#)

At the bottom of the letter there is a space to complete the form to add your organization as a signatory. *The deadline for signatures is November 15.*

After you sign, please share it with other employers and stakeholders. If you have any questions about the letter, please contact [Tara Bradshaw](#) at 202-441-8255.

Contacting Senators in Key States

Certain Senators are particularly important in encouraging the Republican Senate leadership to take up “Cadillac Tax” repeal:

- [Martha McSally \(R-AZ\)](#)
- [Cory Gardner \(R-CO\)](#)
- [Joni Ernst \(R-IA\)](#)
- [Charles Grassley \(R-IA\)](#)
- [Mitch McConnell \(R-KY\)](#)
- [Susan Collins \(R-ME\)](#)
- [Thom Tillis \(R-NC\)](#)

If you have operations in these states or other relationships, we urge you to contact their Senate offices to urge their support using our [“Cadillac Tax” talking points](#) or [this sample/draft letter](#).

Staff Contact

For more information or assistance connecting with members of Congress, contact [Ilyse Schuman](#), senior vice president, health policy or [Diann Howland](#), vice president, legislative affairs, at (202) 289-6700.