



AMERICAN BENEFITS
COUNCIL

October 17, 2018
NR 2018-23

NEWS RELEASE

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'American Benefits Legacy' unveiled
**Council report details immense value of
employer-provided health, retirement benefits**

WASHINGTON, D.C. — “The American Benefits Council is proud to release [American Benefits Legacy](#), a report that is both a thorough accounting of America’s employer-sponsored health and retirement benefits system and a validation of the Council’s mission to preserve it,” Council President James A. Klein said today.

This report, prepared by the American Benefits Institute – the Council’s research arm – brings together historical information, government data, academic research, international comparisons, economic modeling as well as examples of Council members’ innovative programs to assemble the definitive look at employer-sponsored benefits.

Link to the full report:

<https://www.americanbenefitscouncil.org/legacy>

Link to report highlights:

<https://www.americanbenefitscouncil.org/legacyhighlights>

Link to a two-page executive summary:

<https://www.americanbenefitscouncil.org/legacysummary>

“The United States is exceptional in that employers play the primary role in securing health and financial well-being for Americans and their families. Consequently, it is uniquely effective at providing significant value to beneficiaries at all income levels, all at an enormous bargain to taxpayers,” Klein.

In support of that conclusion, the study reports that for every \$1 of forgone federal tax revenue attributed to the employee health benefit income tax exclusion, employers paid \$4.45 to finance

health benefits in 2016. For every \$1 of tax deferred on contributions to employer-provided retirement plans, employees realized \$7.15 in retirement benefits in 2012.

“These figures debunk the characterization of benefit plan tax incentives as ‘expenditures.’ In fact, they constitute an extraordinarily cost-effective investment. It would cost the federal government significantly more in direct payments to deliver the same level of financial protection as employers provide thanks to the current tax treatment” Klein said.

A sophisticated analysis, performed for the report by the Employee Benefit Research Institute (EBRI), also helps quantify the value of employer sponsorship of benefits.

EBRI simulations revealed that without employers as many as 113 million people – mostly young, middle-income Americans – would be unlikely to purchase health coverage in an individual market. Likewise, the proportion of lower- and middle-income households anticipated to lack adequate resources for retirement could increase by as much as 20 to 50 percent and the current retirement savings shortfall would jump 71 percent to \$7 trillion.

American Benefits Legacy also details many other advantages of the employer-provided benefits system, including innovative plan design, participant education and application of behavioral economics to improve outcomes.

“For more than 50 years, the American Benefits Council has been dedicated to strengthening the employer-sponsored benefits system and helping millions of Americans achieve health and financial security,” Klein said. “This report is a source of pride, not just because it represents months of hard work, but because it shines a light on the extraordinary positive impact our members have in providing health and retirement security to millions of Americans.”

For more information, or to arrange an interview with Klein, contact Jason Hammersla, Council vice president of communications, at jhammersla@abcstaff.org or by phone at 202-289-6700 (office) or (202) 422-4652 (cell).