

June 11, 2024

The Honorable Chuck Schumer
Majority Leader
United States Capitol
Washington, DC 20510

The Honorable Mitch McConnell
Minority Leader
United States Capitol
Washington, DC 20510

The Honorable Mike Johnson
Speaker of the House
United States Capitol
Washington, DC 20515

The Honorable Hakeem Jeffries
Minority Leader
United States Capitol
Washington, DC 20515

Dear Leader Schumer, Leader McConnell, Speaker Johnson and Leader Jeffries,

The undersigned organizations — a diverse group of employers, unions, patient and disease advocacy groups, and health care stakeholders — urge you to firmly reject proposals that would tax employer-provided health care coverage. **Congress must protect the foundation and affordability of American health care coverage by keeping employer-provided health care coverage tax free.**

Employer-provided health care coverage advances the health and financial security of our nation by providing stable and effective financial protection to workers and their families, nearly [180 million](#) in all, covering more Americans than any other insurance system.

We are deeply concerned about proposals that will jeopardize the affordability and accessibility of health coverage. In addition to broad societal benefits and underpinning the stability of our health care system, the current tax-favored treatment of employer-provided health coverage delivers critical value and investment return for employers, workers and their families, and the federal government itself.

For workers and their families, it promotes health care access and ensures that they are treated equitably wherever they live or work. The cost of health care services often varies significantly based on location. If employees were taxed on the cost of their health coverage, there would be a disproportionate impact on Americans living in parts of the country where costs are higher. Ensuring the stability and tax-free status of employer-sponsored coverage is vital to the health, prosperity, engagement, and satisfaction of tens of millions of Americans. [Polling](#) shows that 96% of employees view their employer-provided health insurance as important to them. Overall, employees are [satisfied](#) with the coverage they receive from their employers. Crucially, this coverage has never been recognized as income to the worker and would result in increased taxes on millions of Americans.

For the federal government, employer-sponsored coverage is a tremendous bargain. For every \$1 of tax expenditure – i.e. the individual income tax and employment taxes not imposed on wages for the cost of their employer-sponsored coverage -- employers are investing \$5.36¹ in health benefits. Eliminating or reducing the \$1 provided by the federal government, would shift additional cost burdens on to employers, employees and their families through income and employment taxes, undermine health coverage, reduce health care purchasing power, and chill health care innovation and investment.

¹ Sources: (1) White House Office of Management and Budget, Analytical Perspectives, Budget of the U.S. Government, FY2024, Table 19-2 (March 2023) and (2) U.S. Bureau of Economic Analysis, Employer Contributions for Employee Pensions and Insurance Funds by Industry and by Type, Table 6.11 D (accessed Wed. March 6, 2024)

For employers, it plays a pivotal role in attracting and retaining talent. It helps demonstrate a strong commitment to employees by providing vital financial protection for health care needs far more efficiently and cost-effectively than if workers had to research and pay for health coverage as individuals. In addition, [employers](#) recognize the value of employee health on the health of their business and that a healthy workforce drives a healthy [economy](#).

Congress should ensure health care policies that prioritize maintaining and strengthening the integrity of the employer-sponsored system and enhancing its effectiveness. Congress should promote innovative solutions that lower costs and improve access to quality care. Congress should empower employers to continue providing vital health benefits to their employees. Accordingly, we urge you to consider the far-reaching implications of, and reject, any legislation that raises taxes on employer-provided health care coverage.

Thank you for your attention to this critical matter. We stand ready to support you in protecting tax policy that makes possible the health system through which the majority of Americans receive the health coverage they depend upon every day.

Sincerely,

AHIP
Air Line Pilots Association International
Alliance to Fight for Health Care
Alternative Benefit Concepts
American Benefits Council
American Council of Life Insurers
American Society of Consultant Pharmacists (ASCP)
Armbruster Employee Benefits
Arthritis Foundation
Associated Builders and Contractors
Associated General Contractors of America
AWA Insurance
Business Group on Health
California Health Care Coalition
California Purchasers Health Care Coalition
California Schools VEBA
Christian Employers Alliance
Cigna Group
CMC Group, Inc.
Conestoga Wood Specialties
Corporate Health Care Coalition
Council for Affordable Health Coverage
Covenant Choice
Cunix Insurance Services
Fleet Painting Service, Inc.
FMI - The Food Industry Association
Health Action Council
HR Policy Association
ICAN, International Cancer Advocacy Network
Integrated Health Holdings, LLC
International Association of Machinists and Aerospace Workers

International Brotherhood Of Teamsters (IBT)
Leadership Military Academy
Lockton
M Hughes CPA & Company LLC
Mercer
Metals Service Center Institute
MLD Foundation
NABIP (Benefits and Insurance Professionals)
NABIP Northeast Ohio Chapter
NABIP Northwest Ohio
NABIP Ohio Chapter
National Association of Insurance and Financial Advisors (NAIFA)
National Association of Manufacturers
National Association of Wholesaler-Distributors
National Coalition on Benefits
National Coordinating Committee for Multiemployer Plans
National Federation of Independent Business
National Retail Federation
Partnership for Employer-Sponsored Coverage
Protecting Americans' Coverage Together (PACT)
Real Benefit Solutions
Regional Employee/Employer Partnership for Benefits
Savoy
SHRM
Small Business & Entrepreneurship Council
The Council of Insurance Agents and Brokers
The ERISA Industry Committee
The Roth Agency
The United Brotherhood of Carpenters and Joiners of America
The Willamette Valley Company LLC
Toyota of Irving
UNITE HERE
UNITE HERE HEALTH
United Steelworkers (USW)
US Chamber of Commerce
Warner Pacific
Washington Automotive industry Association
Westside Finishing Co Inc
Wisconsin Manufacturers & Commerce