July 15, 2019

U.S. House of Representatives
Washington, DC 20515

Dear Representative:

On behalf of our 3 million members and the 50 million students they serve, we urge you to VOTE YES on the Middle Class Health Benefits Tax Repeal Act (H.R. 748), which would eliminate the 40 percent excise tax on “high cost” employer-sponsored health plans scheduled to take effect in 2022. Votes on this issue may be included in NEA’s Report Card for the 116th Congress.

Under the Affordable Care Act, “high cost” employer-sponsored health benefits whose value exceeds specified thresholds will be subject to a 40 percent excise tax starting in 2022: $11,200 for single coverage and $30,150 for family coverage, the Tax Policy Center projects. We support repeal because:

- The tax would take money out of the pockets of educators who have accepted lower wages in return for decent health care coverage—just when there’s growing recognition among lawmakers and the American people that educators deserve better compensation. Moreover, educators would be among those hit hardest by the tax as noted in an analysis published in Health Affairs.
- The tax applies equally to plans for lower- and higher-income employees, as well as retirees, regardless of whether they live in areas with unusually high health care costs.
- The tax is far likelier to hit plans due to factors beyond employees’ control—their age, gender, and location—than because of the benefits provided.
- Initially, the Kaiser Family Foundation estimates, the tax would affect 21 percent of employers who provide health coverage—31 percent when workers’ voluntary contributions to Flexible Spending Accounts are taken into account as the law requires.
- Over time, more and more workers would be subject to the tax since health care costs continue to rise at a faster rate than inflation.

Educators are already struggling to make ends meet—they cannot afford to pay even more for health care. Please VOTE YES on the Middle Class Health Benefits Tax Repeal Act (H.R. 748).

Sincerely,

Marc Egan
Director of Government Relations
National Education Association