December 13, 2019

United States Congress
Washington, DC 20510

Dear Senator/Representative:

On behalf of our 3 million members and the 50 million students they serve, we strongly urge you to urge leadership to include the Middle Class Health Benefits Tax Repeal Act (S. 684/H.R. 748) in any negotiated healthcare or tax package. The bill passed the House with overwhelming bipartisan support and has 63 bipartisan cosponsors in the Senate—more than enough to pass and ensure more money in the pockets of your constituents.

Under the Affordable Care Act, the portion of the cost of employer-sponsored health plans above specified thresholds—an estimated $11,200 for individuals and $30,150 for families—will be taxed at the rate of 40 percent starting in 2022. 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.

Failure to include the Middle Class Health Benefits Tax Repeal Act in the package now being negotiated would be a glaring omission. Please urge leadership to include it. Educators are already struggling to make ends meet—they cannot afford to pay even more for health care.

Sincerely,

Marc Egan
Director of Government Relations
National Education Association