



**INTERNATIONAL
BROTHERHOOD
OF ELECTRICAL
WORKERS®**

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LONNIE R. STEPHENSON
International President

KENNETH W. COOPER
International
Secretary-Treasurer

February 1, 2019

VIA EMAIL

To: All Members of the U.S. House of Representatives

Re: The Middle Class Health Benefits Tax Repeal Act

Dear Member of Congress:

On behalf of the approximately 775,000 active members and retirees of the International Brotherhood of Electrical Workers (IBEW), I am writing to express my strong support for H.R. 748, the Middle Class Health Benefits Tax Repeal Act, introduced on January 24, 2019, by Representatives Joe Courtney of Connecticut and Mike Kelly of Pennsylvania. The legislation would repeal the 40 percent excise tax on employer-sponsored health insurance plans, commonly known as the “Cadillac Tax.”

This is not just a problem facing the labor movement and its membership. The intended purpose of the 40 percent excise tax on employer-sponsored health benefits was cost containment. By taxing health benefits perceived to be generous, employers and employees would make decisions regarding coverage and utilization of coverage that would drive down health care costs. In practice, this will not be the case. Far too many plans that do not provide generous benefits will be impacted by the tax. According to Milliman, an independent actuarial firm, factors such as age, gender, geography, occupational industry, and plan size have much greater effects on the cost of a plan than any perceived generosity in a plan’s benefit structure, with geography accounting for up to 69 percent of a plans’ premium growth.

The same study found that nearly 18 million Americans receiving coverage from a large employer (200 or more employees) will be subject to the excise tax in 2022, the current date the tax is set to go into effect. That number is expected to escalate to over 58 million Americans by 2029.

As multi-year contracts expire, employers are cutting benefits and restructuring delivery of benefits to avoid the excise tax as long as possible. In all cases, it is American families that are hurt by the tax on benefits. It is no secret that those who are uninsured, underinsured, or lack resources often go without screenings, preventive care, or even worse delay needed medical care. As a direct result, the overall cost of health care goes up.



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Page 2

I ask that you help American families by co-sponsoring the Middle Class Health Benefits Tax Repeal Act. You can cosponsor H.R. 748 by filling out the Google form found at <https://goo.gl/eRY2bR>. Please contact Maria Costigan in Representative Courtney's office at (202) 225-2076 or Brendan Fulmer in Representative Kelly's office at (202) 225-5406 if you have any questions.

Sincerely yours,

A handwritten signature in black ink that reads "Lonnie R. Stephenson". The signature is fluid and cursive.

Lonnie R. Stephenson
International President

LRS:lgd