

ALLIANCE TO FIGHT THE 40

Stop the 40% tax on health benefits

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Alliance to Fight the 40 Adds Five Major Groups in Fight to Repeal “Cadillac Tax” *Continued Growth Comes as Leaders in Congress Call for Repeal this Month*

Washington, D.C. – The Alliance to Fight the 40, a broad-based coalition seeking to repeal the 40 percent tax on employee health benefits, announced today the addition of five groups who will join the effort to fully repeal the so called “Cadillac Tax.”

“The continued growth of the Alliance demonstrates the momentum to repeal this tax that threatens the health coverage of more than 175 million Americans,” said James A. Klein, President of the American Benefits Council. “We welcome the support of these diverse new members.”

The addition of the new members comes as pressure intensifies on Capitol Hill to repeal the tax. On Wednesday, at an event held in the U.S. Capitol, the lead sponsors of several bills to repeal the 40% tax – Senators Dean Heller (R-NV) and Martin Heinrich (D-NM) and Representatives Joe Courtney (D-CT) and Frank Guinta (R-NH) – were joined by members of the Alliance to Fight the 40 in calling for a repeal before Congress leaves this month. On the heels of that event, yesterday, the Senate voted 90-10 to approve an amendment to fully repeal the tax.

The five new members joining today include:

- **First Focus:** a bipartisan advocacy organization dedicated to making children and families the priority in federal policy and budget decisions. “The Cadillac tax simply isn’t family-friendly. It disproportionately harms kids’ coverage and incentivizes employers to dramatically increase health care costs to families who are already struggling. Congress should act in the best interest of children and their families and avoid higher costs and reduced benefits when it comes to employee-sponsored healthcare,” said Bruce Lesley, President of First Focus.
- **Ohio Public Employees Retirement System:** the largest state pension fund in Ohio, and the 11th largest public retirement system and 15th largest retirement system in the U.S. “The tax would cost OPERS millions of dollars and would cause us to shift more health care costs to our retirees,” said OPERS executive director Karen Carraher. “We need to act well in advance of the tax’s 2018 implementation date to prevent further cost increases and potential coverage reductions. Now is the time to act in support of our retirees.”
- **Health Action Council:** enhances human and economic health through thought leadership, innovative services and collaboration, by facilitating projects that improve the quality and moderate the cost of healthcare purchased by its members for their employees, dependents and retirees. “On behalf of our 200-plus employer members representing approximately two million covered lives, Health Action Council is pleased to join our

colleagues in the Alliance to Fight the 40 in calling for a repeal of the 40 percent tax on health benefits. Financially penalizing employers who have taken an active role in supporting their employees' health is at odds with our country's commitment to fostering a culture of health. We need to refocus our priorities on collectively finding health-related solutions that lead – without incurring penalties – to accessible and affordable healthcare for employees,” said Patty Starr, Executive Director, Health Action Council.

- **Employers Health Purchasing Corporation:** a national purchasing collective committed to providing resources, tools and advice that help plan sponsors deliver high-quality health care benefits at a sustainable cost. Specializing in group purchasing contracts, its pharmacy benefit program is utilized by nearly 150 plan sponsors and is approaching \$1 billion in annual prescription drug spend. “Our organization assists plan sponsors to provide high-quality health care benefits at sustainable costs to their employees. As currently written, this excise tax demands that many plans, even plans that many would not consider to be offering a “rich” benefit, reduce the quality of their benefits or face increased costs. Either outcome hinders the employer’s ability to maintain a competitive offering that attracts and retains top talent,” said Christopher Goff, CEO & General Counsel, Employers Health Purchasing Corporation.
- **The Immune Deficiency Foundation:** a national patient organization dedicated to improving the diagnosis, treatment and quality of life of persons with primary immunodeficiency diseases (PI) through advocacy, education and research. There are approximately 250,000 people who are diagnosed with PI in the U.S., and thousands more go undetected. “The Cadillac tax represents a huge new threat to the future of patients with primary immunodeficiency. Thankfully, Congress has the power to protect those with chronic illness by repealing this tax now,” said Marcia Boyle, President & Founder of the Immune Deficiency Foundation.

The “Cadillac Tax” is a 40 percent non-deductible tax on the cost of employer-sponsored health coverage that exceeds certain benefit thresholds – initially, \$10,200 for self-only coverage and \$27,500 for family coverage in 2018.

In addition to the growing coalition of supporters that are part of the Alliance to Fight the 40, there is broad bipartisan support in Congress for repealing the tax. Legislation to repeal the 40 percent tax has garnered 283 co-sponsors in the House and 38 co-sponsors in the Senate.

The Alliance to Fight the 40 is a broad based coalition comprised of public and private sector employer organizations, consumer groups, patient advocates, unions, health care companies, businesses and other stakeholders that support employer-sponsored health coverage. This coverage is the backbone of our health care system and protects over 175 million Americans across the United States. The Alliance seeks to repeal the 40 percent tax on employee health benefits to ensure that employer-sponsored coverage remains an effective and affordable option for working Americans and their families.

For more information on the 40 percent Tax on Health Benefits, visit our website at www.fightthe40.com or follow us on Twitter @Fightthe40.

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