

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 \$5.36<sup>1</sup> 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.

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<sup>1</sup> 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