

**International  
Association of  
Machinists and  
Aerospace Workers**



9000 Machinists Place  
Upper Marlboro, Maryland 20772-2687

Area Code 301  
967-4500



OFFICE OF THE INTERNATIONAL PRESIDENT

November 16, 2015

Dear Senator,

**On behalf of the International Association of Machinists and Aerospace Workers (IAM), I urge you to co-sponsor Sen. Sherrod Brown's bill, S. 2075 that calls for the full repeal of the 40% excise tax on health benefit plans, otherwise known as the "Cadillac Tax" under the Affordable Care Act.**

The Machinists Union generally negotiates contracts that are three to five years in duration. This tax is scheduled to go into effect in 2018, but for contracts currently being negotiated, the excise tax has now become a problem in 2015. Employers are no longer willing to offer the same health coverage as in the past, because they fear the cost of the 40 percent excise tax. Some employers are planning to increase out-of-pocket limits, co-pays, and deductibles to pay for the tax, thus, making workers the "pay-for" for this bill.

Working class families are being targeted merely because the IAM was able to negotiate decent health coverage, not upscale "Cadillac" plans meant for Wall Street executives. The thought of losing their current medical plan is not what was promised under the ACA.

This year, the National Education Association commissioned a report by the actuarial firm Milliman and found the excise tax disproportionately affects women, older employees and workers in high-cost insurance markets. The belief that high-cost medical insurance plans offer over generous health benefits just because workers pay a higher premium is a myth. Factors that contribute to these high premiums simply have to do with a person's age, gender and where they live.

The Machinists Union fully supports Sen. Brown's bill to repeal the excise tax and urges you to consider not only supporting it, but becoming a co-sponsor on the legislation. To co-sponsor Sen. Brown's bill, please contact **Abigail Duggan at 202-224-3978 or via email at [Abigail\\_Duggan@brown.senate.gov](mailto:Abigail_Duggan@brown.senate.gov).**

If you have any questions, please contact IAM Legislative Director Hasan Solomon at (301) 967-4575.

Sincerely,

R. Thomas Buffenbarger  
International President