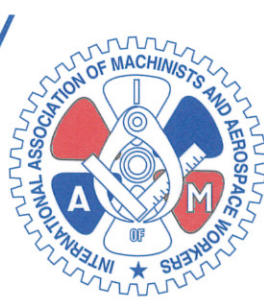


**International
Association of
Machinists and
Aerospace Workers**



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Upper Marlboro, Maryland 20772-2687

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OFFICE OF THE INTERNATIONAL PRESIDENT

July 15, 2019

Dear Representative,

On behalf of the International Association of Machinists and Aerospace Workers (IAM) , I strongly urge you to support working families and vote “Yes” on the bipartisan Middle Class Health Benefits Tax Repeal of 2019, H.R. 748. This vital legislation introduced by Representatives Joe Courtney (D-CT) and Mike Kelly (R-PA) would rightly repeal the 40% health benefits tax on employer-sponsored healthcare before working Americans and their families are further impacted by this onerous tax.

In a time where so many Americans are feeling the pinch of rising healthcare costs, the so-called “Cadillac Tax”, as it is commonly known, is a gut punch directed squarely at the middle class and working families. Despite several delays in its implementation, millions of Americans are already feeling the impact of the 40 percent health benefits tax. They feel its impact at the doctor’s office and at the bargaining table as employers increase deductibles, reduce benefits, and drop plan options to prepare for the tax’s looming threat. In order to halt its harmful repercussions on American workers, the tax must not simply be further delayed, but swiftly repealed.

Originally, the 40% health benefits tax was intended only to be levied only on “gold-plated” health insurance plans with very rich benefits. However, the realities of continued medical cost inflation, an aging workforce, and new medical technologies are pushing the cost of even modest plans above the tax’s threshold. We also know that the impact of the tax would disproportionately burden certain demographics that often face higher healthcare premiums. Plans hit by the tax often cover more female employees, more workers with dependent children, more senior workers, employees at smaller businesses, and employees with physically demanding jobs.

To be clear, it is not employers or insurance companies who will end up shouldering the tax’s burden; it is workers and middle-class families who end up floating the bill for this regressive tax. Researchers at CUNY School of Public Health found the 40 percent health benefits tax will “disproportionately harm families with incomes between \$38,550 and \$100,000, while sparing the wealthy”. This tax will only serve to increase healthcare costs and reduce benefits for working Americans in a time where they simply cannot afford to pay more for less coverage.

For all of these reasons, **I urge you to support working families and vote “Yes” on H.R. 748, the Middle Class Health Benefits Tax Repeal of 2019.**

For more information, please contact IAM Legislative Director Hasan Solomon at (301)967-4575 or hsolomon@iamaw.org.

Thank you,

Robert Martinez, Jr.
International President