



November 4, 2019

Dear Senator:

On behalf of the Federal-Postal Coalition, an alliance of thirty organizations representing over five million active and retired federal and postal employees, we urge you to cosponsor and champion the bipartisan “Middle Class Health Benefits Tax Repeal Act” (S. 684) and to urge a vote on the bill before the end of the year. There is strong momentum behind S. 684, which currently has 62 bipartisan Senate cosponsors and its House companion bill, which the House approved in July 2019 with an overwhelming vote of 419-6. This pro middle-class bill would repeal the 40% tax on high-cost health benefits and make health care more affordable.

The Federal-Postal Coalition is specifically concerned that this tax will lead to reduced health benefits and increased medical expenses for federal government and postal employees and retirees. In addition, guidance by the Office of Personnel Management (OPM) to health insurers in Federal Employees Health Benefits (FEHB) program, stated: “To remain competitive, it is imperative for Plans to avoid this additional cost (FEHB Program Carrier Letter No. 2018-05). Furthermore, OPM states, “FEHB carriers should continue with development of respective contingency plans in preparation for the excise tax” (FEHB Program Carrier Letter No. 2018-01). It is expected that these federal plans would reduce their costs by hollowing out health benefits and raising workers’ medical costs. This is no way to treat dedicated federal public servants who go to work every day to keep our nation running.

The looming implementation of this tax has been encouraging employers and insurance companies to reduce health benefits in both the private and public sectors. This harmful tax is increasing health care coinsurance, copays, and deductibles, and worsens the health care affordability crisis afflicting not only the federal and postal employees and retirees we represent, but millions of others across the country. This tax should have been repealed long ago.

The Federal-Postal Coalition hopes that you will cosponsor and champion S. 684 and permanently repeal this harmful 40% tax. Should you have any questions or concerns, please contact Federal-Postal Coalition Chair Kori Blalock Keller at kbkeller@nalc.org.

Sincerely,

Kori Blalock Keller
Chair, Federal-Postal Coalition

The Federal-Postal Coalition includes the following organizations:

American Federation of Government Employees (AFGE)

American Federation of State, County and Municipal Employees (AFSCME)

American Foreign Service Association (AFSA)
American Postal Workers Union (APWU)
FAA Managers Association (FAAMA)
Federal Managers Association (FMA)
Federally Employed Women (FEW)
International Association of Fire Fighters (IAFF)
International Brotherhood of Electrical Workers (IBEW)
International Federation of Professional and Technical Engineers (IFPTE)
Laborers International Union of North America (LIUNA)
National Active and Retired Federal Employees Association (NARFE)
National Air Traffic Controllers Association (NATCA)
National Association of Assistant United States Attorneys (NAAUSA)
National Association of Government Employees (NAGE)
National Association of Federal Veterinarians (NAFV)
National Association of Letter Carriers (NALC)
National Association of Postal Supervisors (NAPS)
National Council of Social Security Management Associations (NCSSMA)
National Education Association
National Federation of Federal Employees (NFFE)
National Postal Mail Handlers Association (NPMHU)
National Rural Letter Carriers Association (NRLCA)
National Treasury Employees Union (NTEU)
National Weather Service Employees Organization (NWSEO)
Organization of Professional Employees of the U.S. Department of Agriculture (OPEDA)
Patent Office Professional Association (POPA)
Professional Aviation Safety Specialists (PASS)
Professional Managers Association (PMA)
Senior Executives Association (SEA)
United Postmasters and Managers of America (UPMA)