

Action Alert: NRLN Says It's Wrong To Tax Health Care Benefits

With the arrival of Spring, a dangerous case of "Potomac fever" has emerged in Washington, DC. The source of the malady is the proposal in the Senate Finance Committee to tax Americans on the value of health care benefits received from employers. According to news reports, a number of U.S. Senators, Representatives and leaders in the Obama Administration are "infected" with this misguided ailment.

I have sent a letter to the Democrat chairmen and Republican ranking members of key Senate and House committees to oppose the talk about taxing recipients of employer-sponsored health care benefits. As a member of the NRLN Grassroots Network, your help is needed to nip this "fever" in the bud before it spreads to others in Congress and the Administration. Here are the "symptoms" we must address:

The portion of premiums paid by employers is currently treated as a tax-free benefit to employees and retirees. Some Senators who are seeking ways to pay for health care reform do not favor totally eliminating the tax-free status of employer-sponsored health care benefits. They think it needs to be "trimmed and limited." Other lawmakers have proposed eliminating the exclusion entirely and replacing it with a tax credit or deduction. Since a bill has not yet been introduced, we must move quickly to try to prevent legislation that would harm retirees who receive employer-sponsored health care benefits.

President Obama promised during his campaign that if elected nothing would change for employees who get their insurance through their jobs. However, administration officials are signaling to Congress that President Obama could support taxing some employee (and, we assume, retiree) health benefits.

Peter R. Orszag, the President's budget director, has written favorably of taxing some employer-provided health benefits and using the revenue savings for other health-related incentives. So has another Obama adviser, Jason Furman, the deputy director of the White House National Economic Council.

The latest government figures, for 2007, show that 70 percent of the 253 million people with health insurance received at least some of their coverage through employers. Many NRLN members are part of this group. Placing a tax on employer-sponsored benefits would inflict a severe financial burden on many Americans, especially retirees living on fixed incomes and whose savings have been decimated by the economic meltdown.

The antidote for this latest case of "Potomac fever" is for members of Congress and President Obama to receive a strong dose of outrage from retirees and workers. I urge you to immediately email and call your U.S. Senators, Representatives and the White House to voice your opposition to the proposed tax on employer-sponsored health care benefits.

The NRLN has provided a sample letter for you to email to your members of Congress and President Obama. Please go to <http://capwiz.com/abtr/home/> to access the NRLN Action Alert. Look for the Action Alert headline: **IT'S WRONG TO TAX HEALTH CARE BENEFITS**. Click on "Take Action." On the next screen, type in your zip code and click "GO" to access the sample letter. Be sure to personalize the letter with your own comments. If you have a problem accessing the Action Alert with the

above link, go to www.nrln.org and click on the “Take Action Now” headline at the top of the NRLN Website’s Home Page. Send your email today.

Also, call the Washington or state office of your Senators and Representative and the White House. Phone numbers can be found through the NRLN’s Capwiz website at <http://capwiz.com/abtr/dbq/officials/> . The more constituents who write and call their Senators and Representatives and the President, the better chance there is in gaining their attention on this important retirement issue.

Please share this email with your family and friends and encourage them to write and call their members of Congress and the President. In addition, encourage them to sign up in the Grassroots Network at <http://capwiz.com/abtr/mlm/signup/> and become an NRLN Individual Member by making a personal annual contribution. Details are available at www.nrln.org .

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