

June 15, 2016

The Honorable Charles Boustany  
U.S. House of Representatives  
1431 Longworth House Office Building  
Washington, D.C. 20515

The Honorable Mike Thompson  
U.S. House of Representatives  
231 Cannon House Office Building  
Washington, D.C. 20515

Dear Representative Boustany and Representative Thompson:

On behalf of the undersigned businesses, national, state and local trade associations, and organizations representing millions of American workers and their families, we write in support of the *Small Business Health Care Relief Act* (H.R. 5447). We appreciate your leadership in introducing this legislation, which will allow small businesses to provide Health Reimbursement Arrangements (HRAs) to employees with health insurance. These HRAs will permit businesses to offer pre-tax dollars to insured employees to help pay premiums and/or other out-of-pocket costs associated with medical care and services.

In 2013, the Internal Revenue Service issued guidance dictating that all employers that fail to offer a group health plan, but provide tax preferred dollars through an HRA for their workers to pay health insurance premiums or other direct medical expenses, will be fined \$100 per day, per employee. Over the course of a year, that is \$36,500 per employee and up to \$500,000 in total. This \$100 per day penalty went into effect on July 1, 2015.

The *Small Business Health Care Relief Act* will allow small businesses that are not subject to the shared responsibility provision to provide HRAs to help their workers and families pay for premiums and/or other medical expenses. This provides small employers with necessary additional flexibility and allows those small companies – the majority of whom do not have human resource departments or benefits specialists – a simpler, easier way to help their employees with rising medical costs.

This is a bipartisan opportunity to improve affordable health care options for small businesses, and we urge Congress to move swiftly to pass this vital legislation so that more small employers can help their workers defray the high cost of insurance premiums and/or other out-of-pocket medical expenses. Thank you for considering our views.

Air Conditioning Contractors of America  
American Dental Association  
American Farm Bureau Federation  
American Horticulture Industry Association – AmericanHort®  
American Independent Business Coalition  
American Rental Association  
American Subcontractors Association, Inc.  
America's Business Benefit Association  
Associated General Contractors  
Auto Care Association

Communicating for America, Inc.  
Council for Affordable Health Coverage  
Door and Hardware Institute  
Family Business Coalition  
Global Cold Chain Alliance  
Healthcare Leadership Council  
Heating, Air-conditioning & Refrigeration Distributors International  
Insurance Benefits and Advisors, LLC  
International Association of Refrigerated Warehouses  
International Franchise Association  
LyfeBank  
National Association for the Self-Employed  
National Association of Home Builders  
National Association of Manufacturers  
National Association of the Remodeling Industry  
National Association of Towns and Townships  
National Association of Wholesaler-Distributors  
National Christmas Tree Association  
National Club Association  
National Electrical Contractors Association  
National Electrical Manufacturers Representatives Association  
National Federation of Independent Business  
National Grange  
National Lumber and Building Material Dealers Association  
National Marine Distributors Association  
National Restaurant Association  
National Retail Federation  
National Small Business Association  
NPES, The Association for Suppliers of Printing, Publishing, and Converting Technologies  
Outdoor Power Equipment and Engine Service Association  
Padgett Business Services  
Pet Industry Distributors Association  
Petroleum Marketers Association of America  
Promotional Products Association International  
Retail Industry Leaders Association  
Sanofi  
Saturation Mailers Coalition  
Service Station Dealers of America and Allied Trades  
Small Business & Entrepreneurship Council  
Small Business Council of America  
Small Business Legislative Council  
SMART, Secondary Materials and Recycled Textile Association  
Society of American Florists  
Southern Consumers Alliance  
Specialty Equipment Market Association  
Specialty Tools & Fasteners Distributors Association

Textile Care Allied Trades Association  
The Latino Coalition  
Tire Industry Association  
U.S. Chamber of Commerce  
Western Equipment Dealers Association  
WEX Health  
Window and Door Manufacturers Association  
Zane Benefits