June 15, 2016

The Honorable Charles Boustany  The Honorable Mike Thompson
U.S. House of Representatives U.S. House of Representatives
1431 Longworth House Office Building 231 Cannon House Office Building
Washington, D.C. 20515 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