



January 19, 2018

Majority Leader Mitch McConnell
United States Senate

Minority Leader Charles Schumer
United States Senate

Dear Leaders McConnell and Schumer,

On behalf of the Society for Human Resource Management (SHRM) and our 285,000 members, I am writing in strong support of the two-year delay of the 40 percent "Cadillac Tax" on high-value, employer-sponsored health insurance benefits currently included in H.J. Res. 125, the Extension of Continuing Appropriations Act.

SHRM is the world's largest HR professional society, and is the leading provider of resources serving the needs of HR professionals and advancing the practice of human resource management. SHRM members design and implement health care benefit plans for employees and their families. As the providers of health care coverage to more than 178 million Americans, employer-sponsored plans are the bedrock of the U.S. health care system and the largest providers of health insurance to individuals in the United States. Because more than half of all Americans get coverage at work (66 percent of the workforce), SHRM believes public policy must strengthen the employer-based health care system.

Although not effective until 2020, HR professionals and employers are already restructuring their health care benefit offerings to avoid the tax. As 2020 approaches, more employers will closely scrutinize their health benefit offerings and will make the necessary changes to avoid the tax. For example, many employers may be forced to cut benefits, alter wellness and chronic care prevention programs, and reduce innovative new benefit offerings. In addition, while the excise tax is only intended to target high-value plans, modest plans will also be impacted. This means millions of Americans and their families could face higher copays and deductibles, causing some to decline employer-provided health care.

The Cadillac Tax must be dealt with well in advance of implementation time, otherwise employees could see further changes in their benefit options. For these reasons, I urge you to support the two-year delay of the Cadillac Tax included in H.J. Res. 125.

Sincerely,

A handwritten signature in blue ink, appearing to read "Johnny C. Taylor, Jr.", is written over a light blue circular stamp.

Johnny C. Taylor, Jr., SHRM-SCP
President & CEO
Society for Human Resource Management

cc: U.S. Senate