

(2016 Date)

The Honorable Charles Grassley  
U.S. Senate  
135 Hart Office Building  
Washington, DC 20510

The Honorable Heidi Heitkamp  
U.S. Senate  
502 Hart Office Building  
Washington, DC 20510

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

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

Dear Senators Grassley and Heitkamp and Representatives Boustany and 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 Healthcare Relief Act* (S. 1697/H.R. 2911). 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's \$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 Healthcare 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.

Sincerely,

American Farm Bureau Federation  
Associated Builders and Contractors  
Associated General Contractors  
Council for Affordable Health Coverage  
Family Business Coalition  
Heating, Air-conditioning and Refrigeration  
Distributors International  
National Association for the Self-Employed  
National Association of Home Builders  
National Association of Manufacturers  
National Association of Towns and Townships

National Association of Wholesaler-Distributors  
National Federation of Independent Business  
National Retail Federation  
National Small Business Association  
Retail Industry Leaders Association  
Small Business Council of America  
Small Business Legislative Council  
Small Business Majority  
South Carolina Chamber of Commerce  
U.S. Chamber of Commerce  
Zane Benefits