



July 8, 2009

Dear Senator or Representative:

As leaders of our organizations, the International Brotherhood of Electrical Workers (IBEW) and the National Electrical Contractors Association (NECA), we write jointly as labor and management, united in strong opposition to any healthcare reform proposal that taxes benefits.

For many years, through the collective bargaining process, IBEW and NECA have negotiated healthcare benefits in lieu of wages. To this day, our joint labor-management, multi-employer healthcare plans have successfully provided coverage for millions of workers and their families in the electrical contracting industry.

There are two incentives built into the tax code that assist in the negotiation of benefits. One, NECA electrical contractors are exempted from paying taxes on monies used to provide healthcare benefits, and two; IBEW electricians, apprentices, and telecommunication installer/technicians do not pay taxes on the value of employer-provided healthcare coverage. This tax exemption provides a much needed assist as much of our non-union competition does not provide healthcare coverage for their workers.

As Congress debates how to finance health care reform it strikes us as perverse to tax those who have negotiated good healthcare, to help pay for those who have not. Taxing healthcare benefits would take monies from both contractors and workers alike adding unnecessary costs to doing business in the very competitive electrical contracting industry.

A national survey done in 2009 by Lake Research Partners showed 80 percent of likely voters opposed to taxing healthcare benefits. It's clear the American people want healthcare costs lowered, not raised. The President campaigned against eliminating the tax exclusion of healthcare benefits. Any proposal to tax healthcare benefits undermines support for healthcare reform.

The notion of taxing benefits is flawed and we strongly urge you to oppose any proposals that tax employer provided healthcare.

Sincerely,

Edwin D. Hill
International President
IBEW

John Grau
Chief Executive Officer
NECA

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