

Update of Key Points on Benefits Tax Improvements

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- We are very encouraged by the progress that has been made on health care reform in the last few days, and we are working diligently to improve the bill to make it fairer for working people across the country.
- The bill will not be perfect and we will not get everything we want. But despite the efforts of recalcitrant Republicans who have opposed every health care measure because they want to see health care reform fail, we are now looking at the outlines of a final health care bill that should be seen as a milestone in the long journey toward comprehensive reform.
- We are deeply proud of the constructive role labor has played in advancing health care reform.
- Multiple ideas to make financing more fair and help affected working families are being considered. These include:
 - Raising the threshold at which family plans are taxed from \$23,000 to \$24,000 in 2013 for all working families, with annual increases of Consumer Price Index plus one. The threshold for single plans will be \$8,900. (Taft Hartley plans will be considered at the family rate.)
 - Raising the threshold on plans further if health care costs grow faster than expected from 2010-2013
 - Exempting dental and vision costs beginning in 2015 (which could raise the threshold as much as \$2000)
 - Raising the threshold for plans that have significant numbers of women and/or older workers.
 - Preserving the original Senate proposal to raise the threshold for plans with workers in high risk professions, affecting more than 9 million workers.
 - Preserving the original Senate proposal that would raise the threshold for plans with retirees age 55 and up.
 - Providing transitional relief for employers and workers to adjust to tax:
 - * Temporarily raising the threshold for high cost states, affecting more than 38 million workers.
 - * Providing a five year transition window for state and local employee plans and plans negotiated through collective bargaining agreements before they are subject to the tax, as typically done when federal laws affecting workers are enacted so that agreements will not have to be renegotiated.
 - Giving bargaining plans the ability to go into the exchange beginning in 2017.
- While we have seen good progress, we are continuing to fight hard for our priorities in health care reform. This has been a long fight and it's not over yet. We will continue to encourage Democrats in the House and Senate to support a bill that makes quality health care more affordable and accessible for all working families.