December 4, 2015

The Honorable Mitch McConnell
Majority Leader
U.S. Senate
Washington, DC 20510

The Honorable Paul Ryan
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Harry Reid
Democratic Leader
U.S. Senate
Washington, DC 20510

The Honorable Nancy Pelosi
Democratic Leader
U.S. House of Representatives
Washington, DC 20515

Dear Bipartisan Leaders:

We are writing to respectfully request that you work together to pass bipartisan legislation in 2015 to not only protect small businesses from outrageous fines, but also allow employees to continue to receive assistance in paying for health coverage and for qualified medical expenses.

Historically, many small business owners reimburse employees for medical care and services through Health Reimbursement Arrangements (HRAs). However, since July 1, 2015, these businesses, which are voluntarily providing financial assistance to help employees pay for health care through an HRA, are now subject to a $100 per day, per employee fine – totaling $36,500 per employee annually, up to $500,000 total. This is perverse, because these small businesses are helping their workers. It seems irresponsible to us that the Internal Revenue Service would discourage those simply trying to offer assistance to their employees.

To provide much-needed relief, we strongly encourage you to bring the Small Business Healthcare Relief Act (H.R. 2911/S. 1697) to the Floor of the House and Senate for immediate consideration or to include the measure in any moving legislative vehicle. This legislation would allow small businesses with fewer than 50 employees to offer HRAs to employees for the payment of premiums or qualified medical expenses associated with insurance coverage without facing an outrageous fine.

Thank you in advance for your consideration of this bipartisan, responsible small business health care bill. We strongly encourage you to include this common-sense measure in any legislative vehicle moving forward.

Sincerely,

American Rental Association
Associated Builders and Contractors
Associated General Contractors
Auto Care Association
Communicating for America, Inc.
Council for Affordable Health Coverage
Evolution1, Inc. – a WEX Company
Healthcare Leadership Council
Heating, Air-Conditioning & Refrigeration Distributors International
International Franchise Association
National Association for the Self-Employed
National Association of Home Builders
National Association of Towns and Townships
National Club Association
National Federation of Independent Business
National Grange
National Restaurant Association
National Retail Federation
National Small Business Association
Retail Industry Leaders Association
Small Business & Entrepreneurship Council
Small Business Council of America
Small Business Legislative Council
Society of American Florists
U.S. Chamber of Commerce
Zane Benefits