

# ALG Urges Senators Harkin and Grassley to Oppose “Cadillac Tax” Health Care Penalty on Non-Union Workers

Written by Submitted  
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For Immediate Release

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*“It is up to Senators Harkin and Grassley who represent a right-to-work state to stop this tax on non-union*

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*in unions must not be forced to subsidize the other 8 percent who receive union health benefits.”*

– ALG President Bill Wilson

January 14<sup>th</sup>, 2010, Fairfax, VA—Americans for Limited Government President Bill Wilson today [in a letter urged Senators Tom Harkin and Chuck Grassley, who represent a “right-to-work” state, to oppose a 40 percent excise tax](#) on non-union health care plans that “will hit your states and districts particularly hard, and is grossly unfair to non-union workers.”

“I am calling upon you to publicly denounce this blatant attack upon the citizens of your state.

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They will, I am certain, be eagerly awaiting your response,” Wilson declared in his letter, calling the tax on non-union health insurance plans “contemptible.”

“This is absolutely deplorable to American workers, 92 percent of whom do not belong to unions,” wrote Wilson his letter. “In essence, non-union employers and employees will be forced to subsidize the cost of exempting union workers from the tax, which will cost families in your states and districts thousands of dollars a year in additional charges.”

[According to the Associated Press](#) , “Officials say the White House and labor leaders have reached a tentative agreement on how to tax high-value health insurance plans to help pay for a revamped medical system...The proposed tax has been a major sticking point because labor leaders fear union members, with some of the more lucrative benefit plans, would be hurt. President Barack Obama supports it as a way to hold down costs by nudging workers into less pricey coverage.”

The tax, as passed in the Senate bill, would charge insurance companies a 40 percent excise tax on coverage above \$8,500 for an individual and \$23,000 for a family. Within three years, according to the Congressional Budget Office, the tax would apply to nearly 20 percent of all workers. Within six years, it would reach a fifth of all households earning as little as \$50,000 annually.

“Only now,” Wilson said in a statement, “the unions are exempted in a deal hand-crafted by

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Barack Obama.”

According to Wilson’s letter, “Immediately, [the tax] will have three impacts: 1) Health benefits will be cut as many insurers and employers stop providing such plans that were once affordable; 2) Of those plans not cancelled, the costs will be passed on to the insured, raising premiums; and 3) This new Health Care Penalty Tax will be used in Right-to-Work states as a backdoor method to forcing workers to join unions, since union dues would be less than the tax.”

This is a tax aimed at non-union workers and non-unionized businesses, in particularly, small businesses that provide good health coverage to their employees,” Wilson wrote, adding, “Moreover, this tax will disproportionately impact Baby Boomers, women, and the infirmed — in short, anyone that pays higher premiums because of medical need — none of whom have a seat at the closed-door negotiations hastily taking place now.”

“Meanwhile, union bosses of the AFL-CIO and the SEIU have been well-represented, as is indicated by this contemptible union exemption from the 40 percent excise tax,” Wilson wrote.

Previously, Wilson has called for negotiations on what he called a “government takeover of the nation’s health system” to be opened to the public. In a statement, he said this latest exemption for unions “illustrates with clarity why transparency is so important.”

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“The American people have no seat at the table right now, as Congressional leaders make deals with union bosses resulting in kickbacks that non-union workers will have to foot the bill for,” Wilson said.

“It is up to Senators Harkin and Grassley who represent a right-to-work state to stop this tax on non-union health benefits dead in its tracks,” Wilson said, concluding, “There is too much at stake. 92 percent of workers not in unions must not be forced to subsidize the other 8 percent who receive union health benefits.”

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*Americans for Limited Government is a non-partisan, nationwide network committed to advancing free market reforms, private property rights and core American liberties. For more information on ALG please call us at 703-383-0880 or visit our website at [www.GetLiberty.org](http://www.GetLiberty.org).*