

## PRESERVE THE TAX EXEMPTION

The employer-sponsored insurance (ESI) market is the most effective system of delivering health care benefits while reducing health care costs. Employers and employees rely on the tax exemption to receive health care. Adjusting this could be catastrophic to the system.

### ► WHY IT MATTERS

- Approximately half of the non-elderly population in the U.S. (147 million) receives health care coverage through their employer
- The ESI system manages the health of the population through risk assessment, wellness programs, clinical evaluation and behavioral coaching
- ESI is a critical tool used to draw talent to their organization by offering attractive benefits plans
- ESI increases the number of insureds and reduces the use of government assistance programs
- The tax exemption is vital for employees
- According to a 2015 study of 600 employers published by The Council Foundation, employers have sustained as much shock to the system as they can endure with the implementation of the Affordable Care Act. Any further shocks such as altering the tax exemption would cause them to reconsider offering health care coverage for employees—and some 147 million people would risk losing their insurance. This could be a tremendous drain on government resources.
- The cost of health care is rising faster than income. Studies show employers have not and would not increase salary to account for increasing health care costs. If employees had to obtain health care on their own this would be an additional burden on their income.

### ► WHAT THEY'RE SAYING

"Employers don't give you health insurance, they either pay you in the form of cash or in the form of benefits. And one advantage of getting paid in the form of benefits is that you get a tax break."

— Mark Pauly, Professor of Health Care Management at Wharton

"Losing the tax treatment would be a game changer for my organization going forward."

— Large Chicago employer whose approach to employee benefits has made them a top talent recruiter.

### ► OUR POSITION

***Congress must build upon, not erode employer-sponsored insurance.***

### ► ABOUT US

The Council of Insurance Agents & Brokers is an industry association representing 200 of the nation's leading commercial insurance brokers. These brokers design insurance programs for employers to provide health care insurance benefits to employees.