

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