



# NATIONAL ASSOCIATION OF POLICE ORGANIZATIONS, INC.

*Representing America's Finest*

317 South Patrick Street. ~ Alexandria, Virginia ~ 22314-3501  
(703) 549-0775 ~ (800) 322-NAPO ~ Fax: (703) 684-0515  
[www.napo.org](http://www.napo.org) ~ Email: [info@napo.org](mailto:info@napo.org)

## EXECUTIVE OFFICERS

MICHAEL McHALE  
President

*Florida Police Benevolent  
Association*

JOHN A. FLYNN  
Vice President

*Patrolmen's Benevolent  
Association of New York City*

TODD HARRISON  
Recording Secretary

*Combined Law Enforcement  
Association of Texas*

SEAN M. SMOOT  
Treasurer

*Police Benevolent & Protective  
Association of Illinois*

MARC KOVAR  
Sergeant-at-Arms

*New Jersey State Policemen's  
Benevolent Association*

CRAIG D. LALLY  
Executive Secretary

*Los Angeles Police  
Protective League*

RICHARD WEILER  
Parliamentarian

*Police Officers Labor Council  
of Michigan*

WILLIAM J. JOHNSON  
Executive Director and  
General Counsel

December 8, 2015

The Honorable Paul D. Ryan  
Speaker of the House  
United States House of Representatives  
Washington, D.C. 20515

The Honorable Mitch McConnell  
Majority Leader  
United States Senate  
Washington, D.C. 20510

The Honorable Nancy Pelosi  
Minority Leader  
United States House of Representatives  
Washington, D.C. 20515

The Honorable Harry Reid  
Minority Leader  
United States Senate  
Washington, D.C. 20510

## **RE: Repeal of the 40 Percent Excise Tax on Employer-Sponsored Health Plans**

Dear Speaker Ryan, Senator McConnell, Congresswoman Pelosi and Senator Reid:

On behalf of the National Association of Police Organizations (NAPO), I am writing to advise you of our strong support for efforts to repeal of the 40 percent excise tax on high cost employer-sponsored health coverage by the end of this year.

NAPO is a coalition of police unions and associations from across the United States that serves to advance the interests of America's law enforcement through legislative and legal advocacy, political action, and education. Founded in 1978, NAPO now represents more than 1,000 police units and associations, 241,000 sworn law enforcement officers, and more than 100,000 citizens who share a common dedication to fair and effective crime control and law enforcement.

Although the Affordable Care Act sets higher thresholds for the excise tax for workers in high risk professions, such as public safety officers (\$11,850 for an individual and \$30,950 for a family), to qualify for the higher threshold amounts, the majority of members in the healthcare plan must work in high risk professions. **Many public safety officers would not qualify for the higher threshold amounts, as they participate in general healthcare plans where the majority of participants do not work in high risk professions.**

The higher thresholds set for public safety officers thus will not adequately protect officers from the tax burden, as thousands of officers participate in plans that include a majority of employees who do not work in high risk professions.

Public safety officers and their families across the country will be negatively impacted by the "Cadillac" health plan tax. To illustrate this point, officers in NAPO member groups, including the Phoenix Law Enforcement Association, Police Conference of New York State, Boston Police Patrolmen's Association, Dade County (Miami) Florida Police Benevolent Association, the Wisconsin Professional Police Association and the Postal Police Officers' Association will be negatively impacted by the "Cadillac" health insurance plan tax. Members of the Sarasota Police Department (Florida), Waltham

Police Department (Massachusetts), and Southold Town Police Department (New York) will also be negatively impacted by the tax. These public safety officers would not qualify for the higher threshold amounts, as they participate in health insurance plans where the majority of participants do not work in high risk professions. Even more, the aforementioned groups represent thousands of police officers across the nation, but only a fraction of the public safety officers who will be negatively impacted by the “Cadillac” health insurance plan tax.

The American Health Policy Institute came out with a new report that found that **almost 90% of large employers**, including state, county and city governments, are already taking steps to no longer offer health plans that would trigger the tax. The report also found that:

- More than 30% of large employers said that they would have at least one plan impacted by the tax and almost half of employers who would not have plan impacted by 2018 said they would have a plan impacted by 2023.
- About 19% of employers were already curtailing or eliminating employee contributions to flexible spending accounts, and 13% were doing the same to health savings accounts.
- 71% of employers planning to reduce their plan values said they most likely would not provide a corresponding wage increase.

The Excise Tax is not just a tax on health plans; it is a loss of earned wages and benefits. Therefore, NAPO urges Congress to pass a repeal of the excise tax as part of one of the must-pass legislative vehicles currently being considered, including any tax extender package.

Thank you for your consideration. Please feel free to contact me at: (703) 549-0775.

Sincerely,

A handwritten signature in black ink, appearing to read 'William J. Johnson', with a long horizontal line extending to the right.

William J. Johnson  
Executive Director

Cc: Members, United States Senate  
United States House of Representatives