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## Health Care Tax: Union Leaders Outline Big Improvements for All Working Families

Posted By [Mike Hall](#) On January 14, 2010 @ 6:20 pm In [Legislation & Politics](#) | [8 Comments](#)



Following two days of intense negotiations at the White House, union leaders believe they are on the verge of winning significant improvements for working families in the pending health care reform legislation.

In a conference call this afternoon with leaders from AFL-CIO unions, Change to Win unions and the National Education Association ([1] [NEA](#)), AFL-CIO President Richard Trumka told reporters the final health care bill he expects to emerge is "a milestone."

"We've been fighting for health care for over 60 years, and we are on the threshold of a significant achievement....But we don't look at this as the end of the fight, but another step in the quest for real reform."

The discussions with the White House envision major changes for all working families in the excise tax that the Senate bill imposes on high-cost health care

plans, including:

- Raising the threshold at which family plans are taxed from \$23,000 to \$24,000 in 2013 for all working families, with annual increases of Consumer Price Index plus one. The threshold for single plans will be \$8,900. (Taft Hartley plans will be considered at the family rate.)
- Raising the threshold on plans further if health care costs grow faster than expected from 2010-2013.
- Exempting dental and vision costs beginning in 2015, which could raise the threshold as much as \$2,000.
- Raising the threshold for plans that have significant numbers of women and/or older workers.
- Preserving the original Senate proposal to raise the threshold for plans with workers in high-risk professions, affecting more than 9 million workers.
- Preserving the original Senate proposal that would raise the threshold for plans with retirees age 55 and up.
- Providing transitional relief for employers and workers to adjust to the tax.
- Temporarily raising the threshold for high-cost states, affecting more than 38 million workers.
- Providing a five-year transition window for state and local employee plans and plans negotiated through collective bargaining agreements before they are subject to the tax, as typically is done when federal laws affecting workers are enacted so that agreements will not have to be renegotiated.
- The ability for bargaining plans to go into the exchange in 2017.

NEA President Dennis Van Roekel said:

The progress we've made bolsters our belief that a nation as great as America can provide health care reform without unfairly penalizing our working families in the process.

There are several other areas still to be resolved before a final bill is achieved, including employer responsibility to pay a fair share of health care costs. As Trumka said today:

We've seen tremendous progress over last couple of days, but we are continuing the fight to increase our priorities in the health care reform bill.

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[1] NEA: <http://www.nea.org/>