



January 13, 2010

Senator Harry Reid  
Senate Majority Leader  
522 Hart Senate Office Building  
Washington, DC 20510

Dear Senator Reid:

The Screen Actors Guild and its 120,000 members wish to express our sincere appreciation for your efforts in the thoughtful crafting of comprehensive health care reform legislation.

You are approaching, in the coming months, a critical time in finalizing the ultimate outcome of this effort. A primary goal inherent in the policy of health care reform is the reduction of benefit costs for working and middle class America. However, SAG has serious concerns that the excise tax provision in the Senate version of the health care reform legislation will substantially undermine this essential goal.

The Senate bill will place a tremendous tax burden on the health plans of the members of SAG, as well as other middle and working class union members, to finance the costs of the legislation. The proposed excise tax on health coverage above the "annual limitation" amount will have the effect of potentially penalizing the SAG multi-employer health plan for providing quality coverage to our members. The excise tax will result in increased costs to our plan that could be spent expanding the availability of benefits and reducing costs to the membership.

Our members' participation in our multi-employer health plan is a product of years of negotiation. SAG, and other unions, engaged in these negotiations for health benefits in order to keep up with the rising cost of health care. Higher wages were sacrificed at the bargaining table in order to obtain quality health benefits for union members. Unfortunately, the Senate bill's tax provision would tax the very health plans our members sacrificed higher wages to acquire. Such a result fundamentally undermines the primary goal of meaningful health care reform, the creation of affordable health benefits.

The Senate version of health care reform is unacceptable as it will increase the cost incurred by health care plans to provide benefits and undercuts the cost reduction rationale for the legislation in that it will increase the cost of providing quality healthcare for working and middle class Americans such as our members.

I hope you will continue to support working families and oppose the Senate excise tax provision.

Sincerely,

Ken Howard  
National President

David P. White  
National Executive Director