



September 10, 2018

The Honorable Paul Ryan
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Nancy Pelosi
Democratic Leader
U.S. House of Representatives
Washington, DC 20515

Dear Speaker Ryan and Democratic Leader Pelosi:

I write to share the strong support of the National Retail Federation (NRF) for H.R. 3798, the Save American Workers Act. Please note that NRF may consider votes on H.R. 3798 and related procedural motions as Opportunity Index Votes for our annual voting scorecard.

The National Retail Federation is the world's largest retail trade association. Based in Washington, D.C., NRF represents discount and department stores, home goods and specialty stores, Main Street merchants, grocers, wholesalers, chain restaurants and Internet retailers from the United States and more than 45 countries. Retail is the nation's largest private sector employer, supporting one in four U.S. jobs – 42 million working Americans. Contributing \$2.6 trillion to annual GDP, retail is a daily barometer for the nation's economy.

As revised, H.R. 3798 will address several key NRF priorities for mitigating the adverse impact of the Affordable Care Act on retail employers and employees. The legislation would provide retroactive relief from the ACA's employer mandate penalties. In addition, the bill would delay the so-called Cadillac tax on the value of health plans by an additional year. Further, reflecting Rep. Walorski's underlying bill, H.R. 3798 would restore the definition of a full-time week for health benefit eligibility to 40 hours. The legislation would also provide limited relief from the ACA's well-recognized and burdensome reporting problems. Finally, the legislation would repeal the so-called Tanning tax.

Many of the concerns NRF expressed prior to enactment of the ACA have been demonstrated in the years since enactment, despite all our hard work with regulators to mitigate their impact. The employer mandate proved to be disruptive and difficult to comply with. Small businesses were faced with the tough choice of staying below the 50-full-time employee definition or becoming subject to the mandate. The reporting process for determining compliance with the employer and individual mandates and for health tax credit eligibility purposes was needlessly complicated and resulted in inadvertent errors and heavy ACA penalties. Many of these penalties have been negotiated away with the IRS but that is an expensive proposition, too.

National Retail Federation
September 10, 2018
Page Two

ACA compliance has added to the challenges employers face in managing employees. The definition of a full-time employee at 30 hours forced retailers to manage to a new standard: whether or not an hourly employee is above or below the 30-hour level on average. For part-time employees, it meant 29 or fewer hours per week and less income. The Cadillac tax – ostensibly directed to only the most expensive plans – threatens mainstream plans, even with its current effective date in 2022. This bill would grant an additional year of relief from the Cadillac tax to 2023.

We believe that H.R. 3798 will provide needed relief from many of the ACA's disparate burdens and advance more affordable health benefits for retail employees. We strongly urge your support for H.R. 3798.

Sincerely,

A handwritten signature in black ink, appearing to read "David French", written in a cursive style.

David French
Senior Vice President
Government Relations

cc: Members, U.S. House of Representatives