



THE ERISA INDUSTRY COMMITTEE

1400 L Street NW, Suite 350, Washington DC 20005 (202) 789-1400 fax: (202) 789-1120 www.eric.org
Advocating the Benefit and Compensation Interests of America's Major Employers

March 29, 2006

Dear Conferee:

As an organization representing America's major employers, companies that sponsor health benefits to millions of Americans, The ERISA Industry Committee (ERIC) is writing to urge your support of House provisions in the Pension Protection Act (H.R. 2830) that will affect the healthcare of millions of US employees. It is estimated that more than 20 million American workers have Flexible Spending Accounts (FSAs), yet more than 80 percent of employees eligible for FSAs choose not to have them because of the FSAs' "use-it-or-lose-it" rule. The Pension Protection Act would partially resolve that issue and make it possible for workers to take advantage of FSAs if they choose to do so.

The ERISA Industry Committee (ERIC) is a non-profit trade association committed to the advancement of employee retirement, health, and compensation plans of America's largest employers. We represent exclusively the employee benefits interests of major employers. ERIC's members provide comprehensive retirement, healthcare coverage and other benchmark economic security benefits directly to tens of millions of active and retired workers and their families. ERIC has a strong interest in economic policy affecting our members' ability to deliver those benefits, their cost and their effectiveness, as well as the role of those benefits in America's economy.

A provision in H.R. 2830, although not mirrored in S. 1783, would permit an annual rollover of \$500 in employee FSAs, a move that ERIC believes will lead more employees to move towards these consumer-driven plans, will save money for employees and employers by connecting employees with the costs of healthcare, and will help employers continue to offer quality health plans to their employees. While limiting the "use-it-or-lose-it" rule is certainly not free, it is a worthwhile goal that will improve the overall U.S. healthcare system, and will be a positive step toward providing better, more affordable healthcare to the tens of millions of Americans that ERIC members sponsor.

By encouraging American workers to move to consumer-directed health plans through improving FSAs and creating a \$500 rollover, you will be supporting choice, consumer-freedom, personal responsibility, and a major solution to the unsustainable and rapidly-rising costs of healthcare in the U.S. ERIC members are committed to offering quality healthcare to their employees, and they need your help to improve care and control costs.

Sincerely,

[Signed]

Mark J. Ugoretz
President

Cc: The Honorable Chuck Grassley
The Honorable Orrin Hatch
The Honorable Orrin Hatch
The Honorable Trent Lott
The Honorable Olympia Snowe
The Honorable Rick Santorum
The Honorable Mike Enzi
The Honorable Judd Gregg
The Honorable Mike DeWine
The Honorable Johnny Isakson
The Honorable Max Baucus
The Honorable Jay Rockefeller
The Honorable Kent Conrad
The Honorable Jeff Bingaman
The Honorable Ted Kennedy
The Honorable Tom Harkin
The Honorable Barbara Mikulski

Cc: The Honorable Howard McKeon
The Honorable John Boehner
The Honorable Sam Johnson
The Honorable John Kline
The Honorable Patrick Tiberi
The Honorable George Miller
The Honorable Donald Payne
The Honorable Rob Andrews
The Honorable Bill Thomas
The Honorable Dave Camp
The Honorable Charles Rangel