

Dear Senator/Representative \_\_\_\_\_:

I am writing to ask your sponsorship of legislation recently introduced by Senators Sherrod Brown, Bob Casey, Jay Rockefeller and Debbie Stabenow in the 112<sup>th</sup> Congress as **S.221**. This legislation would extend current modifications to the Health Coverage Tax Credit program (HCTC) set to expire on February 13, 2011, until July 1, 2012.

I am a retired Delta pilot receiving partial payment of my pension from the PBGC. The provisions of **S.221** are very important in maintaining health care for many retirees who have been devastated by permanent pension losses. If the provisions of **S.221** are not enacted, health care insurance costs for PBGC recipients between the ages of 55 and 64 will increase significantly.

The pension losses suffered by the assumption of the pensions of Delta pilots by the PBGC are permanent and will affect our lives for years to come. The provisions of **S.221** will provide some permanence to our health care planning and help mitigate the loss of our pensions and healthcare benefits.

**Action Requested:** Co-sponsor **S.221**--this legislation will:

- REAUTHORIZE** and continue the Monthly Reimbursement Program;
- REAUTHORIZE** and continue the HCTC tax credit at 80%;
- INCORPORATE** the Qualified Family Member program as a **PERMANENT** part of the HCTC program.
- REMOVE** the maximum 24 month time limit that a pre-Medicare Qualified Family Member is eligible to participate in the program.
- All VEBAs created during the authorized time frame should be **PERMANENTLY** considered an HCTC qualified VEBA for the duration of its existence. Otherwise, the uncertainty of their status is a deterrent to the participants who consider leaving other insurance plans to join an HCTC plan.

**HCTC Cost Analysis:** The Joint Committee on Taxation (JCT) budget projections are as follows:

- Budgeted 2009----\$500M-----Actual Credit claimed \$139M
- Budgeted 2010----\$500M-----Actual Credit claimed Est. \$228M

Over the life of the HCTC program 2003-2010:

- Budgeted----\$4.6B---Actual Credit claimed \$2.68B.

This tax credit only applies to a limited number of individuals, during a specific window of time when they are receiving PBGC benefits between the ages of 55 and 64. There are also a restricted number of qualified health plans where the tax credit can be claimed. This program is unlike other entitlement programs like Medicare and Medicaid because it applies to a narrow scope of individuals, who are in a distressed financial situation, for a limited amount of time. In most cases, this tax credit is their only lifeline to healthcare, which would otherwise be unaffordable. Even though the provisions of the HCTC are already included in the federal budget and the program has operated below its projected budget from its inception, **S.221** includes new provisions to pay for this temporary extension of enhanced benefits.

Thank you, I look forward to your reply,